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As filed with the Securities and Exchange Commission on July 9, 2013

Registration Statement No. 333-188806

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## AMENDMENT NO. 2 TO
## FORM S-11

*FOR REGISTRATION UNDER*
*THE SECURITIES ACT OF 1933*
*OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES*

# Rexford Industrial Realty, Inc.

**(Exact name of registrant as specified in its governing instruments)**

**11620 Wilshire Boulevard, Suite 300**
**Los Angeles, CA 90025**
**(310) 966-1680**
**(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)**

**Howard Schwimmer**
**Michael S. Frankel**
**Co-Chief Executive Officers**
**Rexford Industrial Realty, Inc.**
**11620 Wilshire Boulevard, Suite 300**
**Los Angeles, CA 90025**
**(310) 966-1680**
**(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)**

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this registration statement.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ (Do not check if a smaller reporting company) | Smaller reporting company | ☐ |

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and is not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated July 9, 2013

PROSPECTUS

# 16,000,000 Shares


## Common Stock

Rexford Industrial Realty, Inc. is a newly formed Maryland corporation that will operate as a self-administered and self-managed real estate investment trust ("REIT") focused on owning and operating industrial properties in Southern California infill markets. Upon completion of our formation transactions and this offering, we will own interests in and operate 61 properties with approximately 6.7 million rentable square feet, including two properties that we currently have under contract to purchase, which we refer to as our initial portfolio, and we will manage an additional 20 properties with approximately 1.2 million rentable square feet.

This is our initial public offering. We are selling 16,000,000 shares of our common stock, $0.01 par value per share.

We expect the public offering price to be between $13.00 and $15.00 per share. Currently, no public market exists for the shares. After pricing of the offering, we expect that the shares will trade on the New York Stock Exchange under the symbol "REXR."

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2013. To assist us in qualifying as a REIT, stockholders are generally restricted from beneficially or constructively owning more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate outstanding shares of all classes and series of our stock. Our charter contains additional restrictions on the ownership and transfer of shares of our common stock. See "Description of Stock—Restrictions on Ownership and Transfer."

**We are an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012. Investing in our common stock involves significant risks. You should read the section entitled "Risk Factors" beginning on page 31 of this prospectus for a discussion of certain risk factors that you should consider before investing in our common stock.**

| | Per share | Total |
|---|---|---|
| Public offering price | $ | $ |
| Underwriting discount (1) | $ | $ |
| Proceeds, before expenses, to us | $ | $ |

(1) See "Underwriting" for additional disclosure regarding the underwriting discounts and expenses payable to the underwriters by us.

The underwriters also may exercise their option to purchase up to an additional 2,400,000 shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus to cover over-allotments of shares, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2013.

**BofA Merrill Lynch** **Wells Fargo Securities** **FBR** **J.P. Morgan**

**PNC Capital Markets LLC** **RBS**

The date of this prospectus is , 2013.

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**You should rely only on the information contained in this prospectus, any free writing prospectus prepared by us or information to which we have referred you. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any free writing prospectus prepared by us is accurate only as of their respective dates or on the date or dates which are specified in those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.**

We use market data and industry forecasts and projections in this prospectus. We have obtained substantially all of the information under "Prospectus Summary—Market Overview" and under "Market Overview" from market research prepared or obtained by DAUM Commercial Real Estate Services (**"**DAUM") in connection with this offering. Such information is included herein in reliance on DAUM's authority as an expert on such matters. See "Experts." In addition, DAUM in some cases has obtained market data and industry forecasts and projections from publicly available information and industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The forecasts and projections are based on

industry surveys and the preparers' experience in the industry, and there is no assurance that any of the projections or forecasts will be achieved. We believe that the surveys and market research others have performed are reliable, but we have not independently verified this information.

This prospectus includes certain information regarding total return to investors achieved by Arden Realty, Inc. during the period in which Richard Ziman, our Chairman, served as the Founding Chairman and Chief Executive Officer of Arden Realty, Inc. The information regarding total return is not a guarantee or prediction of the returns that we may achieve in the future, and we can offer no assurance that we will replicate these returns.

In this prospectus:

- "Rexford," "our company," "we," "us" and "our" refer to Rexford Industrial Realty, Inc., a Maryland corporation, and its consolidated subsidiaries after giving effect to the formation transactions described elsewhere in this prospectus, except where it is clear from the context that the term only means the issuer of the shares of common stock in this offering;
- "annualized rent" means the monthly base rent for the applicable property or properties as of March 31, 2013, but not including billboard and antenna revenue or rent abatements, multiplied by 12 and then multiplied by our percentage ownership interest for such property, and "total annualized rent" means the annualized rent for all of our properties;
- "capitalization rate" is the ratio of a property's annual net operating income to its purchase price;
- "concurrent private placement" refers to a private placement of approximately $47 million of our common stock concurrently with the completion of this offering with certain accredited investors in the Rexford Funds and certain members of the Rexford management team in connection with the formation transactions at a price per share equal to the public offering price in this offering and without payment of any fees, discounts or selling commissions;
- "debt yields" means for the last 12 months, net operating income divided by period-ending debt for the referenced properties;
- "net operating income" or "NOI" means total revenue (including rental revenue, tenant reimbursements, management, leasing and development services revenue and other income) less property-level operating expenses including allocated overhead. NOI excludes depreciation and amortization, general and administrative expenses, impairments, gain/loss on sale of real estate, interest expense and other non-operating expenses;
- "on a fully diluted basis," when used in reference to shares of our common stock, means all outstanding shares of common stock at such time plus all outstanding shares of restricted stock, shares of common stock issuable upon the exercise of outstanding options that have vested and shares of common stock exchangeable, at our discretion, for common units of partnership interest in our operating partnership, or "common units," on a one-for-one basis, including common units issuable upon conversion of LTIP units in our operating partnership, which is not the same as the meaning of "fully-diluted" under generally accepted accounting principles in the United States ("GAAP");
- "on a pro forma basis" means after completion of (i) this offering at an assumed price per share equal to the mid-point of the price range set forth on the front cover of this prospectus, (ii) the formation transactions described herein and (iii) the concurrent private placement described

elsewhere in this prospectus, including the contribution of our predecessor business to our operating partnership and the application of the proceeds of this offering and the concurrent private placement as described under "Use of Proceeds";

- "our operating partnership" means Rexford Industrial Realty, L.P., a Maryland limited partnership, and the subsidiary through which we will conduct substantially all of our business;
- "our predecessor business" or "Rexford Industrial Realty, Inc. Predecessor" means the entities and properties to be contributed to or purchased by our operating partnership and certain of its subsidiaries pursuant to our formation transactions described elsewhere in this prospectus;
- "prior investors" refer to the prior investors in the Rexford Funds and the management companies, including certain of our directors and executive officers and certain of their affiliates;
- "Rexford Funds" refer to the five private equity real estate funds: Rexford Industrial Fund I, LLC ("Fund I"), Rexford Industrial Fund II, LLC ("Fund II"), Rexford Industrial Fund III, LLC ("Fund III"), Rexford Industrial Fund IV, LLC ("Fund IV"), Rexford Industrial Fund V, LP ("Fund V") and its parent, Rexford Industrial Fund V REIT, LLC ("Fund V REIT"), which are a part of our predecessor business. We were formed to acquire the assets and operations of the Rexford Funds and to succeed the business of the Rexford Funds and related management companies and the services company.
- "the management companies" means Rexford Industrial, LLC ("RI, LLC"), Rexford Sponsor V LLC ("Sponsor") and Rexford Fund V Manager LLC, which are part of our predecessor business and provide management services to the Rexford Funds; and
- "the services company" means Rexford Industrial Realty and Management, Inc., a wholly owned subsidiary of RI, LLC.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more detailed explanations of NOI, EBITDA and FFO, and reconciliations of NOI, EBITDA and FFO to net income computed in accordance with GAAP.

## PROSPECTUS SUMMARY

*The following summary highlights information contained elsewhere in this prospectus. You should read carefully the entire prospectus, including "Risk Factors," our financial statements, pro forma financial information, and related notes appearing elsewhere in this prospectus, before making a decision to invest in our common stock.*

*Unless indicated otherwise, the information included in this prospectus assumes (i) no exercise of the underwriters' option to purchase up to 2,400,000 additional shares of our common stock to cover over-allotments, if any, (ii) the completion of the formation transactions and concurrent private placement described in this prospectus, (iii) the shares of common stock to be sold in this offering are sold at $14.00 per share, which is the mid-point of the price range set forth on the front cover of this prospectus and (iv) the initial value of a common unit to be issued in the formation transactions is $14.00 per unit. Each common unit is redeemable at the option of the holder for cash equal to the then-current market value of one share of our common stock or, at our option, one share of our common stock, commencing 14 months following the completion of this offering.*

*The historical operations described in this prospectus refer to the historical operations of our predecessor business. We have generally described the business operations in this prospectus as if the historical operations of our predecessor business were conducted by us.*

**Overview**

Rexford Industrial Realty, Inc. is a newly organized Maryland corporation formed to operate as a self-administered and self-managed REIT focused on owning and operating industrial properties in Southern California infill markets. We were formed to succeed our predecessor business, which is controlled and operated by our principals, Richard Ziman, Howard Schwimmer and Michael Frankel, who collectively have decades of experience acquiring, owning and operating industrial properties in Southern California infill markets. Upon completion of our formation transactions, our initial portfolio will consist of 61 properties with approximately 6.7 million rentable square feet, including two properties that we currently have under contract to purchase, and we will manage an additional 20 properties with approximately 1.2 million rentable square feet.

Our goal is to generate attractive risk-adjusted returns for our stockholders by providing superior access to industrial property investments in Southern California infill markets. Our target markets provide us with opportunities to acquire both stabilized properties generating favorable cash flow, as well as properties where we can enhance returns through value-add renovations and redevelopment. We believe that Southern California infill markets are among the most attractive industrial real estate markets for investment in the United States. Significant fragmentation, scarcity of available space and high barriers limiting new construction all contribute to create superior long-term supply/demand fundamentals. We built our company from the ground up as an institutional quality, vertically integrated platform with extensive value-add investment and management capabilities to focus on this specific market opportunity.

We own both multi-tenant and single-tenant properties comprising approximately 60% and 40% of our portfolio, respectively. Our properties are highly adaptable and appeal to a wide range of potential tenants and uses, which, in our experience, reduces re-tenanting costs, time and risk, thereby enhancing our return on investment. Our tenants generally are small and medium sized businesses that are structurally tied to the Southern California economy and therefore find that locating within our target markets is critical to the ongoing operations of their business. Our initial portfolio is highly diversified by tenant and industry. Of our 693 tenants, no single tenant accounted for more than 2.3% of our total annualized rent and no single industry accounted for more than 11.6% of our total annualized rent, as of March 31, 2013. Our average tenant size is approximately 9,000 square feet, with nearly 70% of tenants occupying less than 50,000 square feet each.

We benefit from our management team's extensive market knowledge, long-standing business and personal relationships and research- and relationship-driven origination methods developed over more than 30 years to generate attractive investment opportunities. In our view, the fragmented and complex nature of our target markets generally makes it difficult for less experienced or less focused investors to access comparable opportunities on a consistent basis.

We plan to grow our business through disciplined acquisitions of additional industrial properties in Southern California infill markets, and believe that there are substantial and attractive acquisition opportunities available to us in our target markets. According to DAUM, the Southern California infill industrial property market consists of approximately 1.73 billion square feet of industrial properties. Our initial portfolio represents substantially less than 1.0% of this target market. Through our proprietary origination methods, we are actively monitoring, as of June 4, 2013, approximately 31.6 million square feet of properties in our markets that we believe represent attractive potential investment opportunities, including properties containing approximately 2.9 million square feet on which we have submitted non-binding offers that remain outstanding. In addition, we currently have two properties totaling 123,676 square feet under contract to purchase with the purchase expected to close before July 31, 2013. The closings are subject to satisfactory completion of our due diligence and customary closing conditions. As such, we cannot assure you that we will complete these acquisitions on the current terms or at all. Our predecessor's most recent investment fund has acquired in excess of 3.1 million square feet in our target markets with over 2.3 million square feet acquired since 2012 alone, sourced primarily through a combination of off-market and lightly marketed transactions, sale lease-backs and related transactions from illiquid owners and short sales and discounted note purchases from financial institutions. We believe the current market environment represents an attractive time in the real estate cycle to invest in our target properties as the many small and medium sized businesses that our properties seek to serve are just beginning to participate in the economic recovery. Despite being consistently one of the highest occupied markets in the United States with occupancy rates approaching 95% in recent years, particularly for multi-tenant properties, rental rates in our target markets have only recently begun to recover from their recessionary lows.

We intend to elect and qualify to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with the year ending December 31, 2013, and generally will not be subject to U.S. federal taxes on our income to the extent we annually distribute at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid, to our stockholders and otherwise maintain our qualification as a REIT. We are structured as an umbrella partnership REIT ("UPREIT") and will own substantially all of our assets and conduct substantially all of our business through our operating partnership. We will serve as the sole general partner and expect to own an approximately 86.8% interest in our operating partnership upon completion of this offering.

**Experienced Management and Vertically Integrated Team**

Our predecessor business was founded in 2001 by our Chairman Richard Ziman, and our Co-Chief Executive Officer, Howard Schwimmer, to take advantage of what they believed to be a particularly attractive opportunity to invest in industrial properties in Southern California infill markets. Messrs. Ziman and Schwimmer were joined by Michael Frankel, our Co-Chief Executive Officer, in 2004. These three members of our senior executive management team have worked together for nearly a decade, and each has substantial experience investing in and managing Southern California industrial properties.

Mr. Ziman contributes over 40 years of experience owning and managing industrial real estate and a successful public company track record as the founding chairman and chief executive officer of Arden Realty, Inc. ("Arden"), a REIT, which at the time of its sale to GE Real Estate in 2006 was the largest publicly traded owner of office properties in Southern California. An investment in the common stock of Arden at the time of its initial public offering until its final sale generated a total return to stockholders of approximately 338% per share for each share purchased at the initial public offering price of $20.00 per share (assuming reinvestment of all

cash dividends since the initial public offering in 1996) compared to a total return of 248% for the MSCI US REIT Index over the same period. Mr. Schwimmer has focused exclusively on owning, operating and creating value in infill Southern California industrial property throughout his 30 year career. Mr. Schwimmer has 12 years of experience managing and co-managing our predecessor business, with expertise including the acquisition, value-add improvement, development, management, leasing and disposition of industrial property. Prior to establishing our predecessor business, from 1983 until 2001, Mr. Schwimmer held various positions including stockholder, board member, manager, executive vice president and broker of record for DAUM, California's oldest industrial brokerage company. Mr. Frankel's 28 year career has focused on real estate and private equity investment and senior management operating roles, including nine years co-managing our predecessor business, which almost exclusively focused on investing in industrial properties in Southern California infill markets.

Rexford's vertically integrated company and team provides an entrepreneurial set of processes and personnel experienced in virtually every facet of industrial property investment and management, from originations, finance and underwriting, to asset, construction and property management.

**Market Overview**

*Unless otherwise indicated, all information contained in this Market Overview section is derived from market materials prepared by DAUM as of March 31, 2013, citing CoStar Property Database, CBRE and other sources.*

***Southern California Infill Industrial Market***

The Southern California industrial real estate market is the largest in the U.S., with approximately 2.0 billion square feet of space, approximately 1.7 times larger than the next largest industrial real estate market (Chicago, Illinois), as illustrated below:

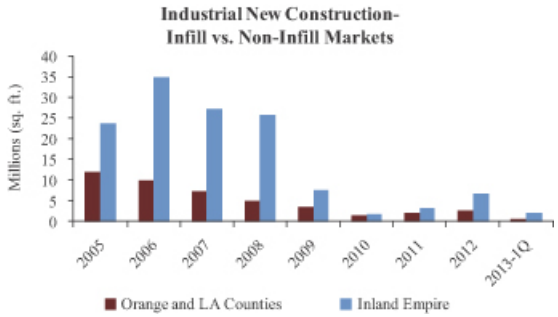

*Source: DAUM market materials, citing CoStar Property Database as of March 2013*
*Note: Southern California market comprised of Los Angeles, Orange, Ventura, San Bernardino, Riverside, and San Diego Counties*

Southern California is generally segmented into infill and non-infill industrial markets. Infill markets are considered high-barrier to-entry markets and have characteristics that tend to limit new construction.

Our investment strategy focuses on the 1.73 billion square foot infill market comprised of Los Angeles County, Orange County, West Inland Empire, San Diego County and Ventura County. In 2012, over $5.9 billion of industrial property was sold in Southern California. We believe the market trends and conditions discussed below have created favorable investment opportunities that we are competitively positioned to capitalize upon.

***Limited, Diminishing Supply with Substantial Barriers to Entry***

Southern California is generally considered to be nearly fully developed and is characterized by a scarcity of vacant or developable land. Further, lease rates typically do not justify development of new industrial properties for lease in infill markets, which presents an economic barrier for those seeking to develop new industrial properties. Consequently, there has been a dearth of new multi-tenant industrial properties built for lease since 1999, with infill development generally limited to relatively few owner-user and build-to-suit developments. Multi-tenant development represented only 0.6% of total new industrial property construction in Southern California markets during 2012. Further, as a majority of infill product is multi-tenant, substantially all new construction occurred in the Inland Empire, much of which is non-infill and generally outside of Rexford's primary target markets.




*Source: DAUM market materials, citing CoStar Property Database as of March 2013*

Industrial use is not typically considered the "highest and best" economic use for the few development or redevelopment sites available within our target markets. As a result, the stock of infill industrial property in our target markets generally has diminished over time, as existing properties have converted to alternate uses, primarily multi-family housing and related development. Since 2001, Los Angeles and Orange Counties have seen more than 24.2 million and 5.8 million square feet of industrial property, respectively, demolished for redevelopment.


*Source: DAUM market materials, citing CoStar Property Database as of March 2013*

***High Current Occupancy and High Rental Rates***

The Southern California infill industrial market has consistently out-performed other national markets on the basis of occupancy and asking rents. As of March 31, 2013, occupancy was 95.0% and 94.7% for Los Angeles and Orange Counties, respectively, versus the national average of 91.3%. Since 2001, average Los Angeles and Orange County asking rents were 65% higher than the average of the next nine largest markets in the nation over the same twelve-year period. As shown in the charts below, the occupancy rates for Los Angeles and Orange County have consistently been above the other large markets in the United States since the fourth quarter of 2001 and the occupancy rates never dipped below 90%, even during the most recent recession.


*Source: DAUM market report, citing CoStar Property Database and data provided by CBRE as of March 2013*


12-Year Average Asking Rent For Orange & Los Angeles County: **$0.66/SF/Month**

12-Year Average Asking Rent For Next Nine Largest National Markets: **$0.40/SF/Month**

*Source: DAUM market report, citing CoStar Property Database and data provided by CBRE as of March 2013*

***Diverse Tenant Demand Base***

Southern California is home to the nation's largest and most diverse manufacturing and distribution sector, as well as the largest number of high-tech jobs. We draw our tenants from over 17 industry sectors. The trend of off-shoring domestic manufacturing to Asia further fuels Southern California industrial tenant demand,

as Asian goods pass through the Los Angeles-area ports and require regional warehousing and distribution to access the broader U.S. market. As of March 31, 2013, approximately 21.3% of our tenants imported product from outside the U.S. Additionally, the emergence of e-commerce and the growth of Internet retailers and wholesalers are expanding the universe of tenants seeking industrial space in our target markets. Forrester Research Inc. projects that online shoppers in the United States will spend $327 billion in 2016, up 45% from the $226 billion spent in 2012, increasing to an estimated 9.0% of total retail sales by 2016. As of March 31, 2013, approximately 17.4% of our tenants cited e-commerce as a component of their business.

***Large and Growing Regional Population***

Southern California represents the largest regional population in the U.S., with over 21 million residents, comprising over 57% of California residents. The population has increased by approximately 2 million since 2000 and is projected to increase to over 25 million residents by 2030. Our infill tenant base tends to disproportionately serve the direct consumption needs of this growing regional Southern California population.

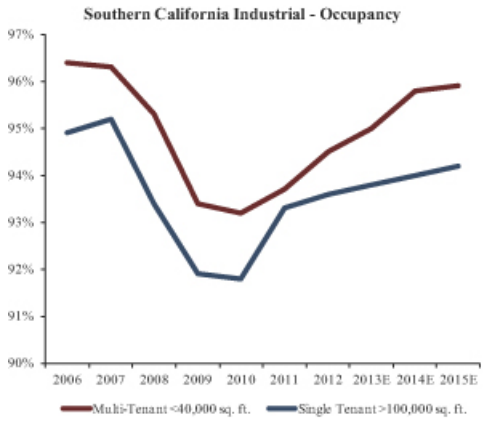
***Older Properties Tend To Outperform Newer Properties***

Over one billion square feet of infill industrial space in our target market was built prior to 1980. These buildings are generally more centrally located, which reduces commuting time for our tenants' employees and distribution times to the end consumers of the product. These locations are also typically more densely populated areas than locations that feature a greater proportion of newer construction. These factors have driven higher occupancy rates in pre-1980 buildings compared to post-1980 buildings. As of March 31, 2013, occupancy for pre-1980 buildings was 95.1% versus 92.9% for newer buildings. Pre-1980 buildings have maintained occupancy levels between 94.4% and 97.4% since 2001, while occupancy for post-1980 buildings has ranged from 89.6% to 94.5%.

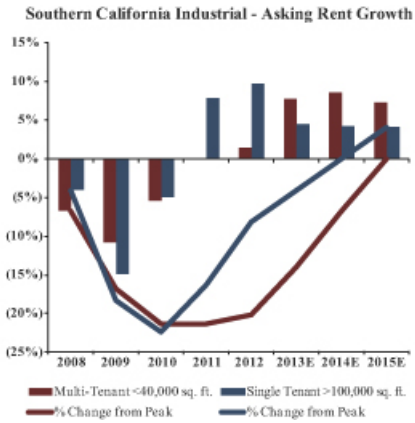
***Smaller Spaces and Multi-Tenant Properties Tend to Outperform Larger, Single-Tenant Properties***

Our target infill markets feature a majority of properties valued below $25 million or sized below 300,000 square feet. We believe smaller spaces, generally under 40,000 square feet, are positioned for rental rate recovery as economic conditions improve for smaller- and mid-sized tenants in the face of ongoing scarcity of supply of these spaces. Occupancy as of March 31, 2013 for "big-box" buildings containing 100,000 square feet or more was 93.2%, while occupancy in buildings containing less than 40,000 square feet was 94.9%. Further, rental rates for larger, single-tenant spaces have recovered nearly to their pre-recession levels. Conversely, rental rates for small- and mid-sized tenants remain at cyclically low levels and have lagged in recovery compared to larger spaces. Consequently, we believe the potential for rental rates to increase in the smaller- and medium-sized spaces and buildings may be substantially greater in the near- to medium-term than for larger spaces fueled, in part, by improving liquidity and access to working capital for small and medium sized businesses as the economy continues to stabilize.

As shown in the charts below, occupancy and rental rates in the Southern California industrial infill market are projected to increase over the next three years. Moreover, multi-tenant space under 40,000 square feet, which has been slower to recover from the recent financial crisis, is projected to outperform single-tenant space containing 100,000 or more square feet according to DAUM, utilizing data provided by CBRE.




Source: DAUM market materials, citing CoStar Property Database and data provided by CBRE as of March 2013




Source: DAUM market materials, citing CoStar Property Database and data provided by CBRE as of March 2013

**Competitive Strengths**

In addition to our infill Southern California target market and asset focus, we believe that our investment strategy and operating model distinguish us from other owners, operators and acquirers of industrial real estate in several important ways, including the following:

***Attractive Existing Portfolio with Diversified Tenant Mix***: We have built a difficult-to-replicate portfolio of interests in 61 properties totaling over 6.7 million square feet, including two properties that we currently have under contract to purchase, almost all of which is located in Southern California infill markets. We will own 100% of the interests in 58 of these properties and will own a 15% interest in the remaining three properties. We believe our initial portfolio is attractively positioned to participate in a recovery in rental rates in our markets. Additionally, our portfolio is leased to a broad tenant base, drawn from diverse industry sectors. We believe that this diversification reduces our exposure to tenant default risk and earnings volatility. As of March 31, 2013, we had 693 individual tenants, with no single tenant accounting for more than 2.3% of our total annualized rent.

***Superior Access to Deal Flow***: We believe that we enjoy superior access to distressed, off-market and lightly marketed acquisition opportunities, many of which are difficult for competing investors to access. Approximately half of the acquisitions by deal count completed by our predecessor business since its inception were off-market or lightly-marketed transactions. Off-market and lightly marketed transactions are characterized by a lack of a formal marketing process and a lack of widely disseminated marketing materials. As we are principally focused on the Southern California market, our executive management and acquisition teams have developed and maintain a deep, broad network of relationships among key market participants, including property brokers, lenders, owners and tenants. We employ an extensive broker marketing, incentives and loyalty program. We also utilize data-driven and event-driven analytics and primary research to identify and pursue

events and circumstances, including financial distress, related to owners, lenders, and tenants that tend to generate early access to emerging investment opportunities. We believe that our relationship network, creative sourcing approach and research-driven originations methods contribute to a superior level of attractive investment opportunities.

***Experienced Management Team**:* Members of our senior management team contribute over 64 years of prior public company experience, and collectively have been involved with over $25 billion of real estate acquisitions over multiple cycles. Members of our senior management team have been working together for nearly a decade and together bring 130 years of experience focused on creating value by investing in infill Southern California industrial property.

***Ability to Execute Opportunistic Transactions**:* The combination of our proprietary origination methods and the experience and relationships of our management team grant us access to and allow us to capitalize on unique transaction opportunities.

***Vertically Integrated Platform**:* We are a full-service real estate operating company, with in-house capabilities in all aspects of our business. Our platform includes experienced in-house teams focused on acquisitions, analytics and underwriting, asset management and repositioning, property management, leasing, and construction management, as well as finance, accounting, legal and human relations departments.

***Growth-Oriented Capital Structure**:* We believe that a public company capital structure will enable us to capitalize effectively on the substantial volume of opportunities generated by our origination platform. Upon completion of this offering, our pro forma debt to total market capitalization will be approximately 24.2%. We expect to enter into a new approximately $60 million term loan, which will be used at the completion of this offering to repay a portion of our outstanding mortgage debt. In addition, we have negotiated a proposed revolving credit facility with a borrowing capacity of $200 million that we expect to have in place at the completion of this offering. This facility is expected to have an accordion feature that may provide for up to an additional $200 million borrowing capacity as our company grows. We expect to use the proposed revolving credit facility for property acquisitions, working capital requirements and other general corporate purposes.

***Value-Add Repositioning and Redevelopment Expertise**:* Our in-house redevelopment and construction management team collectively has over 75 years of industrial property redevelopment experience. Our in-house team employs an entrepreneurial approach to redevelopment and repositioning activities that are designed to increase the functionality and cash flow of our properties. These activities include converting large underutilized spaces into a series of smaller and more functional spaces, adding additional square footage and modernizing properties by, among other things, modernizing fire, life-safety and building operating systems, resolving functional obsolescence, adding or enhancing loading areas and truck access and making certain other accretive improvements.

**Our Business and Growth Strategies**

Our primary objective is to generate attractive risk-adjusted returns for our stockholders through dividends and capital appreciation. We believe that pursuing the following strategies will enable us to achieve this objective:

***External Growth through Acquisitions***

We intend to grow our initial portfolio through disciplined acquisitions in prime Southern California infill markets. We believe that our relationship-, data- and event-driven research allows us to identify and exploit asset mispricing and market inefficiencies. Through these proprietary origination methods, we are actively

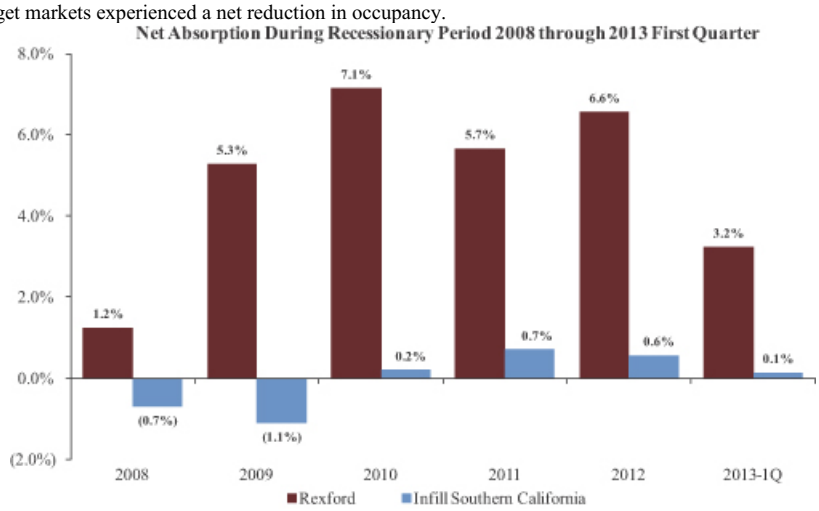
monitoring, as of June 4, 2013, approximately 31.6 million square feet of properties in our markets that we believe represent attractive potential investment opportunities, including properties containing approximately 2.9 million square feet on which we have submitted non-binding offers that remain outstanding. In addition, we currently have two properties totaling 123,676 square feet under contract to purchase with the purchase expected to close before July 31, 2013. The closings are subject to satisfactory completion of our due diligence and customary closing conditions. As such, we cannot assure you that we will complete these acquisitions on the current terms or at all. Our predecessor's most recent investment fund has acquired in excess of 3.1 million square feet in our target markets with over 2.3 million square feet acquired since 2012 alone, sourced primarily through a combination of off-market and lightly marketed transactions, sale lease-backs and related transactions, short sales and discounted note purchases from financial institutions.

We believe there are a large number of over-leveraged industrial properties within our target markets facing loan maturities over the next several years. We seek to source transactions from owners facing pressing liquidity needs or financial distress, including maturities of loans that lack economical refinancing options. We also seek to transact with lenders, which, following the recent financial crisis, face a heightened need to divest or resolve underperforming loans in order to meet capital and regulatory requirements.

***Internal Growth through Intensive, Value-Added Asset Management***

We employ an intensive asset management strategy that is designed to increase cash flow and occupancy from our properties. Our strategy includes repositioning industrial property by renovating, modernizing or increasing functionality to increase cash flow and value. For example, we sometimes convert formerly single-tenant properties to multi-tenant occupancy to capitalize upon the higher per square foot rents generated by smaller spaces in our target markets. We believe that by undertaking such conversions or other functional enhancements, we can position our properties to attract a larger universe of potential tenants, increase occupancy, tenant quality and rental rates. We also believe that multi-tenant properties help to limit our exposure to tenant default risk and diversify our sources of cash flow.

Our proactive approach to leasing and asset management is driven by our in-house team of portfolio and property managers, which maintains direct, day-to-day relationships and dialogue with our tenants. In addition, we motivate listing brokers through leasing incentives combined with highly entrepreneurial leasing plans that we develop for each of our properties. We believe our proactive approach to leasing and asset management enhances recurring cash flow and reduces periods of vacancy. Our properties have successfully outperformed the overall infill Southern California market in leasing up vacant space. As illustrated in the chart below, over the course of the last five years, we have demonstrated an ability to consistently increase occupancy, even during the depth of the recent "Great Recession" when our target markets experienced a net reduction in occupancy.




Source: DAUM market materials, citing CoStar Property Database as of March 2013.

We believe that our initial portfolio contains the potential for imbedded growth through the lease-up of currently available space. As of March 31, 2013, our initial portfolio was 89.4% leased. We believe three factors will contribute to increased cash flow from leasing in the near term:

- a number of our properties are in their final lease-up stage after being repositioned through our value-add activities,
- we expect the firming up of supply and demand in certain markets, such as San Diego, that has generally lagged the infill markets of Los Angeles County and Orange County through the 2010 to 2012 recovery, and are now experiencing net positive absorption, and
- expected market rental rate increases in the multi-tenant industrial market, as smaller and medium sized business tenants begin to gain access to increased liquidity and available credit as the economy recovers.

***Financing Strategy***

We intend to maintain a flexible and growth-oriented capital structure. Upon completion of this offering, we will have an initial debt-to-market capitalization of approximately 24.2%. To facilitate our

acquisition strategy, we have negotiated a proposed revolving credit facility with a borrowing capacity of $200 million that we expect to have in place at the completion of this offering. This facility is expected to have an accordion feature that may provide for up to an additional $200 million borrowing capacity as our company grows. The proposed revolving credit facility will be used for property acquisitions, working capital requirements and other general corporate purposes. We also expect to enter into a new approximately $60 million term loan, which will be used at the completion of this offering to repay a portion of our outstanding mortgage debt. For more information regarding our proposed revolving credit facility and our new term loan, see "Business—Description of Certain Debt."

We expect to fund property acquisitions through borrowings under our proposed revolving credit facility and traditional mortgage financing, as well as from any remaining cash available from the proceeds of this offering and the concurrent private placement after repayment of certain indebtedness as described under "Use of Proceeds." We may place longer term mortgage debt on certain properties. We also anticipate using common units to acquire properties from existing owners interested in tax-deferred transactions.

**Our Properties**

Upon completion of our formation transactions, our initial portfolio will consist of 61 properties with approximately 6.7 million rentable square feet, including two properties that we currently have under contract to purchase, and we will manage an additional 20 properties with approximately 1.2 million rentable square feet. We will own 100% of 58 of these properties and own 15% of the remaining three properties. Our initial portfolio has a stable and diversified tenant base. As of March 31, 2013, the properties comprising our initial portfolio were 89.4% leased to 693 tenants, with no single tenant accounting for more than 2.3% and no single industry accounting for more than 11.6% of our total annualized rent. Our average tenant size is approximately 9,000 square feet, with nearly 70% of tenants occupying less than 50,000 square feet each. Our ten largest tenants account for 13.7% of our total annualized rent as of March 31, 2013. We intend to continue to maintain a diversified mix of tenants to limit our exposure to any single tenant or industry. We will also own one non-recourse mortgage loan with an estimated outstanding balance of approximately $14.3 million as of March 31, 2013, secured by a first mortgage on an industrial property located in San Juan Capistrano, California, which is scheduled to mature on May 1, 2017.

The following tables portray the property type, geographic and industry diversity, respectively, of the properties and tenants comprising our initial portfolio as of March 31, 2013:

| Property Type | Number of Properties | Occupancy[1] | Rentable Square Feet | Ownership Interest in Rentable Square Feet[2] | Percentage of Total Rentable Square Feet | Annualized Base Rent[3] | Percentage of Total Annualized Base Rent[4] | Annualized Base Rent per Square Foot[5] |
|---|---|---|---|---|---|---|---|---|
| Warehouse / Light Manufacturing[6] | 34 | 87.0% | 2,764,624 | 2,764,624 | 48.8% | $ 19,585,430 | 46.4% | $ 8.14 |
| Warehouse / Distribution | 14 | 88.6% | 3,035,471 | 2,025,325 | 35.7% | $ 13,684,037 | 32.4% | $ 7.63 |
| Light Manufacturing / Flex | 6 | 74.5% | 466,319 | 466,319 | 8.2% | $ 4,910,808 | 11.6% | $ 14.14 |
| Light Industrial / Office | 7 | 72.1% | 411,549 | 411,549 | 7.3% | $ 4,024,596 | 9.5% | $ 13.56 |
| **Total / Weighted Average[7]** | 61 | 85.5% | 6,677,963 | 5,667,817 | 100.0% | $ 42,204,871 | 100.0% | $ 8.71 |

(1) Calculated as the average occupancy at such properties as of March 31, 2013, weighted by ownership interest in the properties' rentable square feet. These properties were 89.4% leased as of March 31, 2013, weighted by ownership interest in the properties' rentable square feet.

(2) Calculated for each property as rentable square feet for such property multiplied by our ownership interest for such property, and then aggregated by property type.

(3) Calculated for each property as the monthly contracted base rent per the terms of the lease(s) at such property, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest for such property, and then aggregated by property type. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See "Business—Leases."

(4) Calculated for each property type as annualized base rent for such property type divided by annualized base rent for the total portfolio as of March 31, 2013.
(5) Calculated for each property type as annualized base rent for such property type divided by our ownership interest in leased square feet for such property type as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(6) Excluding our pending acquisitions of the 18310 - 18330 Oxnard St. and 8101 - 8117 Orion Ave. properties, which we refer to as Oxnard and Orion, respectively, and which we have under contract to purchase, occupancy was 87.3%, annualized base rent was $18,472,886 and total annualized base rent per square foot was $8.01.
(7) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

| Market | Number of Properties | Occupancy[1] | Rentable Square Feet | Ownership Interest in Rentable Square Feet[2] | Percentage of Total Rentable Square Feet | Annualized Base Rent[3] | Percentage of Total Annualized Base Rent[4] | Annualized Base Rent per Square Foot[5] |
|---|---|---|---|---|---|---|---|---|
| **Los Angeles County** | | | | | | | | |
| Greater San Fernando Valley | 14 | 91.2% | 1,360,719 | 1,360,719 | 24.0% | $ 12,226,117 | 29.0% | $ 9.85 |
| San Gabriel Valley | 6 | 97.6% | 612,482 | 612,482 | 10.8% | $ 5,674,423 | 13.4% | $ 9.49 |
| Central | 1 | 100.0% | 190,663 | 190,663 | 3.4% | $ 1,257,912 | 3.0% | $ 6.60 |
| Mid-Counties | 4 | 82.2% | 522,490 | 522,490 | 9.2% | $ 3,015,480 | 7.1% | $ 7.02 |
| South Bay | 6 | 77.7% | 335,258 | 335,258 | 5.9% | $ 1,959,024 | 4.6% | $ 7.52 |
| **Subtotal / Weighted Average [6]** | 31 | 90.0% | 3,021,612 | 3,021,612 | 53.3% | $ 24,132,956 | 57.2% | $ 8.87 |
| **Orange County** | | | | | | | | |
| North Orange County | 2 | 97.6% | 223,681 | 223,681 | 3.9% | $ 1,801,800 | 4.3% | $ 8.26 |
| Airport | 4 | 91.2% | 289,040 | 289,040 | 5.1% | $ 2,083,716 | 4.9% | $ 7.90 |
| **Subtotal / Weighted Average** | 6 | 94.0% | 512,721 | 512,721 | 9.0% | $ 3,885,516 | 9.2% | $ 8.06 |
| **San Bernardino County** | | | | | | | | |
| Inland Empire West | 5 | 80.4% | 495,561 | 495,561 | 8.7% | $ 3,753,372 | 8.9% | $ 9.42 |
| Inland Empire East | 2 | 94.9% | 85,282 | 85,282 | 1.5% | $ 447,288 | 1.1% | $ 5.53 |
| **Subtotal / Weighted Average** | 7 | 82.5% | 580,843 | 580,843 | 10.2% | $ 4,200,660 | 10.0% | $ 8.77 |
| **Ventura County** | | | | | | | | |
| Camarillo / Oxnard | 6 | 91.5% | 1,598,940 | 588,794 | 10.4% | $ 3,849,365 | 9.1% | $ 7.14 |
| **Subtotal / Weighted Average** | 6 | 91.5% | 1,598,940 | 588,794 | 10.4% | $ 3,849,365 | 9.1% | $ 7.14 |
| **San Diego County** | | | | | | | | |
| North County | 7 | 60.3% | 709,251 | 709,251 | 12.5% | $ 3,868,734 | 9.2% | $ 9.05 |
| Central | 2 | 93.6% | 137,989 | 137,989 | 2.4% | $ 1,516,164 | 3.6% | $ 11.74 |
| South County | 1 | 49.0% | 78,615 | 78,615 | 1.4% | $ 364,452 | 0.9% | $ 9.46 |
| **Subtotal / Weighted Average** | 10 | 64.3% | 925,855 | 925,855 | 16.3% | $ 5,749,350 | 13.6% | $ 9.66 |
| **Other[7]** | 1 | 75.6% | 37,992 | 37,992 | 0.7% | $ 387,024 | 0.9% | $ 13.48 |
| **Portfolio—Total / Weighted Average [8]** | 61 | 85.5% | 6,677,963 | 5,667,817 | 100.0% | $ 42,204,871 | 100.0% | $ 8.71 |

(1) Calculated as the average occupancy at such properties as of March 31, 2013, weighted by our ownership interest in the properties' rentable square feet. As of June 4, 2013, we have entered into 53 new leases and 58 renewal leases, totaling 111 leases or renewals that had not yet commenced as of March 31, 2013 ("the uncommenced leases"). The table below sets forth pro forma data reflecting the uncommenced leases.

| Market | Leased Square Feet Under Uncommenced Leases[a] | Ownership Interest in Leased Square Feet[b] | Pro Forma Occupancy[c] | Annualized Base Rent Under Uncommenced Leases[d] | Total Pro Forma Annualized Base Rent[e] | Total Pro Forma Annualized Base Rent per Square Foot[f] |
|---|---|---|---|---|---|---|
| Los Angeles County[g] | 188,956 | 188,956 | 91.6% | $ 1,897,926 | $ 24,579,655 | $ 8.88 |
| Orange County | 57,408 | 57,408 | 93.7% | $ 509,913 | $ 3,859,976 | $ 8.04 |
| San Bernardino County | 79,047 | 79,047 | 87.5% | $ 656,229 | $ 4,445,504 | $ 8.74 |
| Ventura County | 14,714 | 14,714 | 89.0% | $ 123,904 | $ 3,714,313 | $ 7.09 |
| San Diego County | 223,807 | 223,807 | 86.4% | $ 1,574,494 | $ 7,159,806 | $ 8.95 |
| Other | 3,381 | 3,381 | 75.6% | $ 51,312 | $ 387,024 | $ 13.48 |
| **Total/Weighted Average[h]** | 567,313 | 567,313 | 90.1% | $ 4,813,778 | $ 44,146,278 | $ 8.64 |

(a) The uncommenced leases include: 103,629 square feet being renewed and 85,327 square feet of new leases for Los Angeles County; 37,092 square feet being renewed and 20,316 square feet of new leases for Orange County; 28,289 square feet being renewed and 50,758 square feet of new leases for San Bernardino County; 14,714 square feet being renewed and no new leases for Ventura County; 19,145 square feet being renewed and 204,662 square feet of new leases for San Diego County; and 3,381 square feet being renewed and no new leases for Other.

(b) Ownership interest in leased square feet is calculated as square feet subject to the uncommenced leases multiplied by our ownership interest in the relevant properties and then aggregated by market.

(c) Pro forma occupancy is calculated as (i) square footage under lease as of March 31, 2013 weighted by our ownership interest in rentable square feet plus additional square footage leased pursuant to uncommenced leases (net of renewal space) as of June 4, 2013 weighted by our ownership interest minus square footage vacated between March 31, 2013 and June 4, 2013, weighted by our ownership interest in rentable square feet, divided by (ii) total rentable square feet (including new uncommenced leases) weighted by our ownership interest.

(d) Annualized base rent under uncommenced leases is calculated by multiplying the first full month of contractual rents (before rent abatements) to be received under uncommenced leases, by 12 and then multiplying by our ownership interest in the relevant properties and then aggregating by market. Total rent abatements under leases entered into as of June 4, 2013 but that had not commenced as of March 31, 2013 for the 12 months ending March 31, 2014 are $727,840. This figure includes $688,799 of rent abatements for new leases and $39,041 for renewal leases.

(e) Total pro forma annualized base rent is calculated by adding annualized base rent as of March 31, 2013 and annualized base rent under uncommenced leases (net of renewals) and subtracting annualized base rent contributed by tenants that had vacated their applicable properties between March 31, 2013 and June 4, 2013. To avoid double counting, total pro forma annualized rent does not include annualized rent on space under lease as of March 31, 2013 that is being renewed pursuant to an uncommenced lease. Excludes billboard and antenna revenue.

(f) Annualized base rent per square foot under uncommenced leases is calculated as (i) annualized rent base under leases entered into as of June 4, 2013 but that had not commenced as of March 31, 2013, divided by (ii) ownership interest in leased square feet under uncommenced leases.

(g) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 92.0%, annualized base rent under uncommenced leases was $1,844,142, total pro forma annualized base rent was $23,441,563 and total annualized base rent per square foot was $8.80.

(h) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 90.3%, annualized base rent under uncommenced leases was $4,759,995, total pro forma annualized base rent was $43,008,186 and total annualized base rent per square foot was $8.59.

(2) Calculated for each property as rentable square feet for such property multiplied by our ownership interest for such property, and then aggregated by market.

(3) Calculated for each property as monthly contracted base rent per the terms of the lease(s) at such property, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest for such property, and then aggregated by market. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See “Business—Leases.”

(4) Calculated as annualized base rent for such market divided by annualized base rent for the total portfolio as of March 31, 2013.

(5) Calculated as annualized base rent for such market divided by our ownership interest in leased square feet for such market as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.

(6) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 90.4%, annualized base rent was $23,020,412, percentage of total annualized base rent was 56.0% and total annualized base rent per square foot was $8.79.

(7) Includes one property in Glenview, Illinois.

(8) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 85.6%, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

| Industry | Number of Leases[1] | Leased Square Feet | Ownership Interest in Leased Square Feet[2] | Percentage of Total Leased Square Feet | Annualized Base Rent[3] | Percentage of Total Annualized Base Rent[4] | Annualized Base Rent per Square Foot[5] |
|---|---|---|---|---|---|---|---|
| Wholesale/Retail[6] | 79 | 580,350 | 580,350 | 12.0% | $ 4,883,172 | 11.6% | $ 8.41 |
| Business Services[7] | 96 | 339,542 | 339,542 | 7.0% | $ 3,931,812 | 9.3% | $ 11.58 |
| Light Manufacturing[8] | 46 | 478,085 | 478,085 | 9.9% | $ 3,549,504 | 8.4% | $ 7.42 |
| Apparel[9] | 27 | 720,684 | 465,684 | 9.6% | $ 3,077,760 | 7.3% | $ 6.61 |
| Technology & Electronics[10] | 48 | 427,331 | 304,938 | 6.3% | $ 3,042,102 | 7.2% | $ 9.98 |
| Industrial Equipment & Components | 46 | 326,241 | 326,241 | 6.7% | $ 2,647,950 | 6.3% | $ 8.12 |
| Construction[11] | 53 | 329,807 | 329,807 | 6.8% | $ 2,556,960 | 6.1% | $ 7.75 |
| Automotive[12] | 56 | 298,032 | 298,032 | 6.2% | $ 2,546,904 | 6.0% | $ 8.55 |
| Paper & Printing | 14 | 324,607 | 324,607 | 6.7% | $ 2,382,036 | 5.6% | $ 7.34 |
| Warehousing & Storage[13] | 48 | 659,743 | 300,103 | 6.2% | $ 2,231,347 | 5.3% | $ 7.44 |
| Pharmaceuticals | 13 | 172,419 | 172,419 | 3.6% | $ 2,116,128 | 5.0% | $ 12.27 |
| Food & Beverage[14] | 42 | 200,589 | 200,589 | 4.1% | $ 1,885,128 | 4.5% | $ 9.40 |
| Sporting & Recreational Goods | 26 | 163,077 | 163,077 | 3.4% | $ 1,381,476 | 3.3% | $ 8.47 |
| Logistics & Transportation | 22 | 159,385 | 159,385 | 3.3% | $ 1,236,624 | 2.9% | $ 7.76 |
| Healthcare | 28 | 120,609 | 120,609 | 2.5% | $ 1,221,444 | 2.9% | $ 10.13 |
| Government | 2 | 60,881 | 60,881 | 1.3% | $ 1,071,936 | 2.5% | $ 17.61 |
| Financial Services | 18 | 31,345 | 31,345 | 0.6% | $ 415,512 | 1.0% | $ 13.26 |
| Other[15] | 29 | 188,156 | 188,156 | 3.9% | $ 2,027,076 | 4.8% | $ 10.77 |
| **Total / Weighted Average [16]** | 693 | 5,580,883 | 4,843,850 | 100.0% | $ 42,204,871 | 100.0% | $ 8.71 |

(1) A single lease may cover space in more than one building.
(2) Calculated for each lease as leased square feet multiplied by our ownership interest for the applicable property, and then aggregated by industry.
(3) Calculated for each lease as the monthly contracted base rent per the terms of such lease, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest for the applicable property, and then aggregated by industry. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See “Business—Leases.”
(4) Calculated as annualized base rent for tenants in such industry divided by annualized base rent for the total portfolio as of March 31, 2013.
(5) Calculated as annualized base rent for tenants in such industry divided by our ownership interest in leased square feet for tenants in such industry as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(6) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $4,714,152, percentage of total annualized base rent was 11.5% and total annualized base rent per square foot was $8.36.
(7) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $3,770,700, percentage of total annualized base rent was 9.2% and total annualized base rent per square foot was $11.60.
(8) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $3,523,116, percentage of total annualized base rent was 8.6% and total annualized base rent per square foot was $7.41.
(9) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $3,027,348, percentage of total annualized base rent was 7.4% and total annualized base rent per square foot was $6.56.
(10) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,938,062, percentage of total annualized base rent was 7.1% and total annualized base rent per square foot was $9.94.
(11) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,523,816, percentage of total annualized base rent was 6.1% and total annualized base rent per square foot was $7.71.
(12) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,508,372, percentage of total annualized base rent was 6.1% and total annualized base rent per square foot was $8.51.
(13) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $1,875,535, percentage of total annualized base rent was 4.6% and total annualized base rent per square foot was $7.00.
(14) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $1,742,340, percentage of total annualized base rent was 4.2% and total annualized base rent per square foot was $9.22.

(15) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $1,995,780, percentage of total annualized base rent was 4.9% and total annualized base rent per square foot was $10.76.
(16) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

The following table sets forth information about the 10 largest tenants in our portfolio based on total annualized rent as of March 31, 2013.

| Tenant | Submarket | Number of Properties | Leased Square Feet | Ownership Interest in Leased Square Feet[1] | Percentage of Total Leased Square Feet | Annualized Base Rent[2] | Percentage of Total Annualized Base Rent[3] | Annualized Base Rent per Square Foot[4] | Lease Expirations |
|---|---|---|---|---|---|---|---|---|---|
| Biosense | San Gabriel Valley | 1 | 76,000 | 76,000 | 1.6% | $ 967,824 | 2.3% | $ 12.73 | 10/31/2020 |
| Towne Inc | OC Airport | 1 | 122,060 | 122,060 | 2.5% | $ 678,900 | 1.6% | $ 5.56 | 7/31/2014 |
| Deckers Outdoor Corporation | Ventura | 2 | 723,106 | 108,466 | 2.2% | $ 592,223 | 1.4% | $ 5.46 | 11/30/2018 |
| Royal Printex | Central LA | 1 | 78,928 | 78,928 | 1.6% | $ 540,384 | 1.3% | $ 6.85 | 1/31/2017 |
| Sonic Electronix | Greater San Fernando Valley | 1 | 71,268 | 71,268 | 1.5% | $ 534,516 | 1.3% | $ 7.50 | 8/31/2014 |
| PureTek | Greater San Fernando Valley | 1 | 76,993 | 76,993 | 1.6% | $ 526,632 | 1.2% | $ 6.84 | 11/30/2015 |
| Circor Aerospace | Greater San Fernando Valley | 1 | 77,118 | 77,118 | 1.6% | $ 524,256 | 1.2% | $ 6.80 | 12/31/2014 |
| Perfect Fit Industries | Mid Counties | 1 | 96,758 | 96,758 | 2.0% | $ 522,492 | 1.2% | $ 5.40 | 7/31/2013 |
| Plastics Research Corporation | Inland Empire West | 1 | 107,861 | 107,861 | 2.2% | $ 440,076 | 1.0% | $ 4.08 | 2/28/2022 |
| Genie Air | Greater San Fernando Valley | 1 | 81,282 | 81,282 | 1.7% | $ 438,924 | 1.0% | $ 5.40 | 5/31/2016 |
| **Top 10 Tenants** | | 11 | 1,511,374 | 896,734 | 18.5% | $ 5,766,227 | 13.7% | $ 6.43 | |
| All Other Tenants[5] | | 50 | 4,069,509 | 3,947,116 | 81.5% | $36,438,644 | 86.3% | $ 9.23 | |
| **Total Initial Portfolio[6]** | | 61 | 5,580,883 | 4,843,850 | 100.0% | $42,204,871 | 100.0% | $ 8.71 | |

(1) Calculated for each tenant as leased square feet multiplied by our ownership interest for the applicable property.
(2) Calculated for each tenant as the monthly contracted base rent per the terms of such tenant's lease, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest for the applicable property. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See "Business—Leases."
(3) Calculated as annualized base rent for such tenant divided by annualized base rent for the total portfolio as of March 31, 2013.
(4) Calculated as annualized base rent for such tenant divided by our ownership interest in leased square feet for such tenant as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(5) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $35,326,100, percentage of total annualized base rent was 86.0% and total annualized base rent per square foot was $9.18.
(6) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

As of March 31, 2013, our weighted average in-place remaining lease term was 2.57 years. The following table sets forth a summary schedule of lease expirations for leases in place as of March 31, 2013, plus available space, for each of the ten full and partial calendar years commencing March 31, 2013 and thereafter in our portfolio. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

| Year of Lease Expiration | Number of Leases Expiring | Total Rentable Square Feet[1] | Ownership Interest in Rentable Square Feet[2] | Percentage of Total Owned Square Feet | Annualized Base Rent[3] | Percentage of Total Annualized Base Rent[4] | Annualized Base Rent per Square Foot[5] |
|---|---|---|---|---|---|---|---|
| MTM Tenants[6][7] | 49 | 113,339 | 113,339 | 2.0% | $ 1,039,740 | 2.5% | $ 9.17 |
| Available[8] | 0 | 1,097,080 | 823,967 | 14.5% | $ 0 | 0.0% | $ 0.00 |
| 2013[9] | 202 | 812,859 | 812,859 | 14.3% | $ 7,322,400 | 17.3% | $ 9.01 |
| 2014[10] | 215 | 1,355,875 | 1,355,875 | 23.9% | $ 11,164,975 | 26.5% | $ 8.23 |
| 2015[11] | 140 | 1,102,780 | 980,387 | 17.3% | $ 7,833,558 | 18.6% | $ 7.99 |
| 2016[12] | 44 | 526,443 | 526,443 | 9.3% | $ 4,630,512 | 11.0% | $ 8.80 |
| 2017[13] | 17 | 342,615 | 342,615 | 6.0% | $ 2,873,539 | 6.8% | $ 8.39 |
| 2018[14] | 15 | 938,080 | 323,440 | 5.7% | $ 2,749,691 | 6.5% | $ 8.50 |
| 2019 | 3 | 55,787 | 55,787 | 1.0% | $ 582,672 | 1.4% | $ 10.44 |
| 2020 | 4 | 154,526 | 154,526 | 2.7% | $ 2,571,192 | 6.1% | $ 16.64 |
| 2021 | 1 | 1,680 | 1,680 | 0.0% | $ 29,028 | 0.1% | $ 17.28 |
| 2022 | 1 | 107,861 | 107,861 | 1.9% | $ 440,076 | 1.0% | $ 4.08 |
| Thereafter | 2 | 69,038 | 69,038 | 1.2% | $ 967,488 | 2.3% | $ 14.01 |
| **Total Initial Portfolio[15]** | 693 | 6,677,963 | 5,667,817 | 100.0% | $ 42,204,871 | 100.0% | $ 8.71 |

(1) Represents the contracted square footage upon expiration.
(2) Calculated as rentable square feet for such property multiplied by our ownership interest in such property.
(3) Calculated as monthly contracted base rent per the terms of such lease, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest in such property. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See "Business—Leases."
(4) Calculated as annualized base rent set forth in this table divided by annualized base rent for the total portfolio as of March 31, 2013.
(5) Calculated as annualized base rent for such leases divided by our ownership interest in leased square feet for such leases at each of the properties so impacted by the lease expirations as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(6) Represents tenants under month-to-month leases.
(7) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $924,552, percentage of total annualized base rent was 2.2% and total annualized base rent per square foot was $8.84.
(8) Excluding our pending acquisitions of Oxnard and Orion, percentage of total owned square feet was 14.4%.
(9) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $7,161,912, percentage of total annualized base rent was 17.4% and total annualized base rent per square foot was $8.96.
(10) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $10,942,555, percentage of total annualized base rent was 26.6% and total annualized base rent per square foot was $8.18.
(11) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $7,379,442, percentage of total annualized base rent was 18.0% and total annualized base rent per square foot was $7.87.
(12) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $4,593,252, percentage of total annualized base rent was 11.2% and total annualized base rent per square foot was $8.78.
(13) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,860,146, percentage of total annualized base rent was 7.0% and total annualized base rent per square foot was $8.38.
(14) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,640,011, percentage of total annualized base rent was 6.4% and total annualized base rent per square foot was $8.48.
(15) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

**Summary Risk Factors**

An investment in our common stock involves material risks. You should consider carefully the risks described below and under "Risk Factors" before purchasing shares of our common stock in this offering:

- Our portfolio of properties is concentrated in the industrial real estate sector, and our business would be adversely affected by an economic downturn in that sector.
- Our portfolio of properties is dependent upon regional and local economic conditions and is geographically concentrated in Southern California infill markets, which causes us to be especially susceptible to adverse developments in those markets.
- We may be unable to renew leases, lease vacant space or re-lease space as leases expire.
- We may be unable to identify and complete acquisitions of properties that meet our criteria, which may impede our growth.
- Our success depends on key personnel, including Richard Ziman, our Chairman, and Howard Schwimmer and Michael S. Frankel, our Co-Chief Executive Officers, whose continued service is not guaranteed, and the loss of one or more of our key personnel could adversely affect our ability to manage our business and to implement our growth strategies, or could create a negative perception in the capital markets.
- Our charter and bylaws, the partnership agreement of our operating partnership and Maryland law contain provisions that may delay, defer or prevent a change of control transaction.
- The tax matters agreement we have entered into in connection with the formation transactions, or the Tax Matters Agreement, limits our ability to sell or otherwise dispose of certain properties and could require us to maintain levels of debt that are higher than we otherwise need.
- Failure to qualify or maintain our qualification as a REIT would have significant adverse consequences to us and the value of our common stock.
- There are restrictions on ownership and transfer of our common stock.
- Potential losses, including from adverse weather conditions, natural disasters, including earthquakes and wildfires, and title claims, may not be covered by insurance.

**Structure and Formation of Our Company**

***Our Operating Partnership***

Following the completion of this offering, the formation transactions and the concurrent private placement, substantially all of our assets will be held by, and our operations will be conducted through, our operating partnership. We will contribute the net proceeds from this offering and the concurrent private placement to our operating partnership in exchange for common units therein. Our interest in our operating partnership will generally entitle us to share in cash distributions from, and in the profits and losses of, our operating partnership in proportion to our percentage ownership. As the sole general partner of our operating partnership, we will generally have the exclusive power under the partnership agreement to manage and conduct its business and affairs, subject to certain limited approval and voting rights of the limited partners, which are described more fully below in "Description of the Partnership Agreement of Rexford Industrial Realty, L.P." Our board of directors will manage our business and affairs.

Beginning on or after the date which is 14 months after the later of the completion of this offering or the date on which a person first became a holder of common units, each limited partner of our operating partnership will have the right to require our operating partnership to redeem part or all of its common units for cash, based upon the value of an equivalent number of shares of our common stock at the time of the redemption, or, at our election, shares of our common stock on a one-for-one basis, subject to certain adjustments and the restrictions on ownership and transfer of our stock set forth in our charter and described under the section entitled "Description of Stock—Restrictions on Ownership and Transfer." With each redemption of common units, our percentage ownership interest in our operating partnership and our share of our operating partnership's cash distributions and profits and losses will increase. See "Description of the Partnership Agreement of Rexford Industrial Realty, L.P."

***Our Services Company***

As part of the formation transactions, we will acquire Rexford Industrial Realty and Management, Inc., which we refer to as the services company. The services company will be wholly owned, indirectly, by our operating partnership. We will elect with our services company to treat it as a taxable REIT subsidiary for federal income tax purposes.

***Formation Transactions***

Each property that will be owned by us through our operating partnership upon the completion of this offering, the formation transactions and the concurrent private placement is currently owned indirectly by the Rexford Funds through property owning subsidiaries. We refer to these property owning subsidiaries and the Rexford Funds collectively as the "ownership entities." The Rexford Funds have (1) entered into contribution agreements with our operating partnership, pursuant to which they will contribute their interests in their property owning subsidiaries to our operating partnership, (2) entered into merger agreements pursuant to which they will merge with and into our operating partnership, or (3) in the case of Rexford Industrial Fund V REIT, LLC ("Fund V REIT"), entered into a merger agreement pursuant to which it will merge with and into us, in each case substantially concurrently with the completion of this offering. In addition, each management company will merge with and into a subsidiary of our operating partnership, with such management company as the surviving entity. Prior investors will receive cash, shares of our common stock and/or common units in exchange for their interests in the Rexford Funds or the management companies.

***Concurrent Private Placement***

In connection with the formation transactions, we made available to accredited investors in the Rexford Funds and the Rexford management team the opportunity to acquire for cash additional shares of our common stock at the public offering price per share in this offering concurrently with the completion of the formation transactions and this offering. We refer to the shares issued pursuant to this opportunity as the concurrent private placement. No fees, discounts or selling commissions will be paid to the underwriters in connection with any sale of our common stock through the concurrent private placement. Rexford Fund investors and the Rexford management team have irrevocably committed to invest approximately $47 million in the concurrent private placement, at a price per share equal to the public offering price in this offering. The shares that will be issued in the concurrent private placement will be in addition to the shares sold in this offering.

*Corporate Structure*

The chart below reflects our organization immediately following completion of this offering, the formation transactions and the concurrent private placement.


(1) On a fully diluted basis, our public stockholders will own 55.3% of our outstanding common stock, our directors and executive officers and their affiliates will own 10.8% of our outstanding common stock and the other prior investors in the Rexford Funds and the management companies as a group will own 33.9% of our outstanding common stock.

(2) If the underwriters exercise their over-allotment option in full, on a fully diluted basis, our public stockholders will own 58.7% of our outstanding common stock, our directors and executive officers and their affiliates will own 10.0% of our outstanding common stock and the other prior investors in the Rexford Funds and the management companies as a group will own 31.3% of our outstanding common stock.

(3) If the underwriters exercise their over-allotment option in full, our public stockholders, our directors and executive officers and their affiliates and the other prior investors in the Rexford Funds and the management companies will own 66.6%, 3.5% and 29.9%, respectively, of our outstanding common stock, and we, our

directors and executive officers and their affiliates and the other prior investors in the Rexford Funds and the management companies will own 87.8%, 7.1%, and 5.1%, respectively, of the outstanding common units.

**Benefits of the Formation Transactions to Related Parties**

In connection with this offering, certain of our directors and executive officers will receive material benefits described in "Certain Relationships and Related Transactions," including the following. All amounts are based on the mid-point of the price range set forth on the cover page of this prospectus. For a discussion of amounts based on other prices within the range, see "Pricing Sensitivity Analysis."

- Mr. Ziman, our Chairman, and his affiliates will receive 265,936 shares of our common stock and 643,446 common units in connection with the formation transactions and will purchase 40,690 shares of our common stock in the concurrent private placement, which together have an aggregate value of approximately $13.3 million. As a result, Mr. Ziman and his affiliates will own approximately 3.3% of our outstanding common stock on a fully diluted basis (or 3.0% if the underwriters' over-allotment option is exercised in full).

- Mr. Schwimmer, our Co-Chief Executive Officer and director, and his affiliates will receive 296,244 shares of our common stock and 852,890 common units in connection with the formation transactions and will purchase 24,209 shares of our common stock in the concurrent private placement, which together have an aggregate value of approximately $16.4 million. As a result, Mr. Schwimmer and his affiliates will own approximately 4.1% of our outstanding common stock on a fully diluted basis (or 3.7% if the underwriters' over-allotment option is exercised in full).

- Mr. Frankel, our Co-Chief Executive Officer and director, and his affiliates will receive 287,818 shares of our common stock and 670,923 common units in connection with the formation transactions and will purchase 14,754 shares of our common stock in the concurrent private placement, which together have an aggregate value of approximately $13.6 million. As a result, Mr. Frankel and his affiliates will own approximately 3.4% of our outstanding common stock on a fully diluted basis (or 3.1% if the underwriters' over-allotment option is exercised in full).

- To the extent that an ownership entity or any of the management companies has excess net working capital as determined by us within 45 days prior to the date of the preliminary prospectus in connection with this offering, the amount of such excess shall be due to the prior owners of such ownership entity or management company, as applicable, immediately prior to the completion of the offering, including our directors and executive officers who are prior investors. To the extent not distributed or paid by such ownership entity or management company prior to the completion of this offering, our operating partnership shall pay such amounts on behalf of each such ownership entity or management company, as applicable, promptly after the completion of this offering. The Rexford Funds and the management companies, in the aggregate, are expected to contribute approximately $2.0 million of cash to us and our operating partnership in connection with the formation transactions.

- We will enter into a Tax Matters Agreement with certain limited partners of our operating partnership, pursuant to which our operating partnership will agree to indemnify such limited partners against adverse tax consequences in connection with: (1) our sale of certain specified properties in a taxable transaction prior to the seventh anniversary of the completion of the formation transactions; and (2) our failure to provide certain limited partners the opportunity to

guarantee certain debt of our operating partnership during the period ending on the twelfth anniversary of the completion of the formation transactions, or following such period, our failure to use commercially reasonable efforts to provide such opportunities; provided that, subject to certain exceptions and limitations, such indemnification rights will terminate for any such protected partner that sells, exchanges or otherwise disposes of more than 50% of his or her common units during such period. It is anticipated that the total amount of protected built-in gain on the protected properties will be approximately $38.9 million of which $4.0 million, $8.8 million, and $4.7 million is attributable to Messrs. Ziman, Schwimmer and Frankel, respectively. In addition, our operating partnership will be required to offer certain limited partners the opportunity to guarantee, in the aggregate, up to approximately $19 million of our debt, of which Messrs. Ziman, Schwimmer and Frankel will have the opportunity to guarantee up to approximately $2.4 million, $6.5 million, and $3.5 million, respectively, of our outstanding indebtedness respectively pursuant to the Tax Matters Agreement.

- In connection with the completion of this offering, we will enter into a registration rights agreement with the various persons receiving shares of our common stock and/or common units in the formation transactions and the concurrent private placement, including certain of our directors and executive officers and their affiliates. Under the registration rights agreement, subject to certain limitations, commencing not later than 14 months after the date of the completion of this offering, we will file one or more registration statements covering the resale of the shares of our common stock issued in the formation transactions and the concurrent private placement and the resale of the shares of our common stock issued or issuable, at our option, in exchange for common units issued in the formation transactions. We may, at our option, satisfy our obligation to prepare and file a resale registration statement by filing a registration statement registering the issuance by us of shares of our common stock under the Securities Act in lieu of our operating partnership's obligation to pay cash for such units. We will agree to pay all of the expenses relating to the securities registrations described above. See "Certain Relationships and Related Transactions—Registration Rights" and "Shares Eligible for Future Sale—Registration Rights."

- We intend to enter into employment agreements with certain of our executive officers that would become effective as of the completion of this offering, which we expect will provide for salary, bonus and other benefits, including severance upon a termination of employment under certain circumstances. The material terms of these agreements are described under "Executive Compensation—Executive Compensation Arrangements."

- We intend to enter into indemnification agreements with directors and executive officers at the completion of this offering, providing for procedures for indemnification by us to the fullest extent permitted by law and advancements by us of certain expenses and costs relating to claims, suits or proceedings arising from their service to us or, at our request, service to other entities, as officers or directors.

- We intend to adopt our 2013 Incentive Award Plan, under which we may grant cash or equity incentive awards to our directors, officers, employees and consultants. See "Executive Compensation—2013 Incentive Award Plan."

**Conflicts of Interest**

Following the completion of this offering, conflicts of interest may arise between the holders of common units and our stockholders with respect to certain transactions. In particular, the consummation of certain business combinations, the sale of any properties or a reduction of indebtedness could have adverse tax consequences to holders of common units, which would make those transactions less desirable to certain holders of such common units.

Certain of our directors and executive officers own interests, directly or indirectly, in the ownership entities that own the properties included in our initial portfolio and that we will acquire in the formation transactions and as such have interests in the contribution and/or merger agreements that we will enter into with the Rexford Funds and the management companies, as applicable. In addition, we expect that certain of our executive officers will enter into employment agreements with us. We may choose not to enforce, or to enforce less vigorously, our rights under these agreements because of our desire to maintain our ongoing relationships with members of our senior management or our board of directors and their affiliates, with possible negative impact on stockholders. Moreover, these agreements were not negotiated at arm's length and in the course of structuring the formation transactions, certain of our directors and executive officers had the ability to influence the types and level of benefits that they will receive from us under these agreements.

Messrs. Ziman, Schwimmer and Frankel have entered into a representation, warranty and indemnity agreement with us, pursuant to which they made certain representations and warranties to us regarding the entities and assets being acquired in the formation transactions and agreed to indemnify us and our operating partnership for breaches of such representations and warranties for one year after the completion of this offering. For purposes of satisfying any indemnification claims, Messrs. Ziman, Schwimmer and Frankel will deposit into escrow shares of our common stock and common units with an aggregate value equal to ten percent of the consideration payable to Messrs. Ziman, Schwimmer and Frankel in the formation transactions. Messrs. Ziman, Schwimmer and Frankel have no obligation to increase the amount of common stock and/or common units in the escrow in the event the trading price of our common stock declines below the initial public offering price. Any and all amounts remaining in the escrow one year from the completion of the formation transactions will be distributed to Messrs. Ziman, Schwimmer and Frankel to the extent that indemnity claims have not been made against such amounts. This indemnification is subject to a one-time aggregate deductible equal to one percent of the consideration payable to Messrs. Ziman, Schwimmer and Frankel in the formation transactions and a cap equal to the value of the consideration deposited in the escrow. Other than Messrs. Ziman, Schwimmer and Frankel, none of the prior investors or the entities that we are acquiring in the formation transactions will provide us with any indemnification. We may choose not to enforce, or to enforce less vigorously, our rights under this agreement due to our ongoing relationship with Messrs. Ziman, Schwimmer and Frankel.

In addition, pursuant to a Tax Matters Agreement, our operating partnership has agreed to indemnify certain limited partners of our operating partnership, including certain of our directors and executive officers, against adverse tax consequences to them in the event that we sell, exchange or otherwise dispose of any interest in certain specified properties in a taxable transaction prior to the seventh anniversary of the completion of the formation transactions. It is anticipated that the total amount of protected built-in gain on the protected properties will be approximately $38.9 million. Furthermore, our operating partnership will also be required to indemnify certain limited partners of our operating partnership against any resulting taxes to them if we fail to offer them an opportunity to guarantee, in the aggregate, up to approximately $19 million of certain of our outstanding indebtedness during the period ending on the twelfth anniversary of the completion of the formation transactions or if we fail to use commercially reasonable efforts to provide such debt guarantee opportunities to such continuing limited partners following such time period. Subject to certain exceptions and limitations, such indemnification rights will terminate for any protected partner that sells, exchanges or otherwise disposes of more than 50% of his or her common units.

Prior to the formation transactions, the services company and RI, LLC provided management services to the Rexford Funds. As part of the formation transactions, the services company and RI, LLC will become wholly owned subsidiaries of our operating partnership. Mr. Schwimmer owns interests in 19 properties representing approximately 1.0 million square feet that are not part of the Rexford Funds portfolio. Mr. Schwimmer's investments in these properties are more than a decade old and pre-date the formation of the Rexford Funds. Mr. Schwimmer is the general partner, or co-general partner, of each of the entities that owns these properties. These properties are currently managed by RI, LLC, and will be managed by our services company after

completion of this offering. In 2013, these property management agreements are expected to generate revenues of approximately $117,000 for the services company. In addition, three of these properties are held as tenancies-in-common with other parties, and are subject to tenancy-in-common agreements, which appoint RI, LLC as manager of the properties, in charge of providing day-to-day business operations and leasing services, in return for a property management fee. Following the completion of this offering, the services company and RI, LLC will continue to provide management services to these properties. Conflicts of interest may exist or could arise in the future in connection with considering whether to extend, terminate or re-negotiate these property management agreements.

Mr. Ziman currently serves as chairman of the board of directors of AVP Advisors, LLC and AVP Capital, LLC ("AVP"), a position he has held since June 2006. In connection with his AVP board service, Mr. Ziman has been involved in significant business matters of AVP, including raising $500 million for a fund investing in third-party real estate investment funds targeting investments in a range of property types across a diverse range of U.S. property markets. AVP has deployed its capital and is not currently investing additional capital. Conflicts of interest may exist or could arise in the future as a result of Mr. Ziman's service on the board of AVP.

We have not obtained any third-party appraisals of the properties and other assets to be acquired by us from the Rexford Funds and the management companies in connection with the formation transactions. As a result, the price to be paid by us to the prior investors for the acquisition of the properties and assets in the formation transactions may exceed the fair market value of those properties and assets.

Conflicts of interest may exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof, on the other. Our directors and officers have duties to our company under Maryland law in connection with their management of our company. At the same time, we, as the general partner of our operating partnership, have fiduciary duties and obligations to our operating partnership and its limited partners under Maryland law and the partnership agreement of our operating partnership in connection with the management of our operating partnership. Our fiduciary duties and obligations as the general partner of our operating partnership may come into conflict with the duties of our directors and officers to our company. We have adopted policies that are designed to eliminate or minimize certain potential conflicts of interests, and the limited partners of our operating partnership have agreed that, in the event of a conflict between the interests of us or our stockholders and the interests of our operating partnership or any of its limited partners, we may give priority to the separate interests of our company or our stockholders, including with respect to tax consequences to limited partners, assignees or our stockholders. See "Policies With Respect to Certain Activities—Conflict of Interest Policy" and "Description of the Partnership Agreement of Rexford Industrial Realty, L.P."

**Tax Status**

We intend to elect to be taxed and to operate in a manner that will allow us to qualify as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2013. We believe that our organization and proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT. To maintain REIT qualification, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute at least 90% of our taxable income to our stockholders. As a REIT, we generally will not be subject to federal income tax on our taxable income we currently distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax at regular corporate rates. Even if we qualify for taxation as a REIT, we may be subject to some federal, state and local taxes on our income or property. In addition, the income of any taxable REIT subsidiary that we own will be subject to taxation at regular corporate rates. See "U.S. Federal Income Tax Considerations."

**Distribution Policy**

We are a newly formed company that has not commenced operations, and as a result, we have not paid any distributions as of the date of this prospectus. U.S. federal income tax laws generally require that a REIT distribute annually at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. To satisfy the requirements to qualify as a REIT and generally not be subject to U.S. federal income tax, we intend to make quarterly distributions of all or substantially all of our REIT taxable income, determined without regard to the deduction for dividends paid, to holders of our common stock out of assets legally available therefor. We intend to pay a pro rata initial distribution with respect to the period commencing on the completion of this offering and ending at the last day of the then-current fiscal quarter, based on a distribution of $0.123 per share for a full quarter. On an annualized basis, this would be $0.49 per share, or an annual distribution rate of approximately 3.5% based on the initial public offering price. We estimate this initial annual distribution rate will represent approximately 82.0% of estimated cash available for distribution to our common stockholders for the 12 months ending March 31, 2014. We intend to maintain our initial distribution rate for the 12-month period following completion of this offering unless our actual results of operations, economic conditions or other factors differ materially from the assumptions used in our estimate. These distributions and any future distributions we make will be at the discretion of our board of directors and will depend upon our earnings and financial condition, maintenance of REIT qualification, applicable restrictions contained in the Maryland General Corporation Law ("MGCL") and such other factors as our board may determine in its sole discretion. We anticipate that our estimated cash available for distribution will exceed the annual distribution requirements applicable to REITs. However, under some circumstances, we may be required to pay distributions in excess of cash available for distribution in order to meet these distribution requirements and may need to use the proceeds from future equity and debt offerings, sell assets or borrow funds to make some distributions. We have no intention to use the net proceeds of this offering to make distributions nor do we intend to make distributions using shares of common stock. We cannot assure you that our distribution policy will not change in the future.

**Restrictions on Transfer**

Under our partnership agreement, holders of common units do not have redemption or exchange rights, except under limited circumstances, and may not otherwise transfer their common units, except under certain limited circumstances, for a period of 14 months from the later of completion of this offering or the date on which a person first became a holder of common units. After the expiration of this 14-month period, transfers of common units by limited partners and their assignees are subject to various conditions, including our right of first refusal, described under "Description of the Partnership Agreement of Rexford Industrial Realty, L.P.—Transfers and Withdrawals." In addition, each of our executive officers, directors and director nominees and their affiliates has agreed not to sell or otherwise transfer or encumber any shares of our common stock or securities convertible or exchangeable into our common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of 360 days after the date of this prospectus without the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and FBR Capital Markets & Co. We and the other participants in the formation transactions and the concurrent private placement have agreed not to sell or otherwise transfer or encumber any shares of our common stock or securities convertible or exchangeable into our common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of 180 days after the date of this prospectus without the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and FBR Capital Markets & Co.

**Restrictions on Ownership**

Due to limitations on the concentration of ownership of REIT stock imposed by the Code, our charter generally prohibits any person from actually, beneficially or constructively owning more than 9.8% in value or

number of shares, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate outstanding shares of all classes and series of our stock. We refer to these restrictions as the "ownership limits." Our charter permits our board of directors, in its sole and absolute discretion, to exempt a person, prospectively or retroactively, from one or both of the ownership limits if, among other conditions, the person's ownership of our stock in excess of the ownership limits could not cause us to fail to qualify as a REIT.

**Emerging Growth Company**

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act, or the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. Although these exemptions will be available to us, they will not have a material impact on our public reporting and disclosure.

We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier. We will remain an "emerging growth company" until the earliest to occur of (i) the last day of the fiscal year during which our total annual revenues equal or exceed $1.0 billion (subject to adjustment for inflation), (ii) the last day of the fiscal year following the fifth anniversary of our initial public offering, (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt, or (iv) the date on which we are deemed a "large accelerated filer" under the Exchange Act.

Under the JOBS Act, emerging growth companies can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. However, we are choosing to "opt out" of such extended transition period and, as a result, we will comply with any such new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

| The Offering | |
|---|---|
| Common stock offered by us | 16,000,000 shares of common stock (plus up to an additional 2,400,000 shares of common stock that we may issue and sell upon the exercise of the underwriters' over-allotment option). |
| Common stock and common units to be outstanding after completion of the formation transactions, the concurrent private placement and this offering | 25,239,339 shares of common stock and 3,714,419 units(1)(2)(3)(4) |
| Use of proceeds | We estimate that the net proceeds we will receive from the sale of shares of our common stock in this offering will be approximately $201.8 million (or approximately $233.1 million if the underwriters exercise their over-allotment option in full), in each case assuming a public offering price of $14.00 per share, which is the mid-point of the price range set forth on the front cover of this prospectus. In addition, we expect the net proceeds of the concurrent private placement will be approximately $47.0 million, resulting in total net proceeds of $248.8 million. We will contribute the net proceeds we receive from this offering and the concurrent private placement to our operating partnership in exchange for common units in our operating partnership.<br><br>We expect our operating partnership will use the net proceeds from this offering and the concurrent private placement, together with the proceeds from a new approximately $60 million term loan, borrowings under our proposed revolving credit facility and contributions to our operating partnership of approximately $2.0 million of cash working capital in connection with the formation transactions, as described below:<br><br>• approximately $301.6 million to repay in full certain outstanding indebtedness, and approximately $2.8 million to pay related prepayment costs, exit fees and unpaid extension fees;<br><br>• approximately $1.5 million to pay fees associated with our proposed revolving credit facility and the new term loan;<br><br>• approximately $6.5 million to fund the excess working capital distribution;<br><br>• $0.7 million to pay non-accredited investors in connection with the formation transactions;<br><br>• approximately $0.6 million to pay transfer taxes and fees associated with the contribution of our properties to us; and<br><br>• the remaining amounts to acquire and manage industrial properties and for general corporate purposes. |

| | |
|---|---|
| | Prior to the full deployment of the net proceeds as described above, we intend to invest the undeployed net proceeds in interest-bearing short-term investment grade securities or money-market accounts that are consistent with our intention to qualify as a REIT, including, for example, government and government agency certificates, certificates of deposit and interest-bearing bank deposits. We expect that these initial investments will provide a lower net return than we expect to receive from investments in industrial properties. If the underwriters exercise their over-allotment option in full, we expect to use the additional $31.2 million of net proceeds for general corporate purposes. See "Use of Proceeds" and "Business—Description of Certain Debt." |
| Risk Factors | Investing in our common stock involves a high degree of risk. You should carefully read and consider the information set forth under the heading "Risk Factors" beginning on page 30 and the other information included in this prospectus before investing in our common stock. |
| Proposed New York Stock Exchange symbol | "REXR" |

(1) Assumes the underwriters' over-allotment option to purchase up to an additional 2,400,000 shares of common stock is not exercised.
(2) Includes 3,358,311 shares of our common stock issuable pursuant to the concurrent private placement and 4,957,099 shares of common stock issuable to prior investors in the formation transactions.
(3) Does not include 1,348,760 shares of our common stock or LTIP units reserved for issuance under our 2013 Incentive Award Plan following the grant of equity awards upon the completion of this offering. Includes 923,929 shares of common stock issuable pursuant to awards to be granted under our 2013 Incentive Award Plan to our directors, executive officers and non-executive employees upon completion of this offering. See "Executive Compensation—2013 Incentive Award Plan" for additional information.
(4) Represents common units held by limited partners (other than common units held by our company) expected to be outstanding following completion of our formation transactions.

**Summary Financial Information**

The following table sets forth selected financial and operating data on (i) a pro forma basis for our company and (ii) a historical basis for "Rexford Industrial Realty, Inc. Predecessor." Rexford Industrial Realty, Inc. Predecessor consists of RI, LLC, Sponsor, Fund V REIT and their consolidated subsidiaries, which consist of one limited partnership and four limited liability companies and their subsidiaries. Each of the entities comprising Rexford Industrial Realty, Inc. Predecessor is owned, managed, and controlled (individually or jointly as discussed in more detail elsewhere in the prospectus) by our predecessor principals. As such, we have combined these entities on the basis of common ownership and common management. Upon completion of our formation transactions, the concurrent private placement and this offering, we will acquire the interests in 61 industrial properties owned directly or indirectly by Rexford Industrial Realty, Inc. Predecessor, including two properties that we currently have under contract to purchase.

We have not presented historical information for Rexford Industrial Realty, Inc. because we have not had any corporate activity since our formation and because we believe that a discussion of the results of Rexford Industrial Realty, Inc. would not be meaningful.

You should read the following summary financial and operating data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operation," our unaudited pro forma consolidated financial statements and related notes, and the historical combined financial statements and related notes of Rexford Industrial Realty, Inc. Predecessor included elsewhere in the prospectus.

The unaudited pro forma condensed consolidated balance sheet data is presented as if our formation transactions, the concurrent private placement and this offering had occurred on March 31, 2013, and the unaudited pro forma statements of operations and other data for the three months ended March 31, 2013 and the year ended December 31, 2012, is presented as if our formation transactions, the concurrent private placement and this offering had occurred on January 1, 2012. The unaudited pro forma condensed consolidated financial statements include the effects of the contribution of the entities that comprise Rexford Industrial Realty, Inc. Predecessor, including (i) RI, LLC and its consolidated subsidiaries, (ii) Sponsor and Fund V REIT and their consolidated subsidiaries and (iii) other contributions or acquisitions of non-predecessor entities. The contribution of Sponsor and Fund V REIT and their consolidated subsidiaries and the other contributions or acquisitions of non-predecessor entities has been accounted for using the acquisition method of accounting as discussed in more detail elsewhere in the prospectus. The pro forma financial information is not necessarily indicative of what our actual financial condition would have been as of March 31, 2013 or what our actual results of operations would have been assuming our formation transactions, the concurrent private placement and this offering had been completed as of January 1, 2012, nor does it purport to represent our future financial position or results of operations.

The unaudited summary historical combined balance sheet information as of March 31, 2013 and statement of operations data for the three months ended March 31, 2013 and 2012 have been derived from the unaudited combined financial statements of Rexford Industrial Realty, Inc. Predecessor included elsewhere in this prospectus. The summary historical combined balance sheet information as of December 31, 2012 and 2011, and the historical combined statement of operations data for the years ended December 31, 2012 and 2011 have been derived from the combined financial statements of Rexford Industrial Realty, Inc. Predecessor, which were audited by Ernst & Young LLP, independent registered public accountants, and are included elsewhere in this prospectus.

| | Three Months Ended March 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | Company Pro Forma Consolidated | Rexford Predecessor Historical Combined | | Company Pro Forma Consolidated | Rexford Predecessor Historical Combined | |
| | 2013 (Unaudited) | 2013 (Unaudited) | 2012 (Unaudited) | 2012 (Unaudited) | 2012 | 2011 |
| | | (In Thousands) | | | (In Thousands) | |
| **Statement of Operations Data:** | | | | | | |
| **Revenue** | | | | | | |
| Rental revenues | $ 9,592 | $ 7,902 | $ 7,039 | $ 35,500 | $28,586 | $23,696 |
| Tenant reimbursements | 1,095 | 904 | 789 | 4,085 | 3,262 | 2,438 |
| Management, leasing and development services | 261 | 261 | 64 | 519 | 519 | 316 |
| Other income | 119 | 118 | 17 | 115 | 124 | 149 |
| Total rental revenues | 11,067 | 9,185 | 7,909 | 40,219 | 32,491 | 26,599 |
| Interest income | 248 | 311 | 337 | 1,011 | 1,577 | 1,578 |
| Total revenues | 11,315 | 9,496 | 8,246 | 41,230 | 34,068 | 28,177 |
| **Expenses** | | | | | | |
| Property expenses | 2,801 | 2,171 | 1,987 | 10,734 | 8,328 | 6,865 |
| General and administrative | 2,040 | 1,153 | 983 | 8,683 | 5,146 | 3,729 |
| Depreciation and amortization | 7,273 | 3,208 | 3,526 | 17,822 | 12,727 | 9,874 |
| Other property expenses | 349 | 341 | 276 | 1,324 | 1,302 | 1,030 |
| Total operating expenses | 12,463 | 6,873 | 6,772 | 38,563 | 27,503 | 21,498 |
| **Other (income) expense** | | | | | | |
| Acquisition expenses | — | 93 | 68 | — | 599 | 1,022 |
| Interest expense | 939 | 3,906 | 4,209 | 3,754 | 17,452 | 17,970 |
| Gain on mark-to-market interest rate swaps | — | (49) | (612) | — | (2,361) | (4,185) |
| Total other (income) expense | 939 | 3,950 | 3,665 | 3,754 | 15,690 | 14,807 |
| Total expenses | 13,402 | 10,823 | 10,437 | 42,317 | 43,193 | 36,305 |

| | Three Months Ended March 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | Company Pro Forma Consolidated | Rexford Predecessor Historical Combined | | Company Pro Forma Consolidated | Rexford Predecessor Historical Combined | |
| | 2013 (Unaudited) | 2013 (Unaudited) | 2012 (Unaudited) | 2012 (Unaudited) | 2012 | 2011 |
| | | (In Thousands) | | | (In Thousands) | |
| Equity in income (loss) of unconsolidated real estate entities | 61 | (212) | 57 | (105) | 122 | 185 |
| Gain from early repayment of note receivable | — | 1,365 | — | — | — | — |
| Loss on extinguishment of debt | — | (37) | — | — | — | — |
| Net income (loss) from continuing operations | (2,026) | (211) | (2,134) | (1,192) | (9,003) | (7,943) |
| **Discontinued operations** | | | | | | |
| Income (loss) from discontinued operations before gains (losses) on settlement of debt and sale of real estate | — | 64 | 34 | — | (9) | (897) |
| Loss on extinguishment of debt | | (209) | — | | — | — |
| Gain on sale of real estate | — | 2,409 | — | — | 55 | 2,503 |
| Income from discontinued operations | — | 2,264 | 34 | — | 46 | 1,606 |
| Net income (loss) | $ (2,026) | $ 2,053 | $ (2,100) | $ (1,192) | $ (8,957) | $ (6,337) |
| **Balance Sheet Data (End of Period):** | | | | | | |
| Rental property, before accumulated depreciation | $ 466,217 | $ 383,944 | | | $ 383,316 | $358,995 |
| Rental property, after accumulated depreciation | $ 418,867 | $ 324,196 | | | $ 326,139 | $311,734 |
| Total assets | $ 456,549 | $ 420,390 | | | $ 420,496 | $383,215 |
| Notes payable | $ 129,290 | $ 313,118 | | | $ 308,991 | $297,000 |
| Total liabilities | $ 138,340 | $ 325,483 | | | $ 324,248 | $315,535 |
| Total equity | $ 318,209 | $ 94,907 | | | $ 96,248 | $ 67,680 |
| **Other Data:** | | | | | | |
| NOI[1] | $ 7,917 | $ 6,673 | $ 5,646 | $ 28,161 | $ 22,861 | $ 18,704 |
| EBITDA[1] | $ 6,186 | $ 9,167 | $ 5,635 | $ 20,384 | $ 21,222 | $ 21,507 |
| FFO[1] | $ 5,344 | $ 3,646 | $ 1,596 | $ 16,896 | $ 4,614 | $ 1,973 |

(1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for more detailed explanations of NOI, EBITDA and FFO, and reconciliations of NOI, EBITDA and FFO to net income computed in accordance with GAAP.

## RISK FACTORS

*An investment in our common stock involves risks. In addition to other information in this prospectus, you should carefully consider the following risks before investing in our common stock. The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, results of operations and our ability to make cash distributions to our stockholders, which could cause you to lose all or a significant portion of your investment in our common stock. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements."*

### Risks Related to Our Business and Operations

***Our portfolio of properties is concentrated in the industrial real estate sector, and our business would be adversely affected by an economic downturn in that sector.***

Our properties are concentrated in the industrial real estate sector. This concentration may expose us to the risk of economic downturns in this sector to a greater extent than if our business activities included a more significant portion of other sectors of the real estate industry. This concentration risk could adversely affect our results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.

***Our portfolio of properties is dependent upon regional and local economic conditions and is geographically concentrated in Southern California infill markets, which causes us to be especially susceptible to adverse developments in those markets.***

Substantially all of our properties (60 out of the total 61) are located in Southern California, which exposes us to greater economic risks than if we owned a more geographically diverse portfolio. We are particularly susceptible to adverse economic or other conditions in Southern California (such as periods of economic slowdown or recession, business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes and the cost of complying with governmental regulations or increased regulation), as well as to natural disasters that occur in this market (such as earthquakes, wild fires and other events). The Southern California market has experienced downturns within recent years. A further downturn in the Southern California economy could impact our tenants' ability to continue to meet its rental obligations or otherwise adversely affect the size of our tenant base, which could materially adversely affect our operations and our revenue and cash available for distribution, including cash available to pay distributions to our stockholders. We cannot assure you that the Southern California market will grow or that underlying real estate fundamentals will be favorable to owners and operators of industrial properties. Our operations may also be affected if competing properties are built in the Southern California market. In addition, the State of California continues to suffer from severe budgetary constraints and is regarded as more litigious and more highly regulated and taxed than many other states, all of which may reduce demand for industrial space in California and may make it more costly to operate our business. Any adverse economic or real estate developments in the Southern California market, or any decrease in demand for industrial space resulting from the regulatory environment, business climate or energy or fiscal problems, could adversely impact our financial condition, results of operations, cash flow, our ability to satisfy our debt service obligations and our ability to pay distributions to our stockholders.

***Our properties are concentrated in certain industries that make us susceptible to adverse events with respect to those industries.***

Our properties are concentrated in certain industries, which, as of March 31, 2013, included the following (and accounted for the percentage of our total annualized rent indicated): Wholesale/Retail (11.6%); Business Services (9.3%); and Light Manufacturing (8.4%). Any downturn in one or more of these industries, or in any other industry in which we may have a significant concentration now or in the future, could adversely

affect our tenants who are involved in such industries. If any of these tenants is unable to withstand such downturn or is otherwise unable to compete effectively in its business, it may be forced to declare bankruptcy, fail to meet its rental obligations, seek rental concessions or be unable to enter into new leases, which could materially and adversely affect us.

***We expect to have approximately $129.3 million of indebtedness outstanding following this offering, which may expose us to the risk of default under our debt obligations.***

Upon completion of this offering, we anticipate that our total consolidated indebtedness will consist of approximately $129.3 million of indebtedness, including approximately $21.2 million outstanding under our proposed revolving credit facility,(1) $60.0 million in principal amount of mortgage debt under our new term loan, and approximately $48.1 million in principal amount of mortgage debt that we will assume as part of the formation transactions. Additionally, we will have approximately $6.2 million of secured indebtedness allocable to our 15% joint venture interest in the three properties owned indirectly by the JV (as further described in this section below). A substantial portion of this indebtedness will be guaranteed by our operating partnership. We may incur significant additional debt to finance future acquisition and development activities.

Payments of principal and interest on borrowings may leave us with insufficient cash resources to operate our properties or to pay the dividends currently contemplated or necessary to maintain our REIT qualification. Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- our cash flow may be insufficient to meet our required principal and interest payments;
- we may be unable to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our ability to meet operational needs;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;
- we may be forced to dispose of one or more of our properties, possibly on unfavorable terms or in violation of certain covenants to which we may be subject;
- we may violate restrictive covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations; and
- our default under any loan with cross default provisions could result in a default on other indebtedness.

If any one of these events were to occur, our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock could be adversely affected. Furthermore, foreclosures could create taxable income without accompanying cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Consolidated Indebtedness to be Outstanding After this Offering.”

***We may be unable to renew leases, lease vacant space or re-lease space as leases expire.***

As of March 31, 2013, leases representing 16.3% and 23.9% of the rentable square footage of the properties in our initial portfolio will expire in the remainder of 2013 and 2014 respectively, and an additional

(1) Assumes borrowings of approximately $7.0 million we expect to borrow under our proposed revolving credit facility at the completion of this offering and an additional $14.2 million which we expect to borrow under our proposed revolving credit facility to acquire 8101-8117 Orion Avenue and 18310-18330 Oxnard Street shortly following the completion of this offering.

10.6% of the rentable square footage of the properties in our initial portfolio was available (taking into account leases signed as of March 31, 2013 that had not yet commenced on that date). We cannot assure you that our leases will be renewed or that our properties will be re-leased at rental rates equal to or above the current average rental rates or that we will not offer substantial rent abatements, tenant improvements, early termination rights or below-market renewal options to attract new tenants or retain existing tenants. If the rental rates for our properties decrease, or if our existing tenants do not renew their leases or we do not re-lease a significant portion of our available space and space for which leases will expire, our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock could be adversely affected.

***We may be unable to identify and complete acquisitions of properties that meet our criteria, which may impede our growth.***

Our business strategy involves the acquisition of industrial properties meeting certain investment criteria in our target markets. These activities require us to identify suitable acquisition candidates or investment opportunities that meet our criteria and are compatible with our growth strategies. We may be unable to acquire properties identified as potential acquisition opportunities. Our ability to acquire properties on favorable terms, or at all, may expose us to the following significant risks:

- we may incur significant costs and divert management attention in connection with evaluating and negotiating potential acquisitions, including ones that we are subsequently unable to complete;
- even if we enter into agreements for the acquisition of properties, these agreements are subject to conditions to closing, which we may be unable to satisfy; and
- we may be unable to finance any given acquisition on favorable terms or at all.

If we are unable to finance property acquisitions or acquire properties on favorable terms, or at all, our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock could be adversely affected. In addition, failure to identify or complete acquisitions of suitable properties could slow our growth.

***Our acquisition activities may pose risks that could harm our business.***

As a result of our acquisitions, we may be required to incur debt and expenditures and issue additional common stock or common units to pay for the acquired properties. These acquisitions may dilute our stockholders' ownership interest, delay or prevent our profitability and may also expose us to risks such as:

- the possibility that we may not be able to successfully integrate acquired properties into our existing portfolio or achieve the level of quality with respect to such properties to which tenants of our existing properties are accustomed;
- the possibility that senior management may be required to spend considerable time negotiating agreements and integrating acquired properties, diverting their attention from our other objectives;
- the possibility that we may overpay for a property;
- the possible loss or reduction in value of acquired properties; and
- the possibility of pre-existing undisclosed liabilities regarding acquired properties, including environmental or asbestos liability, for which our insurance may be insufficient or for which we may be unable to secure insurance coverage.

We cannot assure you that the price for any future acquisitions will be similar to prior acquisitions. If our revenue does not keep pace with these potential acquisition and expansion costs, we may incur net losses. There is no assurance that we will successfully overcome these risks or other problems encountered with acquisitions.

***We may obtain limited or no warranties when we purchase a property, which increases the risk that we may lose invested capital in or rental income from such property.***

The seller of a property will often sell such property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. Also, many sellers of real estate are single-purpose entities without any other significant assets. The purchase of properties with limited warranties or from undercapitalized sellers increases the risk that we may lose some or all of our invested capital in the property as well as the loss of rental income from such property.

***We may be subject to litigation or threatened litigation, which may divert management time and attention, require us to pay damages and expenses or restrict the operation of our business.***

We may be subject to litigation or threatened litigation, including existing claims relating to the entities that own the properties and operate the businesses described in this prospectus and otherwise in the ordinary course of business. In particular, we are subject to the risk of complaints by our tenants involving premises liability claims and alleged violations of landlord-tenant laws, which may give rise to litigation or governmental investigations, as well as claims and litigation relating to real estate rights or uses of our properties. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. Additionally, whether or not any dispute actually proceeds to litigation, we may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise), which would detract from our management's ability to focus on our business. Any such resolution could involve the payment of damages or expenses by us, which may be significant, or involve our agreement with terms that restrict the operation of our business. We generally intend to vigorously defend ourselves; however, we cannot be certain of the ultimate outcomes of currently asserted claims or of those that may arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby having an adverse effect on our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage and could expose us to increased risks that would be uninsured, and/or adversely impact our ability to attract officers and directors, which could adversely impact our results of operations, cash flows and our ability to pay distributions on, and the value of, our common stock.

***We face significant competition for acquisitions of real properties, which may reduce the number of acquisition opportunities available to us and increase the costs of these acquisitions.***

The current market for acquisitions of industrial properties in Southern California continues to be extremely competitive. This competition may increase the demand for our target properties and, therefore, reduce the number of suitable acquisition opportunities available to us and increase the prices paid for such acquisition properties. We also face significant competition for attractive acquisition opportunities from an indeterminate number of investors, including publicly traded and privately held REITs, private equity investors and institutional investment funds, some of which have greater financial resources than we do, a greater ability to borrow funds to acquire properties and the ability to accept more risk than we can prudently manage, including risks with respect to the geographic proximity of investments and the payment of higher acquisition prices. This competition will increase if investments in real estate become more attractive relative to other forms of investment. Competition

for investments may reduce the number of suitable investment opportunities available to us and may have the effect of increasing prices paid for such acquisition properties and/or reducing the rents we can charge and, as a result, adversely affecting our operating results.

***We may be unable to source "limited marketing" deal flow in the future.***

As of March 31, 2013, approximately half of the acquisitions by deal count completed by our predecessor business since inception, were acquired in off-market or lightly marketed transactions, which are transactions that are characterized by a lack of a formal marketing process and lack of widely disseminated marketing materials. We sometimes refer to these transactions as "limited marketing" transactions. Properties that are acquired by "limited marketing" transactions are typically more attractive to us as a purchaser because of the absence of a formal or extended marketing/bidding period, the presence of which could lead to higher prices. If we cannot obtain "limited marketing" deal flow in the future, our ability to locate and acquire additional properties at attractive prices may be adversely affected.

***Our future acquisitions may not yield the returns we expect.***

Our future acquisitions and our ability to successfully operate the properties we acquire in such acquisitions may be exposed to the following significant risks:

- even if we are able to acquire a desired property, competition from other potential acquirers may significantly increase the purchase price;
- we may acquire properties that are not accretive to our results upon acquisition, and we may not successfully manage and lease those properties to meet our expectations;
- our cash flow may be insufficient to meet our required principal and interest payments;
- we may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties;
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations, and as a result our results of operations and financial condition could be adversely affected;
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and
- we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of the properties, liabilities incurred in the ordinary course of business and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

If we cannot operate acquired properties to meet our financial expectations, our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock could be adversely affected.

***We may not be able to control our operating costs or our expenses may remain constant or increase, even if our revenues do not increase, causing our results of operations to be adversely affected.***

Factors that may adversely affect our ability to control operating costs include the need to pay for insurance and other operating costs, including real estate taxes, which could increase over time, the need

periodically to repair, renovate and re-lease space, the cost of compliance with governmental regulation, including zoning and tax laws, the potential for liability under applicable laws, interest rate levels and the availability of financing. If our operating costs increase as a result of any of the foregoing factors, our results of operations may be adversely affected.

The expense of owning and operating a property is not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the property. As a result, if revenues decline, we may not be able to reduce our expenses accordingly. Costs associated with real estate investments, such as real estate taxes, insurance, loan payments and maintenance, generally will not be reduced even if a property is not fully occupied or other circumstances cause our revenues to decrease. If we are unable to decrease operating costs when demand for our properties decreases and our revenues decline, our financial condition, results of operations and our ability to make distributions to our stockholders may be adversely affected.

***High mortgage rates and/or unavailability of mortgage debt may make it difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire, our net income and the amount of cash distributions we can make.***

If mortgage debt is unavailable at reasonable rates, we may not be able to finance the purchase of properties. If we place mortgage debt on properties, we may be unable to refinance the properties when the loans become due, or to refinance on favorable terms. If interest rates are higher when we refinance our properties, our income could be reduced. If any of these events occur, our cash flow could be reduced. This, in turn, could reduce cash available for distribution to our stockholders and may hinder our ability to raise more capital by issuing more stock or by borrowing more money. In addition, to the extent we are unable to refinance the properties when the loans become due, we will have fewer debt guarantee opportunities available to offer under our Tax Matters Agreement. See “Certain Relationships and Related Transactions—Tax Matters Agreement.”

***Mortgage and other secured debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.***

Incurring mortgage and other secured debt obligations increases our risk of property losses because defaults on indebtedness secured by properties may result in foreclosure actions initiated by lenders and ultimately our loss of the property securing any loans for which we are in default. Any foreclosure on a mortgaged property or group of properties could adversely affect the overall value of our portfolio of properties. For tax purposes, a foreclosure on any of our properties that is subject to a nonrecourse mortgage loan would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code.

***Some of our financing arrangements involve balloon payment obligations, which may adversely affect our financial condition and our ability to make distributions.***

Some of our financing arrangements require us to make a lump-sum or “balloon” payment at maturity. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Consolidated Indebtedness to be Outstanding After this Offering.” Our ability to satisfy a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the existing financing on terms as favorable as the original loan or sell the property at a price sufficient to satisfy the balloon payment. The effect of a refinancing or sale could affect the rate of return to stockholders and the projected time of disposition of our assets. In addition, payments of principal and interest made to service our debts may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT.

***Some of our existing indebtedness contains, our proposed revolving credit facility and new term loan will contain, and any other future indebtedness we incur may contain, various covenants, and the failure to comply with those covenants could materially adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock.***

Some of our properties in redevelopment or acquisitions have been, and may in the future be, made by borrowing a portion of the purchase price or redevelopment cost of the properties and securing the loan with a mortgage on the property. Some of our loan documents contain, our proposed revolving credit facility and new term loan will contain, and any other future indebtedness we incur may contain, certain covenants, which, among other things, restrict our activities, including, as applicable, our ability to sell the underlying property without the consent of the holder of such indebtedness, to repay or defease such indebtedness or to engage in mergers or consolidations that result in a change in control of our company. We may also be subject to financial and operating covenants. Failure to comply with any of these covenants would likely result in a default under the applicable indebtedness that would permit the acceleration of amounts due thereunder and under other indebtedness and foreclosure of properties, if any, serving as collateral therefor.

***Failure to hedge effectively against interest rate changes may adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.***

Subject to the rules related to maintaining our qualification as a REIT, we may enter into hedging transactions to protect us from the effects of interest rate fluctuations on floating rate debt. Our hedging transactions may include entering into interest rate cap agreements or interest rate swap agreements. These agreements involve risks, such as the risk that such arrangements would not be effective in reducing our exposure to interest rate changes or that a court could rule that such an agreement is not legally enforceable. In addition, interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates. Hedging could reduce the overall returns on our investments. Failure to hedge effectively against interest rate changes could materially adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock. In addition, while such agreements would be intended to lessen the impact of rising interest rates on us, they could also expose us to the risk that the other parties to the agreements would not perform, we could incur significant costs associated with the settlement of the agreements or that the underlying transactions could fail to qualify as highly effective cash flow hedges under Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 815, *Derivatives and Hedging*.

***Our proposed revolving credit facility and new term loan will restrict our ability to engage in some business activities.***

We anticipate that our proposed revolving credit facility will contain customary negative covenants and other financial and operating covenants that, among other things:

- restrict our ability to incur additional indebtedness;
- restrict our ability to make certain investments;
- limit our ability to make capital expenditures;
- restrict our ability to merge with another company;
- restrict our ability to make distributions to stockholders; and
- require us to maintain financial coverage ratios.

These limitations will restrict our ability to engage in some business activities, which could adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock. In addition, our proposed revolving credit facility and new term loan may contain specific cross-default provisions with respect to specified other indebtedness, giving the lenders the right to declare a default if we are in default under other loans in some circumstances.

***Adverse economic and geopolitical conditions and dislocations in the credit markets could have a material adverse effect on our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.***

Our business may be affected by market and economic challenges experienced by the U.S. economy or real estate industry as a whole, such as the dislocations in the credit markets and general global economic downturn caused by the financial crisis of 2008. These conditions, or similar conditions existing in the future, may adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock as a result of the following potential consequences, among others:

- decreased demand for industrial space, which would cause market rental rates and property values to be negatively impacted;
- reduced values of our properties may limit our ability to dispose of assets at attractive prices, or at all, or to obtain debt financing secured by our properties and may reduce the availability of unsecured loans;
- our ability to obtain financing on terms and conditions that we find acceptable, or at all, may be limited, which could reduce our ability to pursue acquisition and redevelopment opportunities and refinance existing debt, reduce our returns from our acquisition and redevelopment activities and increase our future interest expense; and
- one or more lenders under our proposed revolving credit facility or our new term loan could refuse to fund their financing commitments to us or could fail and we may not be able to replace the financing commitment of any such lenders on favorable terms, or at all.

In addition, the economic downturn has adversely affected, and may continue to adversely affect, the businesses of many of our tenants. As a result, we may see increases in bankruptcies of our tenants and increased defaults by tenants, and we may experience higher vacancy rates and delays in re-leasing vacant space, which could negatively impact our business and results of operations.

***We have no operating history as a publicly traded company and may not be able to successfully operate our business or generate sufficient cash flows to make or sustain distributions to our stockholders as a publicly traded company or maintain our qualification as a REIT.***

We were organized in January 2013, and we will only commence operations upon completion of this offering. We have no operating history as a publicly traded company and may not be able to successfully operate our business or implement our operating policies and investment strategy as described in this prospectus. We cannot assure you that the past experience of our senior management team will be sufficient to successfully operate our company as a REIT or a publicly traded company, including the requirements to timely meet disclosure requirements of the SEC, and comply with the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act. Upon completion of this offering, we will be required to develop and implement control systems and procedures in order to qualify and maintain our qualification as a REIT, to satisfy our periodic and current reporting requirements under applicable SEC regulations, to comply with the requirements of the Sarbanes-Oxley Act and to comply with New York Stock Exchange, or NYSE, listing standards, and this transition could place a

significant strain on our management systems, infrastructure and other resources. Failure to operate successfully as a publicly traded company, to develop and implement appropriate control systems and procedures in accordance with the Sarbanes-Oxley Act or maintain our qualification as a REIT would have an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock. See "—Risks Related to Our Status as a REIT—Failure to qualify or maintain our qualification as a REIT would have significant adverse consequences to us and the per share trading price of our common stock." Furthermore, we may not be able to generate sufficient cash flows to pay our operating expenses, service any debt we may incur in the future and make distributions to our stockholders. Our ability to successfully operate our business and implement our operating policies and investment strategy will depend on many factors, including:

- the availability of, and our ability to identify, attractive acquisition opportunities consistent with our investment strategy;
- our ability to contain renovation, maintenance, marketing and other operating costs for our properties;
- our ability to maintain high occupancy rates and target rent levels;
- costs that are beyond our control, including title litigation, litigation with tenants, legal compliance, real estate taxes and insurance;
- interest rate levels and volatility, such as the accessibility of short- and long-term financing on desirable terms; and
- economic conditions in our target markets as well as the condition of the financial and real estate markets and the economy generally.

Upon completion of this offering, even though we will be an "emerging growth company" as defined in the JOBS Act and therefore may take advantage of various exemptions to public reporting requirements (see "—We are an 'emerging growth company,' and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors"), we will still be required to implement substantial control systems and procedures in order to maintain our qualification as a REIT, satisfy our periodic and current reporting requirements under applicable SEC regulations and comply with the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or Dodd Frank, and NYSE or other relevant listing standards. As a result, we will incur significant legal, accounting and other expenses that we have not previously incurred, particularly after we are no longer an "emerging growth company," and our management and other personnel will need to devote a substantial amount of time to comply with these rules and regulations and establish the corporate infrastructure and control systems and procedures demanded of a publicly traded REIT. These costs and time commitments could be substantially more than we currently expect.

***We face significant competition in the leasing market, which may decrease or prevent increases of the occupancy and rental rates of our properties.***

We compete with numerous developers, owners and operators of real estate, many of which own properties similar to ours in the same submarkets in which our properties are located. If our competitors offer space at rental rates below current market rates, or below the rental rates we currently charge our tenants, we may lose existing or potential tenants and we may be pressured to reduce our rental rates below those we currently charge or to offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options in order to retain tenants when our tenants' leases expire. As a result, our financial condition, results of operations, cash flows and our ability to pay distributions on, and the value of, our common stock could be adversely affected.

***We may be required to make rent or other concessions and/or significant capital expenditures to improve our properties in order to retain and attract tenants, causing our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock to be adversely affected.***

In order to attract and retain tenants, we may be required to make rent or other concessions to tenants, accommodate requests for renovations, build-to-suit remodeling and other improvements or provide additional services to our tenants. Additionally, when a tenant at one of our properties does not renew its lease or otherwise vacates its space, it is likely that, in order to attract one or more new tenants, we will be required to expend funds for improvements in the vacated space. As a result, we may have to make significant capital or other expenditures in order to retain tenants whose leases expire and to attract new tenants in sufficient numbers. Additionally, we may need to raise capital to make such expenditures. If we are unable to do so or if capital is otherwise unavailable, we may be unable to make the required expenditures. This could result in non-renewals by tenants upon expiration of their leases, which could have an adverse effect on our financial condition, results of operations, cash flows and our ability to pay distributions on, and the value of, our common stock.

***A substantial majority of the leases at our initial properties are with tenants who have non-investment grade credit ratings, which may result in our leasing to tenants that are more likely to default in their obligations to us than an entity with an investment grade credit rating.***

A substantial majority of the leases at our initial properties are with tenants who have non-investment grade credit ratings. The ability of a non-investment grade tenant to meet its obligations to us cannot be considered as well assured as that of an investment grade tenant. All of our tenants may face exposure to adverse business or economic conditions which could lead to an inability to meet their obligations to us. However, non-investment grade tenants may not have the financial capacity or liquidity to adapt to these conditions or may have less diversified businesses, which may exacerbate the effects of adverse conditions on their businesses. Moreover, the fact that so many of our tenants are not investment grade may cause investors or lenders to view our cash flows as less stable, which may increase our cost of capital, limit our financing options or adversely affect the trading price of our common stock.

***The actual rents we receive for the properties in our portfolio may be less than our asking rents, and we may experience lease roll down from time to time.***

As a result of various factors, including competitive pricing pressure in our submarkets, adverse conditions in the Southern California real estate market, a general economic downturn and a decline in the desirability of our properties compared to other properties in our submarkets, we may be unable to realize the asking rents for properties in our portfolio. In addition, the degree of discrepancy between our asking rents and the actual rents we are able to obtain may vary both from property to property and among different leased spaces within a single property. If we are unable to obtain rental rates comparable to our asking rents for properties in our portfolio, our ability to generate cash flow growth will be negatively impacted. In addition, depending on fluctuations in asking rental rates at any given time, from time to time rental rates for expiring leases in our portfolio may be higher than starting rental rates for new leases.

***We may acquire properties or portfolios of properties through tax-deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell such assets.***

In the future we may acquire properties or portfolios of properties through tax-deferred contribution transactions in exchange for partnership interests in our operating partnership, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we are able to deduct over the tax life of the acquired properties, and may require that we agree to protect the contributors' ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties and/or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions limit our ability to sell an asset at a time, or on terms, that would be favorable absent such restrictions.

***Our real estate development and re-development activities are subject to risks particular to development and re-development.***

We may engage in development and redevelopment activities with respect to certain of our properties. To the extent that we do so, we will be subject to the following risks associated with such development and redevelopment activities:

- unsuccessful development or redevelopment opportunities could result in direct expenses to us;
- construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable;
- time required to complete the construction or redevelopment of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting our cash flow and liquidity;
- contractor and subcontractor disputes, strikes, labor disputes or supply disruptions;
- failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all;
- delays with respect to obtaining or the inability to obtain necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws;
- occupancy rates and rents of a completed project may not be sufficient to make the project profitable;
- our ability to dispose of properties developed or redeveloped with the intent to sell could be impacted by the ability of prospective buyers to obtain financing given the current state of the credit markets; and
- the availability and pricing of financing to fund our development activities on favorable terms or at all.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development or redevelopment activities once undertaken, any of which could have an adverse effect on our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.

***Our success depends on key personnel whose continued service is not guaranteed, and the loss of one or more of our key personnel could adversely affect our ability to manage our business and to implement our growth strategies, or could create a negative perception in the capital markets.***

Our continued success and our ability to manage anticipated future growth depend, in large part, upon the efforts of key personnel, particularly Messrs. Ziman, Schwimmer and Frankel, who have extensive market knowledge and relationships and exercise substantial influence over our operational, financing, acquisition and disposition activity.

Our ability to retain our senior management, particularly Messrs. Ziman, Schwimmer and Frankel, or to attract suitable replacements should any members of our senior management leave, is dependent on the competitive nature of the employment market. We have not obtained and do not expect to obtain key man life insurance on any of our key personnel. The loss of services of one or more members of our senior management team, or our inability to attract and retain highly qualified personnel, could adversely affect our business, diminish our investment opportunities and weaken our relationships with lenders, business partners, existing and

prospective tenants and industry participants. Further, the loss of a member of our senior management team could be negatively perceived in the capital markets. Any of these developments could adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the value of, our common stock.

***Potential losses, including from adverse weather conditions and natural disasters, may not be covered by insurance.***

We will carry commercial property, liability and terrorism coverage on all the properties in our initial portfolio under a blanket insurance policy, in addition to other coverages that may be appropriate for certain of our properties. We will select policy specifications and insured limits that we believe to be appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. Some of our policies will be insured subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses, which could affect certain of our properties that are located in areas particularly susceptible to natural disasters. In addition, we may discontinue terrorism or other insurance on some or all of our properties in the future if the cost of premiums for any such policies exceeds, in our judgment, the value of the coverage discounted for the risk of loss. We will not carry insurance for certain types of extraordinary losses, such as loss from riots, war, earthquakes and wildfires because such coverage may not be available or is cost prohibitive or available at a disproportionately high cost. As a result, we may incur significant costs in the event of loss from riots, war, earthquakes, wildfires and other uninsured losses.

If we or one or more of our tenants experiences a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged. Furthermore, we may not be able to obtain adequate insurance coverage at reasonable costs in the future as the costs associated with property and casualty renewals may be higher than anticipated.

***Substantially all of the properties in our initial portfolio are located in areas that are prone to earthquake activity and we are not insured against such an event.***

Substantially all of the properties in our initial portfolio are located in Southern California, an area that is prone to earthquake activity. We do not carry insurance for losses resulting from earthquakes because such coverage is not available, is cost prohibitive or is available at a disproportionately high cost. A severe earthquake in the Southern California region could result in uninsured damage to a substantial portion of our portfolio and significant reduction in our cash flow. We will continue to monitor third-party earthquake insurance pricing and conditions and may consider obtaining third-party coverage in the future if we deem it cost effective. However, until such time as we obtain such coverage, we would be required to bear all losses, including loss of invested capital and anticipated future cash flows, occurring at these properties as a result of an earthquake.

***We may not be able to rebuild our existing properties to their existing specifications if we experience a substantial or comprehensive loss of such properties.***

In the event that we experience a substantial or comprehensive loss of one of our properties, we may not be able to rebuild such property to its existing specifications. Further, reconstruction or improvement of such a property would likely require significant upgrades to meet zoning and building code requirements. Environmental and legal restrictions could also restrict the rebuilding of our properties.

***Existing conditions at some of our properties may expose us to liability related to environmental matters.***

Independent environmental consultants conducted a Phase I or similar environmental site assessment on most of our properties at the time of their acquisition or in connection with subsequent financings. Such Phase Is or similar environmental site assessments are limited in scope and may not include or identify all potential

environmental liabilities or risks associated with the relevant properties. We have not obtained and do not intend to obtain new or updated Phase Is or similar environmental site assessments in connection with this offering and the formation transactions, which may expose us to liability related to unknown or unanticipated environmental matters. Unless required by applicable laws or regulations, we may not further investigate, remedy or ameliorate the liabilities disclosed in the existing Phase Is or similar environmental site assessments and this failure may expose us to liability in the future.

***We may be unable to sell a property if or when we decide to do so.***

We expect to hold the various real properties until such time as we decide that a sale or other disposition is appropriate. Our ability to dispose of properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. We cannot predict the various market conditions affecting the industrial real estate market which will exist at any particular time in the future. Due to the uncertainty of market conditions which may affect the future disposition of our properties, we cannot assure you that we will be able to sell our properties at a profit in the future, which could adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the value of, our common stock.

Furthermore, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure you that we will have funds available to correct such defects or to make such improvements.

***Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between us and our co-venturers.***

We currently co-invest, and may co-invest in the future, with third parties through partnerships, joint ventures or other entities, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. In such event, we would not be in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their share of required capital contributions. Partners or co-venturers may have economic or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives, and they may have competing interests in our markets that could create conflict of interest issues. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the partner or co-venturer would have full control over the partnership or joint venture. In addition, prior consent of our joint venture partners may be required for a sale or transfer to a third party of our interests in the joint venture, which would restrict our ability to dispose of our interest in the joint venture. If we become a limited partner or non-managing member in any partnership or limited liability company and such entity takes or expects to take actions that could jeopardize our company's status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort on our business. Consequently, actions by or disputes with partners or co-venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers. Our joint ventures may be subject to debt and, in the current volatile credit market, the refinancing of such debt may require equity capital calls.

We currently hold a 15% interest in a joint venture (the "JV") that indirectly owns three properties located in Ventura County, California. In addition to the general risks described above with respect to joint ventures, specifically with respect to the JV, at any time that less than two of Messrs. Ziman, Schwimmer and Frankel remain as executive officers with involvement in the day-to-day operations of our company and its subsidiaries, our joint venture partner may have the ability to remove us as a co-manager of the JV, offset against

distributions to which we would otherwise be entitled, and/or force the sale of our 15% interest in the JV to our joint venture partner. Additionally, under the terms of our joint venture agreement with, until the earlier of (i) the sale of the Mission Oaks properties owned indirectly by the JV and (ii) the date upon which the property located at 3233 E. Mission Oaks Boulevard achieves 85% pre-leasing/leasing or occupancy (as applicable) for two consecutive calendar months, prior to purchasing, investing in or acquiring a direct or indirect interest in any debt or equity associated with any property located in Ventura County, California with industrial tenant space (or which is intended to have industrial tenant space) larger than 30,000 square feet and meets certain other investment criteria, we are obligated to offer our joint venture partner the opportunity to invest in such investment opportunity on substantially the same terms and conditions offered to us or our affiliates.

***If we fail to implement and maintain an effective system of integrated internal controls, we may not be able to accurately report our financial results.***

As a new publicly traded company, we will be required to comply with the applicable provisions of the Sarbanes-Oxley Act, which requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting and effective disclosure controls and procedures for making required filings with the SEC. Effective internal and disclosure controls are necessary for us to provide reliable financial reports and effectively prevent fraud and to operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed.

The process for designing and implementing an effective system of integrated internal controls is a continuous effort that requires significant resources and devotion of time. As part of the ongoing monitoring of internal controls required of publicly traded companies, we may discover material weaknesses in our internal controls. As a result of weaknesses that may be identified in our internal controls, we may also identify certain deficiencies in some of our disclosure controls and procedures that we believe require remediation. If we discover weaknesses, we will make efforts to improve our internal and disclosure controls. However, there is no assurance that we will be successful. In addition, as an "emerging growth company," our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until the later of the year following our first annual report required to be filed with the SEC and the date we are no longer an "emerging growth company," which may be up to a full five fiscal years following the offering.

Any failure to maintain effective controls or timely effect any necessary improvement of our internal and disclosure controls could harm operating results or cause us to fail to meet our reporting obligations, which could affect our ability to remain listed with the NYSE. Ineffective internal and disclosure controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the per share trading price of, our common stock.

***Our growth depends on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all.***

In order to qualify and maintain our qualification as a REIT, we are required under the Code, among other things, to distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income (determined without regard to the deduction for dividends paid), including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we intend to rely on third-party sources to fund our capital needs. We may not be able to obtain such financing on favorable terms or at all and any additional debt we incur will increase our leverage and likelihood of default. Our access to third-party sources of capital depends, in part, on:

- general market conditions;

- the market's perception of our growth potential;
- our current debt levels;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

In recent years, the capital markets have been subject to significant disruptions. If we cannot obtain capital from third-party sources, we may not be able to acquire or develop properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

***We are an "emerging growth company," and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors.***

We are an "emerging growth company" as defined in the JOBS Act. We will remain an "emerging growth company" until the earliest to occur of:

- the last day of the fiscal year during which our total annual revenue equals or exceeds $1 billion (subject to adjustment for inflation),
- the last day of the fiscal year following the fifth anniversary of this offering,
- the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt, or
- the date on which we are deemed to be a "large accelerated filer" under the Exchange Act.

We may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our per share trading price may be adversely affected and more volatile.

**Risks Related to the Real Estate Industry**

***Our performance and value are subject to risks associated with real estate assets and the real estate industry.***

Our ability to pay expected dividends to our stockholders depends on our ability to generate revenues in excess of expenses, scheduled principal payments on debt and capital expenditure requirements. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution and the value of our properties. These events include many of the risks set forth above under "—Risks Related to Our Business and Operations," as well as the following:

- local oversupply or reduction in demand for industrial space;
- adverse changes in financial conditions of buyers, sellers and tenants of properties;

- vacancies or our inability to rent space on favorable terms, including possible market pressures to offer tenants rent abatements, tenant improvements, early termination rights or below-market renewal options, and the need to periodically repair, renovate and re-lease space;
- increased operating costs, including insurance premiums, utilities, real estate taxes and state and local taxes;
- civil unrest, acts of war, terrorist attacks and natural disasters, including earthquakes, floods and wildfires, which may result in uninsured or underinsured losses;
- decreases in the underlying value of our real estate;
- changing submarket demographics; and
- changing traffic patterns.

In addition, periods of economic downturn or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of defaults under existing leases, which would adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.

***Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition.***

The real estate investments made, and to be made, by us are relatively difficult to sell quickly. As a result, our ability to promptly sell one or more properties in our portfolio in response to changing economic, financial and investment conditions is limited. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinancing of the underlying property. We may be unable to realize our investment objectives by sale, other disposition or refinancing at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. In particular, our ability to dispose of one or more properties within a specific time period is subject to certain limitations imposed by our Tax Matters Agreement, as well as weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions, and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located.

In addition, the Code imposes restrictions on a REIT's ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, which may cause us to forego or defer sales of properties that otherwise would be in our best interest. Therefore, we may not be able to vary our initial portfolio in response to economic or other conditions promptly or on favorable terms, which may adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.

***Declining real estate valuations and impairment charges could materially adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock.***

We intend to review the carrying value of our properties when circumstances, such as adverse market conditions, indicate a potential impairment may exist. We intend to base our review on an estimate of the future cash flows (excluding interest charges) expected to result from the property's use and eventual disposition on an undiscounted basis. We intend to consider factors such as future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. If our evaluation indicates that we may be unable

to recover the carrying value of a real estate investment, an impairment loss will be recorded to the extent that the carrying value exceeds the estimated fair value of the property.

Impairment losses have a direct impact on our operating results because recording an impairment loss results in an immediate negative adjustment to our operating results. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. A worsening real estate market may cause us to reevaluate the assumptions used in our impairment analysis. Impairment charges could materially adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock.

***Adverse economic conditions and the dislocation in the credit markets could materially adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock.***

Ongoing economic conditions have negatively impacted the lending and capital markets, particularly for real estate. The capital markets have witnessed significant adverse conditions in recent years, including a substantial reduction in the availability of, and access to, capital. The risk premium demanded by lenders has increased markedly, as they are demanding greater compensation for risk, and underwriting standards have been tightened. In addition, failures and consolidations of certain financial institutions have decreased the number of potential lenders, resulting in reduced lending sources available to the market. These conditions may limit the amount of indebtedness we are able to obtain and our ability to refinance our indebtedness, and may impede our ability to develop new properties and to replace construction financing with permanent financing, which could result in our having to sell properties at inopportune times and on unfavorable terms. If these conditions continue, our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock could be materially adversely affected.

The lack of availability of debt financing may require us to rely more heavily on additional equity issuances, which may be dilutive to our current stockholders, or on less efficient forms of debt financing. Additionally, the limited amount of financing currently available may reduce the value of our properties and limit our ability to borrow against such properties, which could materially adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock.

***We face potential material adverse effects on our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock from the bankruptcies or insolvencies of tenants.***

Our tenants could file for bankruptcy protection or become insolvent. We cannot assure you that any tenant that files for bankruptcy protection will continue to pay us rent. A bankruptcy filing by or relating to one of our tenants would bar all efforts by us to collect pre-bankruptcy debts from that tenant unless we receive an order permitting us to do so from the bankruptcy court. A tenant bankruptcy could delay our efforts to collect past due balances under the relevant leases and could ultimately preclude collection of these sums. Under bankruptcy law, a tenant cannot be evicted solely because of its bankruptcy. On the other hand, a bankrupt tenant may reject and terminate its lease with us. In such case, we would have only a general unsecured claim for damages. Any unsecured claim we hold may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims, and there are restrictions under bankruptcy laws that limit the amount of the claim we can make if a lease is rejected. As a result, it is likely that we will recover substantially less than the full value of any unsecured claims we hold. This shortfall could adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock.

***New rules relating to the accounting of leases could materially adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock.***

The FASB has proposed accounting rules that may take effect in 2013 and would require companies to capitalize all leases on their balance sheets by recognizing a lessee's rights and obligations. If the proposal is adopted in its current form, many companies that account for certain leases on an "off balance sheet" basis would be required to account for such leases "on balance sheet." This could cause our tenants to be in default under certain covenants and cause their credit quality to be viewed more negatively. Since this change would remove many of the differences in the way companies account for owned property and leased property, it could cause companies to favor owning as opposed to leasing properties. If the proposal is adopted in its current form it could cause companies that lease properties to prefer shorter term leases, in an effort to reduce the leasing liability required to be recorded on the balance sheet. The proposal could also make lease renewal options less attractive, as, under certain circumstances, the rules would require a tenant to assume that a renewal right was exercised and accrue a liability relating to the longer lease term.

***Acquired properties may be located in new markets where we may face risks associated with investing in an unfamiliar market.***

We have acquired, and may continue to acquire, properties in markets that are new to us. For example, our predecessor business acquired properties in Arizona and Illinois as part of an acquisition of a portfolio of properties that included four other properties located in our target markets. When we acquire properties located in new markets, we may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures.

***We may choose not to distribute the proceeds of any sales of real estate to our stockholders, which may reduce the amount of our cash distributions to stockholders.***

We may choose not to distribute any proceeds from the sale of real estate investments to our stockholders. Instead, we may elect to use such proceeds to:

- acquire additional real estate investments;
- repay debt;
- buy out interests of any partners in any joint venture in which we are a party;
- create working capital reserves; or
- make repairs, maintenance, tenant improvements or other capital improvements or expenditures on our other properties.

Any decision to retain or invest the proceeds of any sales, rather than distribute such proceeds to our stockholders may reduce the amount of cash distributions you receive on your common stock.

***Uninsured losses relating to real property may adversely affect your returns.***

We attempt to ensure that all of our properties are adequately insured to cover casualty losses. However, there are certain losses, including losses from floods, earthquakes, wildfires, acts of war, acts of terrorism or riots, that are not generally insured against or that are not generally fully insured against because it is not deemed economically feasible or prudent to do so. In addition, changes in the cost or availability of insurance could expose us to uninsured casualty losses. In the event that any of our properties incurs a casualty loss that is not

fully covered by insurance, the value of our assets will be reduced by the amount of any such uninsured loss, and we could experience a significant loss of capital invested and potential revenue in these properties and could potentially remain obligated under any recourse debt associated with the property. Moreover, we, as the general partner of our operating partnership, generally will be liable for all of our operating partnership's unsatisfied recourse obligations, including any obligations incurred by our operating partnership as the general partner of joint ventures. Any such losses could adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock. In addition, we may have no source of funding to repair or reconstruct the damaged property, and we cannot assure you that any such sources of funding will be available to us for such purposes in the future. We evaluate our insurance coverage annually in light of current industry practice through an analysis prepared by outside consultants.

***If any of our insurance carriers becomes insolvent, we could be adversely affected.***

We carry several different lines of insurance, placed with several large insurance carriers. If any one of these large insurance carriers were to become insolvent, we would be forced to replace the existing insurance coverage with another suitable carrier, and any outstanding claims would be at risk for collection. In such an event, we cannot be certain that we would be able to replace the coverage at similar or otherwise favorable terms. Replacing insurance coverage at unfavorable rates and the potential of uncollectible claims due to carrier insolvency could adversely affect our results of operations and cash flows.

***Our property taxes could increase due to property tax rate changes or reassessment, which could adversely impact our cash flows.***

Even if we qualify as a REIT for federal income tax purposes, we will be required to pay some state and local taxes on our properties. The real property taxes on our properties may increase as property tax rates change or as our properties are assessed or reassessed by taxing authorities. All of the properties in our initial portfolio that are located in California will be reassessed as a result of our formation transactions, the concurrent private placement and this offering. Therefore, the amount of property taxes we pay in the future may increase substantially from what we have paid in the past. If the property taxes we pay increase, our cash flow would be adversely impacted to the extent that we are not reimbursed by tenants for those taxes, and our ability to pay any expected dividends to our stockholders could be adversely affected.

***We could incur significant costs related to government regulation and litigation over environmental matters.***

Under various federal, state and local laws and regulations relating to the environment, as a current or former owner or operator of real property, we may be liable for costs and damages resulting from the presence or discharge of hazardous or toxic substances, waste or petroleum products at, on, in, under or migrating to or from such property, including costs to investigate, clean up such contamination and liability for harm to natural resources. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such contamination, and the liability may be joint and several. These liabilities could be substantial and the cost of any required remediation, removal, fines or other costs could exceed the value of the property and/or our aggregate assets. In addition, the presence of contamination or the failure to remediate contamination at our properties may expose us to third-party liability for costs of remediation and/or personal, property, or natural resources damage or materially adversely affect our ability to sell, lease or develop our properties or to borrow using the properties as collateral. In addition, environmental laws may create liens on contaminated sites in favor of the government for damages and costs it incurs to address such contamination. Moreover, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures.

Some of our properties have been or may be impacted by contamination arising from current or prior uses of the property, or adjacent properties, for commercial or industrial purposes. Such contamination may arise from spills of petroleum or hazardous substances or releases from tanks used to store such materials.

Contamination is known or suspected to exist at a number of our properties which may result in further investigation, remediation, or deed restrictions. From time to time, we may acquire properties with known adverse environmental conditions where we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk-adjusted return. We usually perform a Phase I environmental site assessment at any property we are considering acquiring. In connection with certain financing transactions our lenders have commissioned independent environmental consultants to conduct Phase I environmental site assessments on certain of the properties in our initial portfolio. However, we have not always received copies of the Phase I environmental site assessment reports commissioned by our lenders and, as such, may not be aware of all potential or existing environmental contamination liabilities at the properties in our initial portfolio. In addition, Phase I environmental site assessments are limited in scope and do not involve sampling of soil, soil vapor, or groundwater, and these assessments may not include or identify all potential environmental liabilities or risks associated with the property. Even where subsurface investigation is performed, it can be very difficult to ascertain the full extent of environmental contamination or the costs that are likely to flow from such contamination. We cannot assure you that the Phase I environmental site assessment or other environmental studies identified all potential environmental liabilities, or that we will not face significant remediation costs or other environmental contamination that makes it difficult to sell any affected properties. Also, we have not always implemented actions recommended by these assessments, and recommended investigation and remediation of known or suspected contamination has not always been performed. As a result, we could potentially incur material liability for these issues, which could adversely impact our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock.

Environmental laws also govern the presence, maintenance and removal of asbestos-containing building materials, or ACBM, and may impose fines and penalties for failure to comply with these requirements. Such laws require that owners or operators of buildings containing ACBM (and employers in such buildings) properly manage and maintain the asbestos, adequately notify or train those who may come into contact with asbestos, and undertake special precautions, including removal or other abatement, if asbestos would be disturbed during renovation or demolition of a building. In addition, the presence of ACBM in our properties may expose us to third-party liability (e.g., liability for personal injury associated with exposure to asbestos).

In addition, the properties in our portfolio also are subject to various federal, state and local environmental and health and safety requirements, such as state and local fire requirements. Moreover, some of our tenants routinely handle and use hazardous or regulated substances and wastes as part of their operations at our properties, which are subject to regulation. Such environmental and health and safety laws and regulations could subject us or our tenants to liability resulting from these activities. Environmental liabilities could affect a tenant's ability to make rental payments to us. In addition, changes in laws could increase the potential liability for noncompliance. This may result in significant unanticipated expenditures or may otherwise materially and adversely affect our operations, or those of our tenants, which could in turn have an adverse effect on us.

We cannot assure you that costs or liabilities incurred as a result of environmental issues will not affect our ability to make distributions to you or that such costs or other remedial measures will not have an adverse effect on our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock. If we do incur material environmental liabilities in the future, we may face significant remediation costs, and we may find it difficult to sell any affected properties.

***Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation.***

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a

variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our tenants, employees of our tenants or others if property damage or personal injury is alleged to have occurred.

***We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties.***

The properties in our initial portfolio are subject to various covenants and federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances and zoning restrictions may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief. Our failure to obtain such permits, licenses and zoning relief or to comply with applicable laws could have an adverse effect on our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.

In addition, federal and state laws and regulations, including laws such as the Americans with Disabilities Act, or ADA, and the Fair Housing Amendment Act of 1988, or FHAA, impose further restrictions on our properties and operations. Under the ADA and the FHAA, all public accommodations must meet federal requirements related to access and use by disabled persons. Some of our properties may currently be in non-compliance with the ADA or the FHAA. If one or more of the properties in our initial portfolio is not in compliance with the ADA, the FHAA or any other regulatory requirements, we may be required to incur additional costs to bring the property into compliance, including the removal of access barriers, and we might incur governmental fines or the award of damages to private litigants. In addition, we do not know whether existing requirements will change or whether future requirements will require us to make significant unanticipated expenditures that will adversely impact our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.

**Risks Related to Our Organizational Structure and Our Formation Transactions**

***Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of common units, which may impede business decisions that could benefit our stockholders.***

Conflicts of interest may exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof, on the other. Our directors and officers have duties to our company under Maryland law in connection with their management of our company. At the same time, we, as the general partner of our operating partnership, have fiduciary duties and obligations to our operating partnership and its limited partners under Maryland law and the partnership agreement of our operating partnership in connection with the management of our operating partnership. Our fiduciary duties and obligations as the general partner of our operating partnership may come into conflict with the duties of our directors and officers to our company.

Under Maryland law, a general partner of a Maryland limited partnership has fiduciary duties of loyalty and care to the partnership and its partners and must discharge its duties and exercise its rights as general partner

under the partnership agreement or Maryland law consistent with the obligation of good faith and fair dealing. The partnership agreement provides that, in the event of a conflict between the interests of our operating partnership or any partner, on the one hand, and the separate interests of our company or our stockholders, on the other hand, we, in our capacity as the general partner of our operating partnership, may give priority to the separate interests of our company or our stockholders (including with respect to tax consequences to limited partners, assignees or our stockholders), and, in the event of such a conflict, any action or failure to act on our part or on the part of our directors that gives priority to the separate interests of our company or our stockholders that does not result in a violation of the contract rights of the limited partners of our operating partnership under its partnership agreement does not violate the duty of loyalty or any other duty that we, in our capacity as the general partner of our operating partnership, owe to our operating partnership and its partners or violate the obligation of good faith and fair dealing.

Additionally, the partnership agreement provides that we generally will not be liable to our operating partnership or any partner for any action or omission taken in our capacity as general partner, for the debts or liabilities of our operating partnership or for the obligations of the operating partnership under the partnership agreement, except for liability for our fraud, willful misconduct or gross negligence, pursuant to any express indemnity we may give to our operating partnership or in connection with a redemption as described in "Description of the Partnership Agreement of Rexford Industrial Realty, L.P.—Redemption Rights of Qualifying Parties." Our operating partnership must indemnify us, our directors and officers, officers of our operating partnership and our designees from and against any and all claims that relate to the operations of our operating partnership, unless (1) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) the person actually received an improper personal benefit in violation or breach of the partnership agreement or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful. Our operating partnership must also pay or reimburse the reasonable expenses of any such person in advance of a final disposition of the proceeding upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our operating partnership is not required to indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the partnership agreement) or if the person is found to be liable to our operating partnership on any portion of any claim in the action. No reported decision of a Maryland appellate court has interpreted provisions similar to the provisions of the partnership agreement of our operating partnership that modify and reduce our fiduciary duties or obligations as the general partner or reduce or eliminate our liability to our operating partnership and its partners, and we have not obtained an opinion of counsel as to the enforceability of the provisions set forth in the partnership agreement that purport to modify or reduce the fiduciary duties and obligations that would be in effect were it not for the partnership agreement.

***Some of our directors and executive officers have outside business interests, including interests in real estate-related businesses, and, therefore, may have conflicts of interest with us.***

Certain of our executive officers and directors have outside business interests, including interests in real estate-related businesses, and may own equity securities of public and private real estate companies. Our executive officers' and directors' interests in these entities could create a conflict of interest, especially when making determinations regarding our renewal of leases with tenants subject to these leases. Our executive officers' involvement in other businesses and real estate-related activities could divert their attention from our day-to-day operations, and state law may limit our ability to enforce any non-compete agreements. See "Prospectus Summary—Conflicts of Interests" and "Policies With Respect to Certain Activities—Conflict of Interest Policy."

***We may assume unknown liabilities in connection with our formation transactions.***

As part of our formation transactions, we will acquire entities and assets that are subject to existing liabilities, some of which may be unknown or unquantifiable at the time this offering is completed. These liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims by tenants, vendors or other persons dealing with our predecessor entities (that had not been asserted or threatened prior to this offering), tax liabilities and accrued but unpaid liabilities incurred in the ordinary course of business. While in some instances we may have the right to seek reimbursement against an insurer, any recourse against the prior investors in the Rexford Funds (other than Messrs. Ziman, Schwimmer and Frankel) will be limited. There can be no assurance that we will be entitled to any such reimbursement or that ultimately we will be able to recover in respect of such rights for any of these historical liabilities.

In addition, we have not obtained and do not intend to obtain new or additional title insurance in connection with this offering and the formation transactions, including any so-called date down endorsements or other modifications to our existing title insurance policies. As a result, we may acquire properties from the Rexford Funds with unknown material title defects or developments and our title insurance policies may not provide coverage against such defects or developments or insure for the current aggregate market value of our portfolio. There can be no assurance that our current title insurance policies will adequately protect us against any losses resulting from such title defects or adverse developments.

***We have not obtained recent appraisals of the properties and other assets in our initial portfolio, and the consideration paid by us to certain of our officers and directors in our formation transactions was not negotiated at arm's length and may exceed their fair market value or the value that would be determined by third-party appraisals.***

We have not obtained as part of our formation transactions any recent third-party appraisals of our initial properties, nor any independent third-party valuations or fairness opinions regarding the merits of the formation transactions. The amount of consideration to be paid by us to certain of our officers and directors in our formation transactions was based upon management's estimates of the fair market value of these properties and interests on an aggregate basis. However, the consideration to be paid by us to certain of our officers and directors was not based on arm's-length negotiations and was not approved by any independent directors. In addition, certain of our executive officers and directors, who had significant influence in structuring the formation transactions, had pre-existing ownership interests in those properties and assets and will receive common units as a result of the formation transactions. These common units will have an initial value of approximately $52 million, based on the initial public offering price of $14.00 per share (the mid-point of the price range set forth on the front cover of this prospectus), and will represent 12.8% of the outstanding equity interests of our company (on a fully diluted basis) upon completion of this offering, the formation transactions and concurrent private placement. It is possible that the consideration we will pay for the properties and assets may exceed their fair market value and that we could realize less value from these assets than we would have if the assets had been acquired after arms-length negotiation or if we had obtained independent appraisals for these assets. See "Certain Relationships and Related Transactions."

***The agreements relating to our formation transactions will be subject to certain closing and other conditions.***

The agreements relating to our formation transactions whereby we will acquire the properties in our initial portfolio will be subject to certain closing and other conditions, including obtaining lender consents with regard to the mergers that are part of the formation transactions and satisfaction of certain deadlines. We may determine to delay the completion of our formation transactions in order to satisfy these conditions precedent.

***Our charter and bylaws, the partnership agreement of our operating partnership and Maryland law contain provisions that may delay, defer or prevent a change of control transaction.***

***Our charter contains certain ownership limits with respect to our stock.*** Our charter authorizes our board of directors to take such actions as it determines are advisable, in its sole and absolute discretion, to preserve our qualification as a REIT. Our charter also prohibits the actual, beneficial or constructive ownership by any person of more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate outstanding shares of all classes and series of our stock, in each case excluding any shares that are not treated as outstanding for federal income tax purposes. Our board of directors, in its sole and absolute discretion, may exempt a person, prospectively or retroactively, from these ownership limits if certain conditions are satisfied. The restrictions on ownership and transfer of our stock may:

- discourage a tender offer or other transactions or a change in management or of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests; or

- result in the transfer of shares acquired in excess of the restrictions to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of the benefits of owning the additional shares.

***We could increase the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval.***Our board of directors, without stockholder approval, has the power under our charter to amend our charter to increase the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue, to authorize us to issue authorized but unissued shares of our common stock or preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock into one or more classes or series of stock and set the terms of such newly classified or reclassified shares. See "Description of Stock—Power to Increase or Decrease Authorized Shares of Common Stock and Issue Additional Shares of Common and Preferred Stock." As a result, we may issue classes or series of common stock or preferred stock with preferences, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of holders of our common stock. Although our board of directors has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest.

***Certain provisions of Maryland law could inhibit changes in control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest.*** Certain provisions of the MGCL, may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

- "business combination" provisions that, subject to certain exceptions, prohibit certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding voting stock at any time within the two-year period immediately prior to the date in question) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose fair price or supermajority stockholder voting requirements on these combinations; and

- "control share" provisions that provide that holders of "control shares" of our company (defined as shares that, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise voting power in the election of directors within one of three increasing ranges) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of the voting power of issued and outstanding "control shares," subject to certain exceptions) have no voting rights with respect to their control shares, except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

As permitted by the MGCL, our bylaws provide that we will not be subject to the control share provisions of the MGCL and our board of directors has, by resolution, exempted us from the business combination between us and any other person. However, we cannot assure you that our board of directors will not revise the bylaws or such resolution in order to be subject to such business combination and control share provisions in the future. Notwithstanding the foregoing, an alteration or repeal of the board resolution exempting such business combinations will not have any effect on any business combinations that have been consummated or upon any agreements existing at the time of such modification or repeal.

Certain provisions of the MGCL permit the board of directors of a Maryland corporation with at least three independent directors and a class of stock registered under the Exchange Act without stockholder approval and regardless of what is currently provided in its charter or bylaws, to implement certain corporate governance provisions, some of which (for example, a classified board) are not currently applicable to us. These provisions may have the effect of limiting or precluding a third party from making an unsolicited acquisition proposal for our company or of delaying, deferring or preventing a change in control under circumstances that otherwise could provide the holders of shares of our stock with the opportunity to realize a premium over the then current market price. Our charter contains a provision whereby it elects, at such time as it becomes eligible to do so (which we expect will be upon the completion of this offering), to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on the board of directors. See "Material Provisions of Maryland Law and of Our Charter and Bylaws—Subtitle 8."

***Certain provisions in the partnership agreement of our operating partnership may delay or prevent unsolicited acquisitions of us.***Provisions of the partnership agreement of our operating partnership may delay or make more difficult unsolicited acquisitions of us or changes of our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders or limited partners might consider such proposals, if made, desirable. These provisions include, among others:

- redemption rights of qualifying parties;
- a requirement that we may not be removed as the general partner of our operating partnership without our consent;
- transfer restrictions on common units;
- our ability, as general partner, in some cases, to amend the partnership agreement and to cause our operating partnership to issue additional partnership interests with terms that could delay, defer or prevent a merger or other change of control of us or our operating partnership without the consent of our stockholders or the limited partners; and
- the right of the limited partners to consent to certain transfers of our general partnership interest (whether by sale, disposition, statutory merger or consolidation, liquidation or otherwise).

Our charter and bylaws, the partnership agreement of our operating partnership and Maryland law also contain other provisions that may delay, defer or prevent a transaction or a change of control that might involve a

premium price for our common stock or that our stockholders otherwise believe to be in their best interest. See "Description of the Partnership Agreement of Rexford Industrial Realty, L.P.—Transfers and Withdrawals—Restrictions on Transfers by the General Partner," "Material Provisions of Maryland Law and of Our Charter and Bylaws—Removal of Directors," "—Control Share Acquisitions," "—Advance Notice of Director Nominations and New Business" and "Description of the Partnership Agreement of Rexford Industrial Realty, L.P."

***The Tax Matters Agreement limits our ability to sell or otherwise dispose of certain properties, even though a sale or disposition may otherwise be in our stockholders' best interest.***

In connection with the formation transactions, we will enter into a Tax Matters Agreement with certain limited partners of our operating partnership, including Messrs. Ziman, Schwimmer and Frankel, that provides that if we dispose of any interest with respect to certain properties in our initial portfolio in a taxable transaction during the period from the completion of the offering through the seventh anniversary of such completion, our operating partnership will indemnify such limited partners for their tax liabilities attributable to their share of the built-in gain that exists with respect to such property interest as of the time of this offering and tax liabilities incurred as a result of the indemnification payment; provided that, subject to certain exceptions and limitations, such indemnification rights will terminate for any such protected partner that sells, exchanges or otherwise disposes of more than 50% of his or her common units. We have no present intention to sell or otherwise dispose of these properties or interest therein in taxable transactions during the restriction period. If we were to trigger the tax protection provisions under this agreement, our operating partnership would be required to pay damages in the amount of the taxes owed by these limited partners (plus additional damages in the amount of the taxes incurred as a result of such payment). As a result, although it may otherwise be in our stockholders' best interest that we sell one of these properties, it may be economically prohibitive for us to do so because of these obligations.

***The Tax Matters Agreement may require our operating partnership to maintain certain debt levels that otherwise would not be required to operate our business.***

The Tax Matters Agreement will provide that, during the period from the completion of this offering through the period ending on the twelfth anniversary of the completion of this offering, our operating partnership will offer certain limited partners the opportunity to guarantee its debt, and following such period, our operating partnership will use commercially reasonable efforts to provide such limited partners who continue to own at least 50% of the common units they originally received in the formation transactions with debt guarantee opportunities. Our operating partnership will be required to indemnify such limited partners for their tax liabilities resulting from our failure to make such opportunities available to them (plus an additional amount equal to the taxes incurred as a result of such indemnity payment). See "Certain Relationships and Related Transactions—Tax Matters Agreement." Among other things, this opportunity to guarantee debt is intended to allow the participating limited partners to defer the recognition of gain in connection with the formation transactions. These obligations may require us to maintain more or different indebtedness than we would otherwise require for our business.

***We may choose not to enforce, or to pursue less vigorous enforcement of, our rights under the contribution and/or merger and other agreements with members of our senior management and our affiliates because of our dependence on them and conflicts of interest.***

Each of Richard Ziman, Howard Schwimmer and Michael S. Frankel, are parties to or have interests in contribution and/or merger agreements with us pursuant to which we have acquired or will acquire interests in our properties and assets. None of these merger or contribution agreements was negotiated on an arm's length basis and Messrs. Ziman, Schwimmer and Frankel faced conflicts in negotiating these agreements, including the amount of consideration to be received by them in connection with our formation transactions. In addition, certain of our executive officers may become parties to employment agreements with us, and Messrs. Ziman, Schwimmer and Frankel have entered into a representation, warranty and indemnity agreement with us pursuant to which they made certain representations and warranties to us regarding the entities and assets being acquired

in the formation transactions and agreed to indemnify us and our operating partnership, subject to certain conditions, in an amount equal to up to ten percent of the consideration payable to Messrs. Ziman, Schwimmer and Frankel in the formation transaction for breaches of such representations and warranties for one year after the completion of this offering, the formation transactions and the concurrent private placement. We may choose not to enforce, or to enforce less vigorously, our rights under these agreements because of our desire to maintain our ongoing relationships with members of our senior management and their affiliates, with possible negative impact on stockholders.

***Our board of directors may change our investment and financing policies without stockholder approval and we may become more highly leveraged, which may increase our risk of default under our debt obligations.***

Our investment and financing policies are exclusively determined by our board of directors. Accordingly, our stockholders do not control these policies. Further, our charter and bylaws do not limit the amount or percentage of indebtedness, funded or otherwise, that we may incur. Our board of directors may alter or eliminate our current policy on borrowing at any time without stockholder approval. If this policy changed, we could become more highly leveraged which could result in an increase in our debt service. Higher leverage also increases the risk of default on our obligations. In addition, a change in our investment policies, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to interest rate risk, real estate market fluctuations and liquidity risk. Changes to our policies with regards to the foregoing could adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.

***Our rights and the rights of our stockholders to take action against our directors and officers are limited.***

As permitted by Maryland law, our charter eliminates the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty by the director or officer that was established by a final judgment and was material to the cause of action adjudicated.

In addition, our charter authorizes us to obligate our company, and our bylaws require us, to indemnify our directors and officers for actions taken by them in those and certain other capacities to the maximum extent permitted by Maryland law in effect from time to time. Generally, Maryland law permits a Maryland corporation to indemnify its present and former directors and officers except in instances where the person seeking indemnification acted in bad faith or with active and deliberate dishonesty, actually received an improper personal benefit in money, property or services or, in the case of a criminal proceeding, had reasonable cause to believe that his or her actions were unlawful. Under Maryland law, a Maryland corporation also may not indemnify a director or officer in a suit by or on behalf of the corporation in which the director or officer was adjudged liable to the corporation or for a judgment of liability on the basis that a personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct; however, indemnification for an adverse judgment in a suit by us or on our behalf, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist. Accordingly, in the event that actions taken in good faith by any of our directors or officers impede the performance of our company, your ability to recover damages from such director or officer will be limited. See “Material Provisions of Maryland Law and of Our Charter and Bylaws—Indemnification and Limitation of Directors’ and Officers’ Liability.”

***We are a holding company with no direct operations and, as such, we will rely on funds received from our operating partnership to pay liabilities, and the interests of our stockholders will be structurally subordinated to all liabilities and obligations of our operating partnership and its subsidiaries.***

We are a holding company and will conduct substantially all of our operations through our operating partnership. We do not have, apart from an interest in our operating partnership, any independent operations. As a result, we will rely on distributions from our operating partnership to pay any dividends we might declare on shares of our common stock. We will also rely on distributions from our operating partnership to meet any of our obligations, including any tax liability on taxable income allocated to us from our operating partnership. In addition, because we are a holding company, your claims as stockholders will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money) of our operating partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our operating partnership and its subsidiaries will be available to satisfy the claims of our stockholders only after all of our and our operating partnership's and its subsidiaries' liabilities and obligations have been paid in full.

***Our operating partnership may issue additional common units to third parties without the consent of our stockholders, which would reduce our ownership percentage in our operating partnership and would have a dilutive effect on the amount of distributions made to us by our operating partnership and, therefore, the amount of distributions we can make to our stockholders.***

After giving effect to this offering, we will own 86.8% of the outstanding common units and we may, in connection with our acquisition of properties or otherwise, cause our operating partnership to issue additional common units to third parties. Such issuances would reduce our ownership percentage in our operating partnership and affect the amount of distributions made to us by our operating partnership and, therefore, the amount of distributions we can make to our stockholders. Because you will not directly own common units, you will not have any voting rights with respect to any such issuances or other partnership level activities of our operating partnership.

**Risks Related to Our Status as a REIT**

***Failure to qualify or maintain our qualification as a REIT would have significant adverse consequences to us and the per share trading price of our common stock.***

We intend to elect to be taxed and to operate in a manner that will allow us to qualify as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2013. We have not requested and do not plan to request a ruling from the Internal Revenue Service, or IRS, that we qualify as a REIT, and the statements in this prospectus are not binding on the IRS or any court. Therefore, we cannot assure you that we will qualify as a REIT, or that we will remain qualified as such in the future. If we lose our REIT qualification, we will face serious tax consequences that would substantially reduce the funds available for distribution to you for each of the years involved because:

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates;
- we also could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and
- unless we are entitled to relief under applicable statutory provisions, we could not elect to be taxed as a REIT for four taxable years following the year during which we were disqualified.

Any such corporate tax liability could be substantial and would reduce our cash available for, among other things, our operations and distributions to stockholders. In addition, if we fail to qualify as a REIT, we will

not be required to make distributions to our stockholders. As a result of all these factors, our failure to qualify as a REIT also could impair our ability to expand our business and raise capital, and could materially and adversely affect the per share trading price of our common stock.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury regulations that have been promulgated under the Code, or the Treasury Regulations, is greater in the case of a REIT that, like us, holds its assets through a partnership. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the ownership of our stock, requirements regarding the composition of our assets and a requirement that at least 95% of our gross income in any year must be derived from qualifying sources, such as "rents from real property." Also, we must make distributions to stockholders aggregating annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding net capital gains. In addition, legislation, new regulations, administrative interpretations or court decisions may materially adversely affect our investors, our ability to qualify as a REIT for federal income tax purposes or the desirability of an investment in a REIT relative to other investments.

Even if we qualify as a REIT for federal income tax purposes, we may be subject to some federal, state and local income, property and excise taxes on our income or property and, in certain cases, a 100% penalty tax, in the event we sell property as a dealer. In addition, our taxable REIT subsidiary will be subject to tax as a regular corporation in the jurisdictions it operates.

***If our operating partnership failed to qualify as a partnership for federal income tax purposes, we would cease to qualify as a REIT and suffer other adverse consequences.***

We believe that our operating partnership will be treated as a partnership for federal income tax purposes. As a partnership, our operating partnership will not be subject to federal income tax on its income. Instead, each of its partners, including us, will be allocated, and may be required to pay tax with respect to, its share of our operating partnership's income. We cannot assure you, however, that the IRS will not challenge the status of our operating partnership or any other subsidiary partnership in which we own an interest as a partnership for federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our operating partnership or any such other subsidiary partnership as an entity taxable as a corporation for federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, we would likely cease to qualify as a REIT. Also, the failure of our operating partnership or any subsidiary partnerships to qualify as a partnership could cause it to become subject to federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and for distribution to its partners, including us.

***Our taxable REIT subsidiaries will be subject to federal income tax, and we will be required to pay a 100% penalty tax on certain income or deductions if our transactions with our taxable REIT subsidiaries are not conducted on arm's length terms.***

We will own an interest in one or more taxable REIT subsidiaries, and may acquire securities in additional taxable REIT subsidiaries in the future. A taxable REIT subsidiary is a corporation other than a REIT in which a REIT directly or indirectly holds stock, and that has made a joint election with such REIT to be treated as a taxable REIT subsidiary. If a taxable REIT subsidiary owns more than 35% of the total voting power or value of the outstanding securities of another corporation, such other corporation will also be treated as a taxable REIT subsidiary. Other than some activities relating to lodging and health care facilities, a taxable REIT subsidiary may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A taxable REIT subsidiary is subject to federal income tax as a regular C corporation. In addition, a 100% excise tax will be imposed on certain transactions between a taxable REIT subsidiary and its parent REIT that are not conducted on an arm's length basis.

***To maintain our REIT qualification, we may be forced to borrow funds during unfavorable market conditions.***

To qualify as a REIT, we generally must distribute to our stockholders at least 90% of our REIT taxable income each year, determined without regard to the dividends paid deduction and excluding net capital gains, and we will be subject to regular corporate income taxes to the extent that we distribute less than 100% of our REIT taxable income (determined without regard to the deduction for dividends paid) each year. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. Accordingly, we may not be able to retain sufficient cash flow from operations to meet our debt service requirements and repay our debt. Therefore, we may need to raise additional capital for these purposes, and we cannot assure you that a sufficient amount of capital will be available to us on favorable terms, or at all, when needed, which would materially adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the per share trading price of, our common stock. Further, in order to maintain our REIT qualification and avoid the payment of income and excise taxes, we may need to borrow funds to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from, among other things, differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments. These sources, however, may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of factors, including the market's perception of our growth potential, our current debt levels, the per share trading price of our common stock, and our current and potential future earnings. We cannot assure you that we will have access to such capital on favorable terms at the desired times, or at all, which may cause us to curtail our investment activities and/or to dispose of assets at inopportune times, and could adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.

***Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.***

The maximum tax rate applicable to "qualified dividend income" payable to U.S. stockholders that are individuals, trusts and estates is 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates. Although these rules do not adversely affect the taxation of REITs or dividends payable by REITs, investors who are individuals, trusts and estates may perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including the per share trading price of our common stock.

***The tax imposed on REITs engaging in "prohibited transactions" may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes.***

A REIT's net income from prohibited transactions is subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. Although we do not intend to hold any properties that would be characterized as held for sale to customers in the ordinary course of our business, unless a sale or disposition qualifies under certain statutory safe harbors, such characterization is a factual determination and no guarantee can be given that the IRS would agree with our characterization of our properties or that we will always be able to make use of the available safe harbors.

***Complying with REIT requirements may affect our profitability and may force us to liquidate or forgo otherwise attractive investments.***

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the nature and diversification of our assets, the sources of our income and the amounts we distribute to our stockholders. We may be required to liquidate or forgo otherwise attractive investments in order to satisfy the asset and income tests or to qualify under certain statutory relief provisions. We also may be required to make distributions to

stockholders at disadvantageous times or when we do not have funds readily available for distribution. As a result, having to comply with the distribution requirement could cause us to: (1) sell assets in adverse market conditions; (2) borrow on unfavorable terms; or (3) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt. Accordingly, satisfying the REIT requirements could have an adverse effect on our business results, profitability and ability to execute our business plan. Moreover, if we are compelled to liquidate our investments to meet any of these asset, income or distribution tests, or to repay obligations to our lenders, we may be unable to comply with one or more of the requirements applicable to REITs or may be subject to a 100% tax on any resulting gain if such sales constitute prohibited transactions.

***Legislative or other actions affecting REITs could have a negative effect on us.***

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury. Changes to the tax laws, with or without retroactive application, could adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the federal income tax consequences of such qualification.

**Risks Related to this Offering**

***There has been no public market for our common stock prior to this offering and an active trading market for our common stock may not develop following this offering.***

Prior to this offering, there has not been any public market for our common stock, and there can be no assurance that an active trading market will develop or be sustained or that shares of our common stock will be resold at or above the initial public offering price. We have applied to have our common stock listed on the NYSE under the symbol "REXR." The initial public offering price of our common stock will be determined by agreement among us and the underwriters, but there can be no assurance that our common stock will not trade below the initial public offering price following the completion of this offering. See "Underwriting." The per share trading price of our common stock could be substantially affected by general market conditions, including the extent to which a secondary market develops for our common stock following the completion of this offering, the extent of institutional investor interest in us, the general reputation of REITs and the attractiveness of their equity securities in comparison to other equity securities (including securities issued by other real estate-based companies), our financial performance and general stock and bond market conditions.

***We may be unable to make distributions at expected levels, and we may be required to borrow funds to make distributions.***

Our estimated initial annual distributions represent 82.0% of our estimated initial cash available for distribution for the 12 months ending March 31, 2014 as calculated in "Distribution Policy." Accordingly, we may be unable to pay our estimated initial annual distribution to stockholders out of cash available for distribution. If sufficient cash is not available for distribution from our operations, we may have to fund distributions from working capital, borrow to provide funds for such distributions, or reduce the amount of such distributions. If cash available for distribution generated by our assets is less than our current estimate, or if such cash available for distribution decreases in future periods from expected levels, our inability to make the expected distributions could result in a decrease in the market price of our common stock. In the event the underwriters' over-allotment option is exercised, pending investment of the proceeds therefrom, our ability to pay such distributions out of cash from our operations may be further materially adversely affected.

Our ability to make distributions may also be limited by our proposed revolving credit facility. Under the anticipated terms of our proposed revolving credit facility, our distributions may not exceed the greater of (i) 95.0% of our FFO or (ii) the amount required for us to qualify and maintain our status as a REIT and avoid the

payment of federal or state income or excise tax. Additionally, if a default or event of default occurs and is continuing, we may be precluded from making certain distributions (other than those required to allow us to qualify and maintain our status as a REIT).

All distributions will be made at the discretion of our board of directors and will be based upon, among other factors, our earnings and financial condition, maintenance of REIT qualification, the applicable restrictions contained in the MGCL and such other factors as our board may determine in its sole discretion. We may not be able to make distributions in the future. In addition, some of our distributions may include a return of capital. To the extent that we decide to make distributions in excess of our current and accumulated earnings and profits, such distributions would generally be considered a return of capital for federal income tax purposes to the extent of the holder's adjusted tax basis in its shares, and thereafter as gain on a sale or exchange of such shares. See "U.S. Federal Income Tax Considerations—U.S. Federal Income Tax Considerations for Holders of Our Common Stock." If we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been.

***Messrs. Ziman, Schwimmer and Frankel will receive benefits in connection with this offering, which create a conflict of interest because they have interests in the successful completion of this offering that may influence their decisions affecting the terms and circumstances under which the offering and formation transactions are completed.***

In connection with our formation transactions, the concurrent private placement and this offering, Messrs. Ziman, Schwimmer and Frankel will own approximately 929,651 shares of our common stock and 2,167,259 common units, representing a 10.7% beneficial interest in our company on a fully diluted basis. These transactions create a conflict of interest because Messrs. Ziman, Schwimmer and Frankel have interests in the successful completion of this offering. These interests may influence their decisions, affecting the terms and circumstances under which our formation transactions and this offering are completed. In addition, we expect that, in connection with this offering, Messrs. Ziman, Schwimmer and Frankel will enter into employment agreements that provide for compensation and benefits and will receive certain compensatory equity grants that may further influence such decisions. For more information concerning benefits to be received by Messrs. Ziman, Schwimmer and Frankel in connection with this offering, see "Structure and Formation of Our Company—Benefits of the Formation Transactions to Related Parties," "Certain Relationships and Related Transactions" and "Executive Compensation."

***The market price and trading volume of our common stock may be volatile following this offering.***

Even if an active trading market develops for our common stock, the per share trading price of our common stock may be volatile. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the per share trading price of our common stock declines significantly, you may be unable to resell your shares at or above the initial public offering price. We cannot assure you that the per share trading price of our common stock will not fluctuate or decline significantly in the future.

Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

- actual or anticipated variations in our quarterly operating results or dividends;
- changes in our funds from operations or earnings estimates;
- publication of research reports about us or the real estate industry;
- increases in market interest rates that lead purchasers of our shares to demand a higher yield;
- changes in market valuations of similar companies;

- adverse market reaction to any additional debt we incur in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this prospectus;
- the extent of investor interest in our securities;
- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- our underlying asset value;
- investor confidence in the stock and bond markets, generally;
- changes in tax laws;
- future equity issuances;
- failure to meet earnings estimates;
- failure to qualify and maintain our qualification as a REIT;
- changes in our credit ratings; and
- general market and economic conditions.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have an adverse effect on our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock.

***Differences between the book value of the assets to be acquired in the formation transactions and the price paid for our common stock will result in an immediate and material dilution of the book value of our common stock.***

As of March 31, 2013, the aggregate historical combined net tangible book value of the interests and assets to be transferred to our operating partnership was approximately $84.9 million, or $9.79 per share of our common stock held by the prior investors, assuming the exchange of common units into shares of our common stock on a one-for-one basis. As a result, the pro forma net tangible book value per share of our common stock after the completion of our formation transactions and this offering will be less than the initial public offering price. The purchasers of shares of our common stock offered hereby will experience immediate and substantial dilution of $3.71 per share in the pro forma net tangible book value per share of our common stock.

***Market interest rates may have an effect on the per share trading price of our common stock.***

One of the factors that will influence the price of our common stock will be the dividend yield on the common stock (as a percentage of the price of our common stock) relative to market interest rates. An increase in

market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our common stock to expect a higher dividend yield and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our common stock to decrease.

***The number of shares of our common stock available for future issuance or sale could adversely affect the per share trading price of our common stock.***

We are offering 16,000,000 shares of our common stock as described in this prospectus. Upon completion of this offering, the formation transactions and the concurrent private placement, we will have outstanding approximately 25,239,339 shares of our common stock. Of these shares, the 16,000,000 shares sold in this offering will be freely tradable, except for any shares purchased in this offering by our affiliates, as that term is defined by Rule 144 under the Securities Act. Upon completion of this offering, our directors and management and their affiliates, together with third party prior investors in the Rexford Funds, will beneficially own 12,953,758 shares of our common stock. In connection with this offering, we have entered into a lock-up agreement that prevents us from offering additional common stock until 180 days after the date of this prospectus, as described in "Underwriting." Our executive officers, directors and participants in the formation transactions and the concurrent private placement may sell the shares of our common stock that they acquire in the formation transactions and the concurrent private placement or are granted in connection with the offering at any time following the expiration of the lock-up period for such shares, which expires 360 days after the completion of this offering for our executive officers and directors and 180 days for the other participants in the formation transactions and the concurrent private placement, or earlier with the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and FBR Capital Markets & Co. These lock-up provisions, at any time and without notice, may be waived by Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and FBR Capital Markets & Co. If the restrictions under the lock-up agreements are waived, our common stock may become available for resale into the market, subject to applicable law, which could reduce the per share trading price for our common stock.

We cannot predict whether future issuances or sales of shares of our common stock or the availability of shares for resale in the open market will decrease the per share trading price per share of our common stock. The per share trading price of our common stock may decline significantly when the restrictions on resale by certain of our stockholders lapse or upon the registration of additional shares of our common stock pursuant to registration rights granted in connection with the formation transactions and the concurrent private placement.

***The issuance of substantial numbers of shares of our common stock in the public market, or upon exchange of common units, or the perception that such issuances might occur could adversely affect the per share trading price of the shares of our common stock.***

The exercise of the underwriters' over-allotment option, the exchange of common units for common stock or the vesting of any stock awards granted to certain directors, executive officers and other employees under our 2013 Incentive Award Plan, the issuance of our common stock or common units in connection with future property, portfolio or business acquisitions and other issuances of our common stock could have an adverse effect on the per share trading price of our common stock, and the authorization of grants of awards covering common units or shares of our common stock under our 2013 Incentive Award Plan, may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future issuances of shares of our common stock may be dilutive to existing stockholders.

***Future offerings of debt securities, which would be senior to our common stock upon liquidation, and/or preferred equity securities which may be senior to our common stock for purposes of dividend distributions or upon liquidation, may adversely affect the per share trading price of our common stock.***

In the future, we may attempt to increase our capital resources by making additional offerings of debt or equity securities (or causing our operating partnership to issue debt or equity securities), including medium-term

notes, senior or subordinated notes and classes or series of preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will be entitled to receive our available assets prior to distribution to the holders of our common stock. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Our preferred stock, if issued, could have a preference on liquidating distributions or a preference on dividend payments that could limit our ability pay dividends to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings.

***Future sales of shares of our common stock by insiders may depress the per share trading price of our common stock.***

Any sales of a substantial number of shares of our common stock, or the perception that those sales might occur, may cause the per share trading price of the common stock to decline. Based on the mid-point of the price range set forth on the cover page of this prospectus, after this offering and the expiration of any applicable transfer restrictions imposed in connection with this offering and our partnership agreement, our directors and our executive officers will have the ability to sell approximately 10.8% of our common stock on a fully diluted basis. Although our directors and executive officers have agreed not to sell the common stock they hold for 360 days after this offering, they may sell a significant number of shares after that time, which could depress the per share trading price of our common stock.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make statements in this prospectus that are forward-looking statements, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans" "projects," "seeks," "should," "will," and variations of such words or similar expressions. Our forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by our forward-looking statements are reasonable, we can give no assurance that our plans, intentions, expectations, strategies or prospects will be attained or achieved and you should not place undue reliance on these forward-looking statements. Furthermore, actual results may differ materially from those described in the forward-looking statements and may be affected by a variety of risks and factors including, without limitation:

- the factors included in this prospectus, including those set forth under the headings "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business";
- the competitive environment in which we operate;
- real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for tenants in such markets;
- decreased rental rates or increasing vacancy rates;
- potential defaults on or non-renewal of leases by tenants;
- potential bankruptcy or insolvency of tenants;
- acquisition risks, including failure of such acquisitions to perform in accordance with projections;
- the timing of acquisitions and dispositions;
- potential natural disasters such as earthquakes, wildfires or floods;
- national, international, regional and local economic conditions;
- the general level of interest rates;
- potential changes in the law or governmental regulations that affect us and interpretations of those laws and regulations, including changes in real estate and zoning or REIT tax laws, and potential increases in real property tax rates;
- financing risks, including the risks that our cash flows from operations may be insufficient to meet required payments of principal and interest and we may be unable to refinance our existing debt upon maturity or obtain new financing on attractive terms or at all;
- lack of or insufficient amounts of insurance;
- our ability to qualify and maintain our qualification as a REIT;
- litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; and
- possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us.

Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Market data and industry forecasts and projections used in this prospectus have been obtained from DAUM or other independent industry sources. Forecasts, projections and other forward-looking information obtained from DAUM or other sources are subject to similar qualifications and uncertainties as other forward-looking statements in this prospectus.

## USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of shares of our common stock in this offering will be approximately $201.8 million (or approximately $233.1 million if the underwriters exercise their over-allotment option in full), in each case assuming an initial public offering price of $14.00 per share, which is the mid-point of the price range set forth on the front cover of this prospectus, and after deducting underwriting discounts and commissions of approximately $15.7 million (or approximately $18.0 million if the underwriters exercise their over-allotment option in full) and estimated offering expenses of approximately $7.5 million (including $1.0 million which has been prepaid) payable by us. In addition, concurrently with the completion of this offering, we will issue 3,358,311 shares of our common stock to accredited investors in the Rexford Funds and certain members of the Rexford management team pursuant to the concurrent private placement. In addition, we estimate the incremental net proceeds from the concurrent private placement will be approximately $47.0 million, resulting in total net proceeds of $248.8 million.

We will contribute the net proceeds we receive from this offering and the concurrent private placement to our operating partnership in exchange for common units in our operating partnership.

We expect our operating partnership will use the net proceeds, together with the proceeds from our new $60 million term loan, borrowings under our proposed revolving credit facility and contributions to our operating partnership of approximately $2.0 million of cash working capital in connection with the formation transactions, as described below:

- approximately $76.4 million (including principal and related accrued interest) to repay mortgage debt secured by certain of the properties we will acquire in our formation transactions, which bears interest at a weighted average rate of 3.7% per annum and has a weighted average remaining years to maturity of 1.3 years;
- approximately $46.3 million (including principal and related accrued interest) to repay a loan to Fund I that is secured by certain of the properties we will acquire in our formation transactions, which bears interest at a weighted average rate of 5.3% per annum. The $46.3 million loan is scheduled to mature on May 31, 2014;
- approximately $40.0 million (including principal and related accrued interest) to repay a loan to Fund II that is secured by certain of the properties we will acquire in our formation transactions, which bears interest at a fixed rate of 6% and is scheduled to mature on October 1, 2013;
- approximately $74.4 million (including principal and related accrued interest) to repay both tranches of a loan to Fund III that are secured by certain of the properties we will acquire in our formation transactions. These tranches bear interest at a fixed rate of 5.6% and 12.0% per annum. Both tranches of this loan are scheduled to mature on August 31, 2014;
- approximately $64.5 million (including principal and related accrued interest) to repay a loan to Fund IV that is secured by certain of the properties we will acquire in our formation transactions, which bears interest at a fixed rate of 6% and is scheduled to mature on October 1, 2013;
- approximately $2.8 million to pay prepayment costs, exit fees, unpaid expenses or fees and assumption fees in connection with the retirement of indebtedness and the attainment of lender consents on existing indebtedness;
- approximately $1.5 million in fees associated with the proposed revolving credit facility and the new term loan;
- approximately $0.6 million to pay transfer taxes and fees associated with the contribution of properties to us;

- approximately $0.7 million to pay non-accredited investors in connection with the formation transactions;
- approximately $6.5 million to fund the excess working capital distribution; and
- the remaining amounts to acquire and manage industrial properties and for general corporate purposes.

Prior to the full deployment of the net proceeds as described above, we intend to invest the undeployed net proceeds in interest-bearing short-term investment grade securities or money-market accounts that are consistent with our intention to qualify as a REIT, including, for example, government and government agency certificates, certificates of deposit and interest-bearing bank deposits. We expect that these initial investments will provide a lower net return than we expect to receive from investments in industrial properties.

If the underwriters exercise their over-allotment option in full, we expect to use the additional approximately $31.2 million of net proceeds for general corporate purposes, including acquisitions of real estate assets.

The debt repayment described above is an estimate based on principal and related accrued interest outstanding as of March 31, 2013. The actual amounts of the debt repayments will depend on the principal and related accrued interest outstanding at the time of payment and may be greater than or less than our estimates above.

## DISTRIBUTION POLICY

We are a newly formed company that has not commenced operations, and as a result, we have not paid any distributions as of the date of this prospectus. U.S. federal income tax laws generally require that a REIT distribute annually at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. To satisfy the requirements to qualify as a REIT and generally not be subject to U.S. federal income tax, we intend to make quarterly distributions of all or substantially all of our REIT taxable income, determined without regard to the deduction for dividends paid, to holders of our common stock out of assets legally available therefor. We intend to pay a pro rata initial distribution with respect to the period commencing on the completion of this offering and ending at the last day of the then-current fiscal quarter, based on a distribution of $0.123 per share for a full quarter. On an annualized basis, this would be $0.49 per share, or an annual distribution rate of approximately 3.5% based on the mid-point of the price range set forth on the front cover of this prospectus. We estimate this initial annual distribution rate will represent approximately 82.0% of estimated cash available for distribution to our common stockholders for the 12 months ending March 31, 2014. We intend to maintain our initial distribution rate for the 12-month period following completion of this offering unless our actual results of operations, economic conditions or other factors differ materially from the assumptions used in our estimate. These distributions and any future distributions we make will be at the discretion of our board of directors and will depend upon our earnings and financial condition, maintenance of REIT qualification, the applicable restrictions contained in the MGCL and such other factors as our board may determine in its sole discretion. We anticipate that our estimated cash available for distribution will exceed the annual distribution requirements applicable to REITs. However, under some circumstances, we may be required to pay distributions in excess of cash available for distribution in order to meet these distribution requirements and may need to use the proceeds from future equity and debt offerings, sell assets or borrow funds to make some distributions. We have no intention to use the net proceeds of this offering to make distributions nor do we intend to make distributions using shares of common stock.

We do not intend this estimate to be a projection or forecast of our actual results of operations or our liquidity, and have estimated cash available for distribution for the sole purpose of determining the amount of our initial annual distribution rate. Our estimate of cash available for distribution should not be considered as an alternative to cash flow from operating activities (computed in accordance with GAAP) or as an indicator of our liquidity or our ability to pay dividends or make other distributions. In addition, the methodology upon which we made the adjustments described below is not necessarily intended to be a basis for determining future dividends or other distributions. We cannot assure you that our distribution policy will not change in the future.

The following table describes our pro forma net income (loss) before non-controlling interest for the year ended December 31, 2012, and the adjustments we have made thereto in order to estimate our initial cash available for distribution to the holders or our common stock for the 12 months ending March 31, 2014 (dollars in thousands, except per share data). The table reflects our condensed consolidated information, including common units in our operating partnership.

| | |
|---|---|
| **Pro forma net loss before non-controlling interest for the 12 months ended December 31, 2012** | $ (1,192) |
| Less: pro forma net loss before non-controlling interest for the three months ended March 31, 2012 | 2,922 |
| Add: pro forma net loss before non-controlling interest for the three months ended March 31, 2013 | (2,026) |
| **Pro forma net income (loss) before non-controlling interest for the 12 months ended March 31, 2013** | $ (296) |
| Add: Pro forma real estate depreciation and amortization | 18,222 |
| Add: Amortization of deferred financing costs (1) | 514 |
| Less: Net effects of straight-line rents and amortization of acquired above/below market lease intangibles | (471) |
| Add: Equity in earnings of unconsolidated real estate entities | 45 |
| Less: Note Receivable discount amortization. | (123) |
| Less: Note Payable premium amortization | (45) |
| Add: Non-cash compensation expense | 3,234 |
| Add: Net increases in contractual rent income and related revenue (2) | 1,344 |
| Less: Net decreases in contractual rental and related revenue due to lease expirations, assuming renewals consistent with 2011, 2012 and Q1'13 historical data (3) | (1,965) |
| **Estimated cash flows provided by operations for the 12 months ending December 31, 2014** | $20,545 |
| Estimated cash flows used in investing activities | |
| Less: Provision for tenant improvements and leasing commissions (4) | (2,830) |
| Less: Estimated annual provision for recurring capital expenditures (5) | (273) |
| Total estimated cash flows used in investing activities | $ (3,103) |
| Estimated cash flows used in financing activities—scheduled debt principal payments (6) | (121) |
| **Estimated cash available for distribution for the 12 months ending December 31, 2014** | $17,321 |
| Estimated distribution to non-controlling interests | 1,820 |
| Estimated distribution to common shareholders (7) | 12,367 |
| **Total estimated distribution to common stock and common unit holders** | $14,187 |
| Estimated distribution per share and unit (8) | $ 0.49 |
| Payout ratio based on estimated cash available for distribution to our holders of common stock (9) | 82% |

(1) Represents one year of amortization of deferred financing costs associated with our new term loan, our debt on Glendale Commerce Center and our debt on 10700 Jersey Blvd.

(2) Represents the sum of (i) rent income from contractual rent increases and renewals of $826,464, less (ii) rent abatements of $980,117 associated with in-place leases, plus (iii) contractual rent income from uncommenced leases of $2,185,979, less (iv) net of rent abatements totaling $688,799 associated with uncommenced leases, all for the period from April 1, 2013 through March 31, 2014. On an annualized basis, contractual rent income from uncommenced leases equals $4,813,779 less rent abatements equal to $727,840.

(3) Represents estimated net decreases in contractual rent revenue during the 12 months ending March 31, 2014 due to lease expirations, assuming a renewal rate of 63.21% based on expiring square feet, which was our full year 2011 and 2012 combined with the first quarter of 2013 renewal rate, and rental rates on renewed leases equal to the in-place rates for such leases at expiration. This adjustment gives effect only to expirations net of estimated renewals, and does not take into account new leasing. During 2011, 2012 and the first quarter of 2013, we leased approximately 3.7 million square feet, representing approximately $31.0 million of annualized base rents. Of these amounts, approximately 1.8 million square feet related to renewals, representing approximately $16.4 million of annualized base rents, and approximately 1.8 million square feet related to new leases, representing approximately $14.6 million of annualized base rents.

| | Expiring Leases | | Gross Leasing Activity | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Renewals | | Renewal Retention % | | New Leases | |
| | Number of leases | Rentable square feet | Number of leases | Rentable square feet | Number of leases | Rentable square feet | Number of leases | Rentable square feet |
| **Q1-2013** | 93 | 425,011 | 59 | 337,887 | 63.44% | 79.50% | 38 | 283,507 |
| **Q4-2012** | 69 | 291,409 | 49 | 231,655 | 71.01% | 79.49% | 37 | 201,942 |
| **Q3-2012** | 88 | 367,803 | 55 | 228,677 | 62.50% | 62.17% | 44 | 316,567 |
| **Q2-2012** | 91 | 600,994 | 60 | 447,337 | 65.93% | 74.43% | 50 | 183,158 |
| **Q1-2012** | 48 | 304,793 | 30 | 148,889 | 62.50% | 48.85% | 41 | 132,087 |
| **Q4-2011** | 40 | 289,516 | 21 | 121,930 | 52.50% | 42.12% | 22 | 136,209 |
| **Q3-2011** | 29 | 79,106 | 18 | 44,881 | 62.07% | 56.74% | 22 | 147,636 |
| **Q2-2011** | 39 | 401,583 | 15 | 154,907 | 38.46% | 38.57% | 22 | 253,185 |
| **Q1-2011** | 31 | 126,238 | 22 | 108,258 | 70.97% | 85.76% | 33 | 172,048 |
| **Total** | **528** | **2,886,453** | **329** | **1,824,421** | **63.21%** | **63.21%** | **309** | **1,826,339** |

(4) Provision for tenant improvements and leasing commissions includes (i) any contractually committed tenant improvement or leasing commission costs to be paid or incurred in the 12 months ending March 31, 2014 related to any new leases or lease renewals entered into as of March 31, 2013 and (ii) an estimate of tenant improvements and leasing commissions for the estimated lease renewals described in footnote (3) above based on tenant improvements and leasing commissions for renewal leases across our portfolio in the years ended December 31, 2011 and 2012 and the three

months ended March 31, 2013. During the 12 months ending March 31, 2014, we expect to have additional tenant improvement and leasing commission expenditures related to new leasing that occurs after March 31, 2014. Any increases in such expenditures would be directly related to such new leasing in that such expenditures would only be committed to when a new lease is signed. Except for the estimate of tenant improvements and leasing commissions for the estimated lease renewals described in footnote (3) above, increases in expenditures for tenant improvements and leasing commissions for new and renewal leases are not included herein.

| | Three Months Ended March 31, | Year Ended December 31, | | Weighted Average January 1, 2011— March 31, 2013 |
|---|---|---|---|---|
| | 2013 | 2012 | 2011 | |
| **Tenant Improvements** | | | | |
| Renewal leases | $ 14,000 | $ 525,000 | $ 2,000 | |
| Total square feet | 25,390 | 208,841 | 32,465 | |
| Tenant improvements per square foot | $ 0.55 | $ 2.51 | $ 0.06 | $ 2.03 |
| **Leasing Commissions** | | | | |
| Renewal leases | $ 50,000 | $ 514,000 | $ 201,000 | |
| Total square feet | 66,200 | 352,484 | 218,778 | |
| Leasing commissions per square foot | $ 0.76 | $ 1.46 | $ 0.92 | $ 1.20 |

(5) Estimated annual provision for recurring capital expenditures is based on $0.05 per leasable square foot of such expenditures for our consolidated portfolio. This estimate is based on the average per square foot recurring capital expenditures, for the years ended December 31, 2010, 2011 and 2012 and the three months ended March 31, 2013, multiplied by the square footage of our initial portfolio. Recurring capital expenditures is defined as expenditures made in respect of a property for maintenance of such property and replacement of items due to ordinary wear and tear including, but not limited to, expenditures made for maintenance or replacement of parking lot, roofing materials, mechanical systems, HVAC systems and other structural systems. Recurring capital expenditures shall not include any of the following: (a) improvements to the appearance of such property or any other major upgrade or renovation of such property not necessary for proper maintenance or marketability of such property; (b) capital expenditures for seismic upgrades; or (c) capital expenditures for deferred maintenance for such property existing at the time such property was acquired.

| | Three Months Ended March 31, | Year Ended December 31, | | | Weighted Average January 1, 2010— March 31, 2013 |
|---|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2010 | |
| Recurring capital expenditures | $ 72,000 | $ 367,000 | $ 225,000 | $ 240,228 | |
| Total square feet | 5,014,382 | 5,093,752 | 4,562,842 | 3,993,092 | |
| Recurring capital expenditures per square foot | $ 0.01 | $ 0.07 | $ 0.05 | $ 0.06 | $ 0.05 |

(6) Represents all scheduled debt repayments for the 12 months ending March 31, 2014, including both amortization and other principal repayments, excluding $301.6 million of debt that we intend to repay with net proceeds of this offering and the new term loan that we expect to have in place at the completion of this offering.

(7) Our estimated cash available for distribution and estimated cash distribution to our stockholders is based on an estimated ownership by us of approximately 86.8% partnership interest in our operating partnership.

(8) Estimated distribution per share for the 12 months ending March 31, 2014 is based on 25,239,339 shares outstanding following the completion of this offering and the concurrent private placement and estimated distribution per common unit for the 12 months ending March 31, 2014 is based on 3,714,419 common units outstanding following the completion of this offering (excluding common units held by our company).

(9) Calculated as estimated initial annual distribution per share divided by estimated cash available for distribution to common stockholders for the 12 months ending March 31, 2014.

## CAPITALIZATION

The following table sets forth as of March 31, 2013:

- the actual capitalization of Rexford Industrial Realty, Inc. Predecessor; and
- our pro forma capitalization, which gives effect to the completion of the formation transactions and the sale of 16,000,000 shares of common stock in this offering at an assumed initial public offering price of $14.00 per share (the mid-point of the offering price range on the cover of this prospectus), net of the underwriting discounts and estimated organizational and offering expenses payable by us, the sale of 3,358,311 shares of common stock in the concurrent private placement at an assumed offering price of $14.00 per share (the mid-point of the offering price range on the cover of this prospectus), without payment of the underwriting discounts, and the grant of awards covering 923,929 shares of our common stock to our executive officers, certain employees and independent directors.

This table should be read in conjunction with "Use of Proceeds," "Selected Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Rexford Industrial Realty, Inc. Predecessor's historical audited financial statements and the unaudited pro forma financial information and related notes appearing elsewhere in this prospectus.

| | As of March 31, 2013 | |
|---|---|---|
| | Rexford Industrial Realty, Inc. Predecessor Historical ($ in thousands) | Company Pro Forma[1][2][3] ($ in thousands) |
| Notes payable[4] | $ 313,118 | $ 129,290 |
| Equity | 94,907 | — |
| Stockholders' equity: | | |
| Preferred stock, $0.01 par value per share, no shares authorized, issued and outstanding, actual, 10,000,000 shares authorized, no shares issued and outstanding, as adjusted | — | — |
| Common stock, $0.01 par value per share; 100,000 shares authorized, 100 shares issued and outstanding, actual and 490,000,000 shares authorized, 24,315,410 shares issued and outstanding, as adjusted | — | 243 |
| Additional paid-in capital | — | 275,798 |
| Non-controlling interest in our operating partnership | — | 42,168 |
| Total equity | 94,907 | 318,209 |
| Total capitalization | $ 408,025 | $ 447,499 |

(1) Assumes 16,000,000 shares of common stock will be sold in this offering at an initial public offering price of $14.00 per share for net proceeds of approximately $201.8 million after deducting the underwriting discounts and estimated organizational and offering expenses of approximately $7.5 million (including $1.0 million which has been prepaid), and 3,358,311 shares of common stock will be issued in the concurrent private placement. See "Use of Proceeds."

(2) Does not include exercise of the underwriters' option to purchase up to 2,400,000 additional shares of common stock.

(3) The common stock outstanding as adjusted includes (i) 4,957,099 shares of common stock issued to prior investors in the Rexford Funds and the management companies in connection with the formation transactions and (ii) 3,358,311 shares of common stock issued in the concurrent private placement. The common stock outstanding as adjusted does not include (i) shares issuable upon the exchange of

3,714,419 common units in our operating partnership to be issued to prior investors in the Rexford Funds or the management companies in connection with the formation transactions, which are redeemable at the option of the holder beginning 14 months after the later of the completion of this offering or the date on which a person first became a holder of common units and exchangeable, under certain circumstances and at our election, into an equal number of shares of our common stock, subject to certain adjustments and the restrictions on ownership and transfer of our stock set forth in our charter, (ii) 698,215 shares of our common stock to be granted to our executive officers and certain employees under our 2013 Incentive Award Plan upon the completion of this offering, (iii) 214,286 shares of our common stock to be granted to Mr. Ziman under our 2013 Incentive Award Plan, (iv) 11,428 shares of our common stock to be granted to our independent directors under our 2013 Incentive Award Plan upon the completion of this offering or (v) shares of our common stock or LTIP units reserved for issuance under our 2013 Incentive Award Plan (in addition to the shares covered by awards to be granted in connection with this offering). See "Executive Compensation—2013 Incentive Award Plan."

(4) We expect to enter into a new $60 million term loan and borrow approximately $21.2 million on our $200 million revolving credit facility, which will be used at the completion of this offering to repay a portion of outstanding mortgage debt and acquire the Orion and Oxnard properties which we are currently under contract to purchase, assuming that this offering prices at the mid-point of the price range set forth on the cover page of this prospectus.

## DILUTION

Purchasers of our common stock offered in this prospectus will experience an immediate and substantial dilution of the net tangible book value per share of our common stock from the initial public offering price. As of March 31, 2013, we had a pro forma net tangible book value of approximately $84.9 million, or $9.79 per share of our common stock held by prior investors, assuming the exchange of 3,714,419 outstanding common units into shares of our common stock on a one-for-one basis. After giving effect to the sale of the shares of our common stock offered hereby and in the concurrent private placement, including the use of proceeds as described under "Use of Proceeds," and our formation transactions, the deduction of underwriting discounts and commissions, and estimated formation transaction and offering expenses, the pro forma net tangible book value as of March 31, 2013 attributable to common stockholders, including the effects of the grants of awards covering shares of our common stock to our executive officers, directors and certain employees, would have been $297.9 million, or $10.29 per share of our common stock. This amount represents an immediate increase in net tangible book value of $0.50 per share to prior investors and an immediate dilution in pro forma net tangible book value of $3.71 per share from the assumed public offering price of $14.00 per share of our common stock to new public investors. See "Risk Factors—Risks Related to this Offering—Differences between the book value of the assets to be acquired in the formation transactions and the price paid for our common stock will result in an immediate and material dilution of the book value of our common stock." The following table illustrates this per share dilution:

| | |
|---|---|
| Assumed initial public offering price per share | $14.00 |
| Net tangible book value per share before our formation transactions, the concurrent private placement and this offering[1] | $ 9.79 |
| Net increase in pro forma net tangible book value per share attributable to our formation transactions, the concurrent private placement and this offering | $ 0.50 |
| Pro forma net tangible book value per share after our formation transactions, the concurrent private placement and this offering[2] | $10.29 |
| Dilution in pro forma net tangible book value per shares to new investors[3] | $ 3.71 |

(1) Net tangible book value per share of our common stock before our formation transactions, the concurrent private placement and this offering is determined by dividing net tangible book value based on March 31, 2013 net book value of the tangible assets (consisting of total assets less intangible assets, which are comprised of goodwill (if applicable), deferred financing and leasing costs, acquired above-market leases and acquired in place lease value, net of liabilities to be assumed, excluding acquired below market leases) of our predecessor business by the number of shares of our common stock held by prior investors after this offering, assuming the exchange for shares of our common stock on a one-for-one basis of the common units to be issued to our prior investors in connection with our formation transactions.

(2) Based on pro forma net tangible book value of approximately $297.9 million divided by the sum of shares of our common stock and common units (other than common units held by us) to be outstanding upon completion of this offering, the formation transactions and the concurrent private placement, including 923,929 shares of restricted common stock to be issued to our executive officers, directors and certain employees upon completion of this offering.

(3) Dilution is determined by subtracting pro forma net tangible book value per share of our common stock after giving effect to our formation transactions, the concurrent private placement and this offering from the initial public offering price paid by a new investor for a share of our common stock.

**Differences Between New Investors and Prior Investors in Number of Shares and Amount Paid**

The table below summarizes, as of March 31, 2013, on a pro forma basis after giving effect to this offering, the formation transactions and the concurrent private placement, the differences between the number of shares of our common stock and common units to be received by the prior investors in the formation transactions and the concurrent private placement and the new investors purchasing shares of our common stock in this offering, the total consideration paid and the average price per share or unit paid by the prior investors in the formation transactions (based on the net tangible book value attributable to the prior investors in the formation transactions) and the cash paid in the concurrent private placement and by the new investors purchasing shares of our common stock in this offering.

| (dollars and shares in millions, except per share data) | Shares Issued | | Common Units Issued | | Net Tangible Book Value of Contribution[(1)]/Cash | | Average Amount Per Share/Unit |
|---|---|---|---|---|---|---|---|
| | Number | Percentage | Number | Percentage | Amount | Percentage | |
| Prior investors | 9,239,339 | 36.6% | 3,714,419 | 100.0% | $ 97,116,000 | 32.7% | $ 7.50 |
| New investors | 16,000,000 | 63.4% | — | 0% | 200,820,000 | 67.3% | $ 12.55 |
| Total | 25,239,339 | 100.0% | 3,714,419 | 100.0% | $297,936,000 | 100.0% | $ 10.29 |

(1) Represents pro forma net tangible book value as of March 31, 2013, of the assets contributed to us in the formation transactions.

## SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial and operating data on (i) a pro forma basis for our company and (ii) a historical basis for "Rexford Industrial Realty, Inc. Predecessor." Rexford Industrial Realty, Inc. Predecessor consists of RI, LLC, Sponsor, Fund V REIT and their consolidated subsidiaries, which consist of one limited partnership and four limited liability companies, and their subsidiaries. Each of the entities comprising Rexford Industrial Realty, Inc. Predecessor owned, managed, and controlled (individually or jointly as discussed in more detail elsewhere in the prospectus) by our predecessor principals. As such, we have combined these entities on the basis of common ownership and common management. Upon completion of our formation transactions, the concurrent private placement and this offering, we will acquire the interests owned directly or indirectly by Rexford Industrial Realty, Inc. Predecessor in 61 industrial properties, including two properties that we currently have under contract to purchase.

We have not presented historical information for Rexford Industrial Realty, Inc. because we have not had any corporate activity since our formation and because we believe that a discussion of the results of Rexford Industrial Realty, Inc. would not be meaningful.

You should read the following summary financial and operating data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," our unaudited pro forma consolidated financial statements and related notes, and the historical combined financial statements and related notes of Rexford Industrial Realty, Inc. Predecessor included elsewhere in the prospectus.

The unaudited pro forma condensed consolidated balance sheet data is presented as if our formation transactions, the concurrent private placement and this offering had occurred on March 31, 2013, and the unaudited pro forma statements of operations and other data for the three months ended March 31, 2013 and the year ended December 31, 2012, is presented as if our formation transactions, the concurrent private placement and this offering had occurred on January 1, 2012. The unaudited pro forma condensed consolidated financial statements include the effects of the contribution of the entities that comprise Rexford Industrial Realty, Inc. Predecessor, including (i) RI, LLC and it consolidated subsidiaries, (ii) Sponsor and Fund V REIT and their consolidated subsidiaries and (iii) other contributions or acquisitions of non-predecessor entities. The contribution of Sponsor and Fund V REIT and their consolidated subsidiaries and the other contributions or acquisitions of non-predecessor entities has been accounted for using the acquisition method of accounting as discussed in more detail elsewhere in the prospectus. The pro forma financial information is not necessarily indicative of what our actual financial condition would have been as of March 31, 2013 or what our actual results of operations would have been assuming our formation transactions, the concurrent private placement and this offering had been completed as of January 1, 2012, nor does it purport to represent our future financial position or results of operations.

The unaudited summary historical combined balance sheet information as of March 31, 2013 and statement of operations data for the three months ended March 31, 2013 and 2012 have been derived from the unaudited combined financial statements of Rexford Industrial Realty, Inc. Predecessor included elsewhere in this prospectus. The summary historical combined balance sheet information as of December 31, 2012 and 2011, and the historical combined statement of operations data for the years ended December 31, 2012 and 2011 have been derived from the combined financial statements of Rexford Industrial Realty, Inc. Predecessor, which were audited by Ernst & Young LLP, independent registered public accountants, and are included elsewhere in this prospectus.

| | Three Months Ended March 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | Company Pro Forma Consolidated | Rexford Predecessor Historical Combined | | Company Pro Forma Consolidated | Rexford Predecessor Historical Combined | |
| | 2013 (Unaudited) | 2013 (Unaudited) | 2012 | 2012 (Unaudited) | 2012 | 2011 |
| | | (in thousands) | | | (in thousands) | |
| **Statement of Operations Data:** | | | | | | |
| **Revenue** | | | | | | |
| Rental revenues | $ 9,592 | $ 7,902 | $ 7,039 | $ 35,500 | $28,586 | $23,696 |
| Tenant reimbursements | 1,095 | 904 | 789 | 4,085 | 3,262 | 2,438 |
| Management, leasing and development services | 261 | 261 | 64 | 519 | 519 | 316 |
| Other income | 119 | 118 | 17 | 115 | 124 | 149 |
| Total rental revenues | 11,067 | 9,185 | 7,909 | 40,219 | 32,491 | 26,599 |
| Interest income | 248 | 311 | 337 | 1,011 | 1,577 | 1,578 |
| Total revenues | 11,315 | 9,496 | 8,246 | 41,230 | 34,068 | 28,177 |
| **Expenses** | | | | | | |
| Property expenses | 2,801 | 2,171 | 1,987 | 10,734 | 8,328 | 6,865 |
| General and administrative | 2,040 | 1,153 | 983 | 8,683 | 5,146 | 3,729 |
| Depreciation and amortization | 7,273 | 3,208 | 3,526 | 17,822 | 12,727 | 9,874 |
| Other property expenses | 349 | 341 | 276 | 1,324 | 1,302 | 1,030 |
| Total operating expenses | 12,463 | 6,873 | 6,772 | 38,563 | 27,503 | 21,498 |
| **Other (income) expense** | | | | | | |
| Acquisition expenses | — | 93 | 68 | — | 599 | 1,022 |
| Interest expense | 939 | 3,906 | 4,209 | 3,754 | 17,452 | 17,970 |
| Gain on mark-to-market interest rate swaps | — | (49) | (612) | — | (2,361) | (4,185) |
| Total other (income) expense | 939 | 3,950 | 3,665 | 3,754 | 15,690 | 14,807 |
| Total expenses | 13,402 | 10,823 | 10,437 | 42,317 | 43,193 | 36,305 |
| Equity in income (loss) of unconsolidated real estate entities | 61 | (212) | 57 | (105) | 122 | 185 |
| Gain from early repayment of note receivable | — | 1,365 | — | — | — | — |
| Loss on extinguishment of debt | — | (37) | — | — | — | — |
| Net income (loss) from continuing operations | (2,026) | (211) | (2,134) | (1,192) | (9,003) | (7,943) |
| **Discontinued operations** | | | | | | |
| Income (loss) from discontinued operations before gains on settlement of debt and sale of real estate | — | 64 | 34 | — | (9) | (897) |
| Loss on extinguishment of debt | — | (209) | — | — | — | — |
| Gain on sale of real estate | — | 2,409 | — | — | 55 | 2,503 |
| Income from discontinued operations | — | 2,264 | 34 | — | 46 | 1,606 |
| Net income (loss) | $ (2,026) | $ 2,053 | $ (2,100) | $ (1,192) | $ (8,957) | $ (6,337) |

| | Three Months Ended March 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | Company Pro Forma Consolidated | Rexford Predecessor Historical Combined | | Company Pro Forma Consolidated | Rexford Predecessor Historical Combined | |
| | 2013 (Unaudited) | 2013 (Unaudited) | 2012 | 2012 (Unaudited) | 2012 | 2011 |
| | | (in thousands) | | | (in thousands) | |
| **Balance Sheet Data (End of Period):** | | | | | | |
| Rental property, before accumulated depreciation | $ 466,217 | $383,944 | | | $383,316 | $ 358,995 |
| Rental property, after accumulated depreciation | $ 418,867 | $324,196 | | | $326,139 | $ 311,734 |
| Total assets | $ 456,549 | $420,390 | | | $420,496 | $ 383,215 |
| Notes payable | $ 129,290 | $313,118 | | | $308,991 | $ 297,000 |
| Total liabilities | $ 138,340 | $325,483 | | | $324,248 | $ 315,535 |
| Owners'/stockholders' equity (deficit) | $ 318,209 | $ 94,907 | | | $ 96,248 | $ 67,680 |
| **Other Data:** | | | | | | |
| Cash flow provided (used) by operating activities | | $ 1,372 | $ 1,591 | | $ 1,080 | $ (3,349) |
| Cash flow provided (used) in investing activities | | $ 6,640 | $(5,181) | | $ (23,778) | $ (42,303) |
| Cash flow provided (used) in financing activities | | $ (4,065) | $ 4,944 | | $ 45,269 | $ 51,569 |
| Total number of in-service properties | 61 | 59 | 54 | 61 | 60 | 53 |
| **NOI**[1] | | | | | | |
| Rental revenue | $ 9,592 | $ 7,902 | $ 7,039 | $ 35,500 | $ 28,586 | $ 23,696 |
| Tenant recoveries | 1,095 | 904 | 789 | 4,085 | 3,262 | 2,438 |
| Other operating revenue | 380 | 379 | 81 | 634 | 643 | 465 |
| Property expenses | (2,801) | (2,171) | (1,987) | (10,734) | (8,328) | (6,865) |
| Other property expenses | (349) | (341) | (276) | (1,324) | (1,302) | (1,030) |
| NOI | $ 7,917 | $ 6,673 | $ 5,646 | $ 28,161 | $ 22,861 | $ 18,704 |
| **EBITDA**[1] | | | | | | |
| Net income (loss) | $ (2,026) | $ 2,053 | $(2,100) | $ (1,192) | $ (8,957) | $ (6,337) |
| Interest expense | 939 | 3,906 | 4,209 | 3,754 | 17,452 | 17,970 |
| Depreciation and amortization | 7,273 | 3,208 | 3,526 | 17,822 | 12,727 | 9,874 |
| EBITDA | $ 6,186 | $ 9,167 | $ 5,635 | $ 20,384 | $ 21,222 | $ 21,507 |
| **FFO**[1] | | | | | | |
| Net income (loss) | $ (2,026) | $ 2,053 | $(2,100) | $ (1,192) | $ (8,957) | $ (6,337) |
| Depreciation and amortization, including amounts in discontinued operations | 7,273 | 3,286 | 3,657 | 17,822 | 13,217 | 10,687 |
| Depreciation and amortization from unconsolidated joint ventures and tenants in common | 97 | 470 | 39 | 266 | 409 | 126 |
| Loss from early extinguishment of debt | — | 246 | — | — | — | — |
| Gain on sale | — | (2,409) | — | — | (55) | (2,503) |
| FFO | $ 5,344 | $ 3,646 | $ 1,596 | $ 16,896 | $ 4,614 | $ 1,973 |

(1) Amounts are unaudited and include capitalized leasing and development payroll. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for more detailed explanations of NOI, EBITDA and FFO, and reconciliations of NOI, EBITDA and FFO to net income computed in accordance with GAAP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those expressed or implied in forward-looking statements for many reasons, including the risks described in "Risk Factors" and elsewhere in this prospectus. You should read the following discussion together with the "Cautionary Note Regarding Forward-Looking Statements" and the pro forma and combined historical financial statements and related notes included elsewhere in this prospectus.*

The following discussion and analysis is based on, and should be read in conjunction with the unaudited financial statements and notes thereto as of March 31, 2013 and audited combined historical financial statements and related notes thereto as of and for the years ended December 31, 2012 and 2011 of Rexford Industrial Realty, Inc. Predecessor. We have not had any corporate activity since our formation, other than the issuance of 100 shares of our common stock in connection with our initial capitalization and activities in preparation for our formation transactions, the concurrent private placement and this offering. Accordingly, we believe that a discussion of our results of operations would not be meaningful, and this discussion and analysis therefore only discusses the combined results of Rexford Industrial Realty, Inc. Predecessor. For more information regarding these companies, see "Selected Financial Information." All significant intercompany balances and transactions have been eliminated in the financial statements. Where appropriate, the following discussion includes analysis of the effects of the formation transactions, the concurrent private placement, certain other transactions and this offering. These effects are reflected in the unaudited pro forma combined financial statements located elsewhere in this prospectus. As used in this section, unless the context otherwise requires, "we," "us," "our" and "our company" mean Rexford Industrial Realty, Inc. Predecessor for the periods presented and Rexford Industrial Realty, Inc. and its consolidated subsidiaries upon completion of this offering, the formation transactions and the concurrent private placement.

### Overview

Rexford Industrial Realty, Inc. is a newly organized Maryland corporation formed to operate as a self-administered and self-managed REIT focused on owning and operating industrial properties in Southern California infill markets. We were formed to succeed our predecessor business, which is controlled and operated by our principals, Richard Ziman, Howard Schwimmer and Michael Frankel, who collectively have decades of experience acquiring, owning and operating industrial properties in Southern California infill markets. Upon completion of our formation transactions, our initial portfolio will consist of 61 properties with approximately 6.7 million rentable square feet, including two properties that we currently have under contract to purchase, and we will manage an additional 20 properties with approximately 1.2 million rentable square feet.

We intend to elect and qualify to be taxed as a REIT under the Code, commencing with the year ending December 31, 2013, and generally will not be subject to U.S. federal taxes on our income to the extent we annually distribute at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid, to our stockholders and otherwise maintain our qualification as a REIT. We are structured as an UPREIT and will own substantially all of our assets and conduct substantially all of our business through our operating partnership. We will serve as the sole general partner and expect to own an approximately 86.8% interest in our operating partnership upon completion of this offering.

As a result of this offering, the formation transactions and the concurrent private placement, our future financial condition and results of operations will differ significantly from, and will not be comparable with, the historical financial position and results of operations of Rexford Industrial Realty, Inc. Predecessor. Please refer to our unaudited pro forma consolidated financial statements and related notes included elsewhere in this prospectus, which present on a pro forma basis the condition and results of our company as if our formation transactions and this offering and the application of the net proceeds thereof had all occurred on March 31, 2013 for the pro forma consolidated balance sheet and on January 1, 2012 for the pro forma consolidated statements of

operations. The unaudited pro forma consolidated financial statements are not necessarily indicative of what our actual financial position and results of operations would have been as of the date or for the periods indicated, nor does it propose to represent our future financial position or results of operations.

***Formation Transactions***

Concurrently with this offering, we will complete our formation transactions, pursuant to which we will acquire, through a series of contribution and merger transactions, the management companies and the assets and liabilities of the Rexford Funds, including all of the industrial properties owned by the Rexford Funds.

To acquire the ownership entities and the management companies to be included in our initial portfolio from the prior investors, we will issue to the prior investors an aggregate of 4,957,099 shares of our common stock and 3,714,419 common units, with an aggregate value of $121,401,252, and we will pay $663,748 in cash to those prior investors that are not accredited investors. Cash amounts will be provided from the net proceeds of this offering and the concurrent private placement. These contributions and mergers will be effected substantially concurrently with the completion of this offering and the concurrent private placement. For more information see "Structure and Formation of Our Company—Our Formation Transactions and Structure."

We will also repay approximately $301.6 million of debt and approximately $2.8 million in prepayment costs, exit fees and assumption fees with the proceeds of this offering, the concurrent private placement and the proceeds of the new term loan that we expect to have in place at the completion of this offering. We also expect to have approximately $129.3 million of indebtedness outstanding, including approximately $21.2 million outstanding under our proposed revolving credit facility, (1) $60.0 million in principal amount of mortgage debt under our new term loan, and approximately $48.1 million in principal amount of mortgage debt that we will assume as part of the formation transactions, based on March 31, 2013 balances. Additionally, we will have approximately $6.2 million of secured indebtedness outstanding on our 15% joint venture interest in the three properties owned indirectly by the JV, based on March 31, 2013 balances.

We have determined that one of the entities comprising Rexford Industrial Realty, Inc. Predecessor, RI, LLC, is the acquirer for accounting purposes. In addition, we have concluded that any interests contributed by the members of the other entities comprising Rexford Industrial Realty, Inc. Predecessor (Sponsor, Fund V REIT and their consolidated subsidiaries), is a business combination since these entities have common management and ownership, but are not under common control with RI, LLC. RI, LLC is controlled by a principal of Rexford Industrial Realty, Inc. Predecessor while Sponsor and Fund V REIT are jointly controlled by a principal of Rexford Industrial Realty, Inc. Predecessor. As a result, the contribution of interests in RI, LLC as the accounting acquirer will be recorded at historical cost, and the contribution or acquisition of interests in entities other than those owned or controlled by RI, LLC in the formation transactions, including Sponsor, Fund V REIT, and their consolidated subsidiaries, will be accounted for as an acquisition under the acquisition method of accounting and recognized at the estimated fair value of acquired assets and assumed liabilities on the date of such contribution or acquisition. The fair values of tangible assets acquired are determined on an as-if-vacant basis. The as-if-vacant fair value of tangible assets will be allocated to land, building and improvements, tenant improvements and furniture and fixtures based on our market knowledge and published market data, including current rental rates, expected downtime to lease up vacant space, tenant improvement construction costs, leasing commissions and recent sales on a per square foot basis for comparable properties in our submarkets. The estimated fair value of intangible assets consisting of acquired in-place at-market leases are the costs we would have incurred to lease the property to the occupancy level of the property at the date of acquisition. Such estimates include the fair

(1) Assumes borrowings of approximately $7.0 million we expect to borrow under our proposed revolving credit facility at the completion of this offering and an additional $14.2 million which we expect to borrow under our proposed revolving credit facility to acquire 8101-8117 Orion Avenue and 18310-18330 Oxnard Street shortly following this offering.

value of leasing commissions and legal costs that would be incurred to lease this property to this occupancy level. Additionally, we evaluate the time period over which such occupancy level would be achieved and include an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period, which may vary from property to property. Above-market and below-market in-place lease values are recorded as assets or liabilities based on the present value (using an interest rate that reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and our estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease for above-market leases and the remaining non-cancelable term (including the term of any below-market fixed rate renewal options) for below-market leases.

Upon completion of our formation transactions, the concurrent private placement and this offering, our operations will be carried on through our operating partnership, Rexford Industrial Realty, L.P. which we formed on January 18, 2013, and its subsidiaries, including our taxable REIT subsidiary.

As a result, upon completion of the formation transactions, we expect to be a fully integrated, self-administered and self-managed REIT with approximately 31 employees providing substantial in-house expertise and resources in leasing, asset and property management, marketing, acquisitions, redevelopment and financing.

***Concurrent Private Placement***

In connection with the formation transactions, we made available to accredited investors in the Rexford Funds and the Rexford management team the opportunity to acquire for cash additional shares of our common stock at the public offering price per share in this offering concurrently with the completion of the formation transactions and this offering. We refer to the shares issued pursuant to this opportunity as the concurrent private placement. No fees, discounts or selling commissions will be paid to the underwriters in connection with any sale of our common stock through the concurrent private placement. Rexford Fund investors and the Rexford management team have irrevocably committed to invest approximately $47 million in the concurrent private placement, at a price per share equal to the public offering price in this offering. The shares that will be issued in the concurrent private placement will be in addition to the shares sold in this offering. For more information see “Structure and Formation of Our Company—Our Formation Transactions and Structure.”

***Proposed Revolving Credit Facility and New Term Loan***

The lead arranger for our proposed revolving credit facility has secured commitments allowing borrowings of up to $200 million, which we expect to be available to us upon completion of this offering. We also expect to have a new $60 million term loan in place at such time. For additional information regarding our proposed revolving credit facility and our new term loan, please refer to “Business—Description of Certain Debt” below.

**Factors That May Influence Future Results of Operations**

***Business and Strategy***

We expect to continue Rexford Industrial Realty, Inc. Predecessor’s investment strategy of acquiring leased, partially leased, distressed, on- and off-market and lightly marketed industrial properties primarily in Southern California infill industrial markets, through equity investments and /or acquiring debt instruments. We believe that the systematic aggregation of such properties will result in a diversified portfolio that will produce sustainable returns which are attractive in light of the associated risks. Future results of operations may be affected, either positively or negatively, by our ability to execute this strategy.

***Rental Revenue and Tenant Recoveries***

We receive income primarily from rental revenue from our properties. The amount of rental revenue generated by the properties in our portfolio depends principally on the occupancy levels and lease rates at our properties, our ability to lease currently available space and space that becomes available as a result of lease expirations and on the rental rates at our properties.

*Occupancy Rates.* As of March 31, 2013, properties owned by our predecessor business were approximately 85.5 % occupied and 89.4% leased. The difference between our occupancy rate and leased rate is attributed to our uncommenced leases. Our occupancy rate is impacted by market conditions in the areas in which we operate. In particular, we have generally experienced more challenging market conditions and slower recovery in San Diego county, where our properties were 64.3% occupied as of March 31, 2013. By way of comparison, our Los Angeles county properties and Orange county properties were 90.0% and 94.0% occupied, respectively, as of March 31, 2013, and according to DAUM, as of March 31, 2013, occupancy rates among Los Angeles and Orange County industrial properties were approximately 95.0% and 94.7%, respectively. Recently, we have noted gradual improvements in market conditions in our markets generally, as evidenced both by improved leasing velocity and stabilization of rental rates. In addition, a key component of our growth strategy is to acquire distressed, off-market and lightly marketed properties that are often operating below market occupancy at the time of acquisition. Through various redevelopment, repositioning and professional leasing and marketing strategies, we seek to increase the properties' functionality and attractiveness to prospective tenants and, over time, stabilize the properties at occupancy rates that meet or exceed market rates. Consistent with this strategy, three of our properties, representing 207,886 square feet, are currently in various stages of redevelopment and repositioning. Excluding properties in redevelopment or repositioning, our remaining properties were approximately 87.6% occupied as of March 31, 2013. On a weighted average basis, the space covered by our in-service properties not leased as of March 31, 2013 had been vacant for approximately 19.7 months and the space covered by properties in redevelopment or repositioning not leased as of March 31, 2013 had been vacant for approximately 0.4 months. Through June 4, 2013, we entered into 53 leases (excluding renewals) that had not commenced as of March 31, 2013, representing 361,063 square feet, or an additional 5.4% of our total rentable square feet (net of renewals). We believe the opportunity to increase occupancy at our properties will be a significant driver of future revenue growth.

*Leasing Activity*. In 2011, we entered into 99 new leases covering approximately 709,078 square feet and renewed 76 leases covering approximately 429,976 square feet, while 63 leases covering approximately 466,467 square feet terminated. On a weighted average basis, the space covered by new leases in 2011 had been vacant for approximately 22.8 months. In 2012, we entered into 172 new leases covering approximately 833,754 square feet and renewed 194 leases covering approximately 1,056,558 square feet, while 102 leases covering approximately 508,441 square feet terminated. In the three months ended March 31, 2013, we entered into 38 new leases covering approximately 283,507 square feet and renewed 59 leases covering approximately 37,887 square feet, while 34 leases covering approximately 87,124 square feet terminated. On a weighted average basis, the space covered by new leases in 2012 and in the three months ended March 31, 2013 had been vacant for approximately 22.3 months and 13.6 months, respectively. Our leasing activity is impacted both by our own redeveloping and repositioning efforts as well as by market conditions. When we redevelop or reposition a property, its space may become unavailable for leasing until completion of the redevelopment or repositioning efforts. In addition, while we have recently noted gradual improvements in market conditions in our markets, the market recovery has been uneven and some markets, particularly San Diego county, have been slower to recover.

*Rental Rates*. Of the 76 leases that we renewed in 2011, the rental rates under the renewed leases were approximately 1.0% below the expiring rent on a weighted average basis. Of the 194 leases that we renewed in 2012, the rental rates under the renewed leases were approximately 1.6% below the expiring rent on a weighted average basis and of the 59 leases that we renewed in the three months ended March 31, 2013, the rental rates under the renewed leases were approximately 0.3% below the expiring rent on a weighted average basis. We believe that the marginal decreases in rental rates on renewed leases generally reflects the uneven market recovery in our markets, and in particular in San Diego county. Among the factors that affect lease rates on renewal is our acquisition activity. We acquired ten properties in 2011 and seven properties in 2012 and four additional properties in 2013 as of June 4, 2013. At the time of acquisition of these properties, our underwriting and what we believe to be our value-oriented purchase prices factored in anticipated roll-downs in rent at some upcoming lease expirations. We believe that rental rates in our markets for product such as our properties are just beginning to recover from the 2008 financial crisis and subsequent economic recession, and accordingly we expect potential increases in lease rates upon renewal of upcoming lease expirations as market conditions continue to improve.

Future economic downturns or regional downturns affecting our submarkets that impair our ability to renew or re-lease space and adverse developments that affect the ability of our tenants to fulfill their lease obligations, such as tenant bankruptcies, could adversely affect our ability to maintain or increase occupancy or rental rates at our properties. Adverse developments or trends in one or more of these factors could adversely affect our rental revenue in future periods.

***Scheduled Lease Expirations***

Our ability to re-lease space subject to expiring leases will impact our results of operations and is affected by economic and competitive conditions in our markets and by the desirability of our individual properties. As of March 31, 2013, in addition to approximately 824,000 rentable square feet of currently available space in our properties, leases representing approximately 16.3% and 23.9% of the aggregate rentable square footage of our initial portfolio are scheduled to expire during the years ending December 31, 2013 and December 31, 2014, respectively. As described in more detail above under "—Rental Revenue and Tenant Recoveries," in 2011 and 2012 we renewed approximately 55% and 66% of leases scheduled to expire, which renewed leases represented approximately 48.0% and 67.5% of the aggregate rentable square footage under all expiring leases in those years, respectively. In 2011 and 2012, new leases and renewals had a weighted average term of approximately 2.5 years, and we expect future new and renewal leases to have terms consistent with this recent experience.

The leases scheduled to expire during the years ending December 31, 2013 and December 31, 2014 represent approximately 19.8% and 26.5%, respectively, of the total annualized rent for our portfolio. We estimate that, on a weighted average basis, in-place rents of leases scheduled to expire in 2013 and 2014 are currently at or slightly above current market rents. However, we believe that rental rates in our markets for product such as our properties are just beginning to recover, and accordingly we expect potential increases in lease rates upon renewal of upcoming 2013 and 2014 lease expirations as market conditions continue to improve.

***Taxable REIT Subsidiary***

As part of the formation transactions, we acquired Rexford Industrial Realty and Management, Inc., which we refer to as the services company. The services company will be wholly owned, indirectly, by our operating partnership. We will elect, together with our services company, to treat our services company as a taxable REIT subsidiary for federal income tax purposes. A taxable REIT subsidiary generally may provide non-customary and other services to our tenants and engage in activities that we may not engage in directly without adversely affecting our qualification as a REIT, provided a taxable REIT subsidiary may not operate or manage a lodging facility or health care facility or provide rights to any brand name under which any lodging facility or health care facility is operated. See "U.S. Federal Income Tax Considerations—Taxation of Our Company—Ownership of Interests in Taxable REIT Subsidiaries." We may form additional taxable REIT subsidiaries in the future, and our operating partnership may contribute some or all of its interests in certain wholly owned subsidiaries or their assets to our services company. Any income earned by our taxable REIT subsidiaries will not be included in our taxable income for purposes of the 75% or 95% gross income tests, except to the extent such income is distributed to us as a dividend, in which case such dividend income will qualify under the 95%, but not the 75%, gross income test. See "U.S. Federal Income Tax Considerations—Taxation of Our Company—Income Tests." Because a taxable REIT subsidiary is subject to federal income tax, and state and local income tax (where applicable) as a regular corporation, the income earned by our taxable REIT subsidiaries generally will be subject to an additional level of tax as compared to the income earned by our other subsidiaries.

***Conditions in Our Markets***

The properties in our initial portfolio are located primarily in Southern California infill markets. Positive or negative changes in economic or other conditions, adverse weather conditions and natural disasters in this market may affect our overall performance.

***Rental Expenses***

Our rental expenses generally consist of utilities, real estate taxes, insurance and site repair and maintenance costs. For the majority of our properties, our rental expenses are controlled, in part, by either the triple net provisions or modified gross expense reimbursements in tenant leases. However, the terms of our leases vary and in some instances we may absorb rental expenses. Our overall financial results will be impacted by the extent to which we are able to pass-through rental expenses to our tenants.

***General and Administrative Expenses***

Following this offering, we expect to incur increased general and administrative expenses, including legal, accounting and other expenses related to corporate governance, public reporting and compliance with various provisions of the Sarbanes-Oxley Act, as compared to our Rexford Industrial Realty, Inc. Predecessor. We anticipate that our staffing levels will increase from approximately 31 employees at inception to between 35 and 40 employees during the next 12 to 24 months and, as a result, our general and administrative expenses will increase further.

**Critical Accounting Policies**

Our discussion and analysis of the historical financial condition and results of operations of Rexford Industrial Realty, Inc. Predecessor are based upon its combined financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions in certain circumstances that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses in the reporting period. Actual amounts may differ from these estimates and assumptions. We have provided a summary of significant accounting policies in note 2 to the combined financial statements of Rexford Industrial Realty, Inc. Predecessor included elsewhere in this prospectus. We have summarized below those accounting policies that require material subjective or complex judgments and that have the most significant impact on financial condition and results of operations. Management evaluates these estimates on an ongoing basis, based upon information currently available and on various assumptions that it believes are reasonable as of the date hereof. In addition, other companies in similar businesses may use different estimation policies and methodologies, which may impact the comparability of our or Rexford Industrial Realty, Inc. Predecessor's results of operations and financial condition to those of other companies.

The following discussion of critical accounting policies uses "we" and "Rexford Industrial Realty, Inc. Predecessor" interchangeably. Except where specifically stated otherwise, we expect the critical accounting policies of Rexford Industrial Realty, Inc. to be substantially similar to those of Rexford Industrial Realty, Inc. Predecessor.

A critical accounting policy is one that is both important to the portrayal of an entity's financial condition and results of operations and requires judgment on the part of management. Generally, the judgment requires management to make estimates and assumptions about the effect of matters that are inherently uncertain. Estimates are prepared using management's best judgment, after considering past and current economic conditions and expectations for the future. The current economic environment has increased the degree of uncertainty inherent in these estimates and assumptions. Changes in estimates could affect our financial position and specific items in our results of operations that are used by the users of our financial statements in their evaluation of our performance. Of the accounting policies discussed in Note 2 to the combined financial statements of Rexford Industrial Realty, Inc. Predecessor included elsewhere in this prospectus, the accounting policies presented below have been identified by us as critical accounting policies.

***Investments in Real Estate***

We generally acquire individual properties, and, in some instances, a portfolio of properties. When we acquire individual operating properties, with the intention to hold the investment for the long-term, we allocate the purchase price to the various components of the acquisition based upon the fair value of each component. The components typically include land, building, debt, intangible assets related to above and below market leases, value of costs to obtain tenants, and other assumed assets and liabilities. We consider Level 3 inputs such as the replacement cost of such assets, appraisals, property condition reports, comparable market rental data and other related information in determining the fair value of the tangible assets. The recorded fair value of intangible lease assets or liabilities includes Level 3 inputs including the value associated with leasing commissions, legal and other costs, as well as the estimated period necessary to lease such property and lease commencement. An intangible asset or liability resulting from in-place leases that are above or below the market rental rates are valued based upon our estimates of prevailing market rates for similar leases. Intangible lease assets or liabilities are amortized over the estimated, reasonably assured lease term of the remaining in-place leases as an adjustment to "rental revenues" or "real estate related depreciation and amortization" depending on the nature of the intangible. The difference between the fair value and the face value of debt assumed in connection with an acquisition is recorded as a premium or discount and amortized to "interest expense" over the life of the debt assumed. The valuation of assumed liabilities is based on our estimate of the current market rates for similar liabilities in effect at the acquisition date.

In an acquisition of multiple properties, we must also allocate the purchase price among the properties. The allocation of the purchase price is based on our assessment of estimated fair value and often is based upon the expected future cash flows of the property and various characteristics of the markets where the property is located. The fair value may also include an enterprise value premium that we estimate a third party would be willing to pay for a portfolio of properties. The initial allocation of the purchase price is based on management's preliminary assessment, which may differ when final information becomes available. Subsequent adjustments made to the initial purchase price allocation are made within the allocation period, which typically does not exceed one year.

*Capitalization of Costs and Depreciation and Amortization*

We capitalize costs incurred in developing, renovating, rehabilitating and improving real estate assets as part of the investment basis. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred. During the land development and construction periods, we capitalize interest costs, insurance, real estate taxes and certain general and administrative costs of the personnel performing development, renovations and rehabilitation if such costs are incremental and identifiable to a specific activity to get the asset ready for its intended use. Capitalized costs are included in the investment basis of real estate assets. We also capitalize costs incurred to successfully originate a lease that result directly from, and are essential to, the acquisition of that lease. Leasing costs that meet the requirements for capitalization are presented as a component of other assets.

Real estate, including land, building and land improvements, tenant improvements, and furniture, fixtures and equipment, leasing costs and intangible lease assets and liabilities are stated at historical cost less accumulated depreciation and amortization, unless circumstances indicate that the cost cannot be recovered, in which case, the carrying value of the property is reduced to estimated fair value as discussed below in our policy with regards to impairment of long-lived assets. We estimate the depreciable portion of our real estate assets and related useful lives in order to record depreciation expense. Our ability to estimate the depreciable portions of our real estate assets and useful lives is critical to the determination of the appropriate amount of depreciation and amortization expense recorded and the carrying value of the underlying assets. Any change to the assets to be depreciated and the estimated depreciable lives of these assets would have an impact on the depreciation expense recognized.

As discussed above in investments in real estate, in connection with property acquisitions, we may acquire leases with rental rates above or below the market rental rates. Such differences are recorded as an intangible lease asset or liability and amortized to "rental revenues" over the reasonably assured term of the

related leases. The unamortized balances of these assets and liabilities associated with the early termination of leases are fully amortized to their respective revenue line items in the combined financial statements of Rexford Industrial Realty, Inc. Predecessor over the shorter of the expected life of such assets and liabilities or the remaining lease term.

Our estimate of the useful life of our assets is evaluated upon acquisition and when circumstances indicate a change in the useful life, which requires significant judgment regarding the economic obsolescence of tangible and intangible assets.

*Impairment of Long-Lived Assets*

We assess the carrying values of our respective long-lived assets, including goodwill, whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be fully recoverable.

Recoverability of real estate assets is measured by comparison of the carrying amount of the asset to the estimated future undiscounted cash flows. In order to review our real estate assets for recoverability, we consider current market conditions, as well as our intent with respect to holding or disposing of the asset. Our intent with regard to the underlying assets might change as market conditions change, as well as other factors, especially in the current global economic environment. Fair value is determined through various valuation techniques, including discounted cash flow models, applying a capitalization rate to estimated net operating income of a property and quoted market values and third party appraisals, where considered necessary. The use of projected future cash flows is based on assumptions that are consistent with our estimates of future expectations and the strategic plan we use to manage our underlying business. If our analysis indicates that the carrying value of the real estate asset is not recoverable on an undiscounted cash flow basis, we recognize an impairment charge for the amount by which the carrying value exceeds the current estimated fair value of the real estate property.

Assumptions and estimates used in the recoverability analyses for future cash flows, discount rates and capitalization rates are complex and subjective. Changes in economic and operating conditions or our intent with regard to our investment that occurs subsequent to our impairment analyses could impact these assumptions and result in future impairment of our real estate properties.

*Valuation of Receivables*

We are subject to tenant defaults and bankruptcies that could affect the collection of outstanding receivables. In order to mitigate these risks, we perform credit reviews and analyses on prospective tenants before significant leases are executed and on existing tenants before properties are acquired. We specifically analyze aged receivables, customer credit-worthiness, historical bad debts and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. As a result of our periodic analysis, we maintain an allowance for estimated losses that may result from the inability of our tenants to make required payments. This estimate requires significant judgment related to the lessees' ability to fulfill their obligations under the leases. We believe our allowance for doubtful accounts is adequate for our outstanding receivables for the periods presented. If a tenant is insolvent or files for bankruptcy protection and fails to make contractual payments beyond any allowance, we may recognize additional bad debt expense in future periods equal to the net outstanding balances, which include amounts recognized as straight-line revenue not realizable until future periods.

*Consolidation*

We consolidate all entities that are wholly owned and those in which we own less than 100% but control, as well as any variable interest entities in which we are the primary beneficiary. We evaluate our ability to control an entity and whether the entity is a variable interest entity and we are the primary beneficiary through consideration of the substantive terms of the arrangement to identify which enterprise has the power to direct the activities of a variable interest entity that most significantly impacts the entity's economic performance and the

obligation to absorb losses of the entity or the right to receive benefits from the entity. Investments in entities in which we do not control but over which we have the ability to exercise significant influence over operating and financial policies are presented under the equity method. Investments in entities that we do not control and over which we do not exercise significant influence are carried at the lower of cost or fair value, as appropriate. Our ability to correctly assess our influence and/or control over an entity affects the presentation of these investments in our combined financial statements.

**Historical Results of Operations of Rexford Industrial Realty, Inc. Predecessor**

**Comparison of Three Months Ended March 31, 2013 to Three Months Ended March 31, 2012**

Our results of operations for all periods presented were affected by acquisitions and dispositions made during the three months ended March 31, 2013 and the year ended December 31, 2012. Therefore, our results are not comparable from period to period. Our "Total Portfolio" represents all of the properties in our initial portfolio owned during the reported periods. To eliminate the effect of changes in our Total Portfolio due to acquisitions and dispositions, we have separately presented the results of our "Same Properties Portfolio."

Properties included in our Same Properties Portfolio are the properties in our initial portfolio that were wholly-owned by us as of January 1, 2012 and still owned as of March 31, 2013, and excludes our joint venture or tenants-in-common properties and any properties that were acquired or sold during the three months ended March 31, 2013 and the year ended December 31, 2012.

The results of our Same Properties Portfolio are presented to highlight for investors and users of our consolidated financial statements the operating results of our on-going business.

## REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR
## COMBINED STATEMENTS OF OPERATIONS

| | Same Properties Portfolio | | | | Total Portfolio | | | |
|---|---|---|---|---|---|---|---|---|
| | For the Three Months Ended | | | | For the Three Months Ended | | | |
| | 3/31/2013 (Unaudited) | 3/31/2012 (Unaudited) | Increase/ (Decrease) | % Change | 3/31/2013 (Unaudited) | 3/31/2012 (Unaudited) | Increase/ (Decrease) | % Change |
| **RENTAL REVENUES** | | | | | | | | |
| Rental revenues | $ 7,267,000 | $ 6,995,000 | $ 272,000 | 4% | $ 7,902,000 | $ 7,039,000 | $ 863,000 | 12% |
| Tenant reimbursements | 869,000 | 789,000 | 80,000 | 10% | 904,000 | 789,000 | 115,000 | 15% |
| Management, leasing and development services | — | — | — | 0% | 261,000 | 64,000 | 197,000 | 308% |
| Other income | 118,000 | 13,000 | 105,000 | 808% | 118,000 | 17,000 | 101,000 | 594% |
| **TOTAL RENTAL REVENUES** | 8,254,000 | 7,797,000 | 457,000 | 6% | 9,185,000 | 7,909,000 | 1,276,000 | 16% |
| Interest income | 311,000 | 334,000 | (23,000) | -7% | 311,000 | 337,000 | (26,000) | -8% |
| **TOTAL REVENUES** | 8,565,000 | 8,131,000 | 434,000 | 5% | 9,496,000 | 8,246,000 | 1,250,000 | 15% |
| **EXPENSES** | | | | | | | | |
| Property expenses | 1,905,000 | 1,900,000 | 5,000 | 0% | 2,171,000 | 1,987,000 | 184,000 | 9% |
| General and administrative | — | — | — | 0% | 1,153,000 | 983,000 | 170,000 | 17% |
| Depreciation and amortization | 3,132,000 | 3,640,000 | (508,000) | -14% | 3,208,000 | 3,526,000 | (318,000) | -9% |
| Other property expenses | 296,000 | 220,000 | 76,000 | 35% | 341,000 | 276,000 | 65,000 | 24% |
| **TOTAL OPERATING EXPENSES** | 5,333,000 | 5,760,000 | (427,000) | -7% | 6,873,000 | 6,772,000 | 101,000 | 1% |
| **OTHER (INCOME) EXPENSE** | | | | | | | | |
| Acquisition expenses | — | — | — | 0% | 93,000 | 68,000 | 25,000 | 37% |
| Interest expense | 3,877,000 | 4,083,000 | (206,000) | -5% | 3,906,000 | 4,209,000 | (303,000) | -7% |
| Gain on mark-to-market interest rate swaps | — | — | — | 0% | (49,000) | (612,000) | 563,000 | -92% |
| **TOTAL OTHER EXPENSE** | 3,877,000 | 4,083,000 | (206,000) | -5% | 3,950,000 | 3,665,000 | 285,000 | 8% |
| **TOTAL EXPENSES** | 9,210,000 | 9,843,000 | (633,000) | -6% | 10,823,000 | 10,437,000 | 386,000 | 4% |
| Equity in income (loss) of unconsolidated real estate entities | — | — | — | | (212,000) | 57,000 | (269,000) | |
| Gain from early repayment of note receivable | 1,365,000 | — | 1,365,000 | | 1,365,000 | — | 1,365,000 | |
| Loss on extinguishment of debt | (37,000) | — | (37,000) | | (37,000) | — | (37,000) | |
| **NET INCOME (LOSS) FROM CONTINUING OPERATIONS** | 683,000 | (1,712,000) | 2,395,000 | | (211,000) | (2,134,000) | 1,923,000 | |
| **DISCONTINUED OPERATIONS** | | | | | | | | |
| Income (loss) from discontinued operations before gains on sale of real estate | — | — | — | | (145,000) | 34,000 | (179,000) | |
| Gain on sale of real estate | — | — | — | | 2,409,000 | — | 2,409,000 | |
| **INCOME (LOSS) FROM DISCONTINUED OPERATIONS** | — | — | — | | 2,264,000 | 34,000 | 2,230,000 | |
| **NET INCOME (LOSS)** | 683,000 | (1,712,000) | 2,395,000 | | 2,053,000 | (2,100,000) | 4,153,000 | |
| **NOI** | 6,053,000 | 5,677,000 | 376,000 | 7% | 6,673,000 | 5,646,000 | 1,027,000 | 18% |

***Rental Revenue***

Our Same Properties Portfolio and Total Portfolio rental revenue increased $0.3 million, or 3.9%, and $0.9 million, or 12.3%, respectively, primarily due to increases in occupancy during the three months ended March 31, 2013 compared to the three months ended March 31, 2012. Our Total Portfolio rental revenue was also positively impacted by the revenues from the four properties we acquired during 2012.

***Tenant Reimbursements***

Our Same Properties Portfolio and Total Portfolio tenant reimbursements revenue increased $0.1 million, or 10.1%, and $0.1 million or 14.6%, respectively, primarily due to increases in occupancy during the three months ended March 31, 2013 compared to the three months ended March 31, 2012. The Total Portfolio tenant reimbursement revenue was also positively impacted by the revenues from the four properties we acquired during 2012.

***Management, leasing and development services***

Total Portfolio management, leasing, and development services revenue increased $0.2 million or 307.8% during the three months ended March 31, 2013 compared to the three months ended March 31, 2012, due to additional management fee revenues from the properties that our JV acquired in June 2012. There are no management, leasing and development fees allocable to the Same Properties Portfolio.

***Other Operating Income***

Total Portfolio other operating income increased $0.1 million, or 594.1%, during the three months ended March 31, 2013 compared to the three months ended March 31, 2012, primarily due to receipt of construction easement income at one of our properties.

***Property Expenses***

Same Properties Portfolio and Total Portfolio property expenses as a percentage of total rental revenues decreased to 23.1% and 23.6% respectively during the three months ended March 31, 2013 from 24.4% and 25.1%, respectively, during the three months ended March 31, 2012, due to operational efficiencies. The decreases in our Total Portfolio property expenses were partially offset by the incremental expenses from the four properties we acquired during 2012.

***General and Administrative***

Total Portfolio general and administrative expenses increased $0.2 million, or 17.3%, during the three months ended March 31, 2013 compared to the three months ended March 31, 2012 due to higher corporate expenses resulting from additional head count.

***Depreciation and Amortization***

Same Properties Portfolio and Total Portfolio depreciation and amortization expenses decreased $0.5 million, or 14.0%, and $0.3 million or 9.0%, respectively, due to acquired lease related intangible and tangible assets for several of our properties being fully depreciated during 2012. The decreases in our Total Portfolio depreciation and amortization expense was partially offset by the four properties we acquired during 2012.

***Other Property Expenses***

Our Total Portfolio other property expenses increased $65,000, or 23.6%, during the three months ended March 31, 2013 compared to the three months ended March 31, 2012, mainly due to higher allocated overhead expenses in our Same Properties Portfolio.

***Acquisition Expenses***

Total Portfolio acquisition expenses increased $25,000, or 36.8%, during the three months ended March 31, 2013 compared to the three months ended March 31, 2012 due to higher expenses incurred for 2013 transactions.

***Interest Expense***

Same Properties Portfolio and Total Portfolio interest expense decreased $0.2 million, or 5.0%, and $0.3 million, or 7.2% respectively, during the three months ended March 31, 2013 compared to the three months ended March 31, 2013, due to the expiration of our interest rate swaps during 2012, which was partially offset by increased interest expense as a result of additional debt incurred in 2012.

***Gain on mark-to-market interest rate swaps***

Total Portfolio gain on mark-to-market interest rate swaps decreased $0.6 million, or 92.0%, during the three months ended March 31, 2013 compared to the three months ended March 31, 2012 due to the expiration of our interest rate swaps during 2012.

***Equity in (Loss) Gain of Unconsolidated Real Estate Entities***

The equity in loss of unconsolidated real estate entities of $(0.2) million for the three months ended March 31, 2013, includes our equity interests in the operating results of two properties, La Jolla Sorrento and Mission Oaks. The Mission Oaks properties were acquired in June 2012 through the JV. The equity in income of unconsolidated real estate entities of $0.1 million for the three months ended March 31, 2012, includes our equity interests in the operating results of only the La Jolla Sorrento property. The decrease is attributable to our share of incremental GAAP losses caused by increased depreciation expense by our two unconsolidated properties during the three months ended March 31, 2013.

***Gain from Early Repayment of Note Receivable***

The gain from early repayment of a note receivable for the three months ended March 31, 2013 represents the gain related to the collection of a note receivable held by us and secured by the Foothill property located at 2824 Foothill & 2801 Sierra Blvd., in Pasadena, California, or the Foothill note.

***Loss on Extinguishment of Debt***

The loss on extinguishment of debt for the three months ended March 31, 2013 is comprised of the loss related to the repayment of debt secured by the Foothill note receivable and property disposition which were both repaid early.

***Discontinued Operations***

Our income from discontinued operations of $2.3 million for the three months ended March 31, 2013 is comprised primarily of the gain related to the disposition of our property located at 4578 Worth Street. This gain is partially offset by losses from operations of the disposed property and the properties classified as held for sale as of March 31, 2013. Our income from discontinued operations of $34,000 for the three months ended March 31, 2012 is comprised of income from operations for the three properties classified as held for sale.

**Comparison of Year Ended December 31, 2012 to Year Ended December 31, 2011**

Our results of operations for all periods presented were affected by acquisitions and dispositions made during 2012 and 2011. Therefore, our results are not comparable from period to period. Our “Total Portfolio”

represents all of the properties in our industrial portfolio as of December 31, 2012. To eliminate the effect of changes in our Total Portfolio due to acquisitions and dispositions, we have separately presented the results of our "Same Properties Portfolio."

Properties included in our Same Properties Portfolio are the properties in our industrial portfolio that were wholly-owned by us throughout 2011 and 2012, which excludes our joint venture or tenants-in-common properties and any properties that were acquired or sold during 2012 and 2011.

The results of our Same Properties Portfolio are presented to highlight for investors and users of our consolidated financial statements the operating results of our on-going business.

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**
**COMBINED STATEMENTS OF OPERATIONS**

| | Same Properties Portfolio | | | | Total Portfolio | | | |
|---|---|---|---|---|---|---|---|---|
| | For the Year Ended | | Increase/ | % | For the Year Ended | | Increase/ | % |
| | 12/31/2012 (Unaudited) | 12/31/2011 (Unaudited) | (Decrease) | Change | 12/31/2012 | 12/31/2011 | (Decrease) | Change |
| **RENTAL REVENUES** | | | | | | | | |
| Rental revenues | $ 24,304,000 | $ 23,480,000 | $ 824,000 | 4% | $28,586,000 | $23,696,000 | $ 4,890,000 | 21% |
| Tenant reimbursements | 2,508,000 | 2,383,000 | 125,000 | 5% | 3,262,000 | 2,438,000 | 824,000 | 34% |
| Management, leasing and development services | — | — | — | 0% | 519,000 | 316,000 | 203,000 | 64% |
| Other income | 76,000 | 151,000 | (75,000) | -50% | 124,000 | 149,000 | (25,000) | -17% |
| **TOTAL RENTAL REVENUES** | 26,888,000 | 26,014,000 | 874,000 | 3% | 32,491,000 | 26,599,000 | 5,892,000 | 22% |
| Interest income | 1,571,000 | 1,559,000 | 12,000 | 1% | 1,577,000 | 1,578,000 | (1,000) | 0% |
| **TOTAL REVENUES** | 28,459,000 | 27,573,000 | 886,000 | 3% | 34,068,000 | 28,177,000 | 5,891,000 | 21% |
| **EXPENSES** | | | | | | | | |
| Property expenses | 6,921,000 | 7,027,000 | (106,000) | -2% | 8,328,000 | 6,865,000 | 1,463,000 | 21% |
| General and administrative | — | — | — | 0% | 5,146,000 | 3,729,000 | 1,417,000 | 38% |
| Depreciation and amortization | 9,735,000 | 9,974,000 | (239,000) | -2% | 12,727,000 | 9,874,000 | 2,853,000 | 29% |
| Other property expenses | 864,000 | 691,000 | 173,000 | 25% | 1,302,000 | 1,030,000 | 272,000 | 26% |
| **TOTAL OPERATING EXPENSES** | 17,520,000 | 17,692,000 | (172,000) | -1% | 27,503,000 | 21,498,000 | 6,005,000 | 28% |
| **OTHER (INCOME) EXPENSE** | | | | | | | | |
| Acquisition expenses | — | 12,000 | (12,000) | -100% | 599,000 | 1,022,000 | (423,000) | -41% |
| Interest expense | 16,751,000 | 18,240,000 | (1,489,000) | -8% | 17,452,000 | 17,970,000 | (518,000) | -3% |
| Gain on mark-to-market interest rate swaps | — | — | — | 0% | (2,361,000) | (4,185,000) | 1,824,000 | -44% |
| **TOTAL OTHER EXPENSE** | 16,751,000 | 18,252,000 | (1,501,000) | -8% | 15,690,000 | 14,807,000 | 883,000 | 6% |
| **TOTAL EXPENSES** | 34,271,000 | 35,944,000 | (1,673,000) | -5% | 43,193,000 | 36,305,000 | 6,888,000 | 19% |
| Equity in income of unconsolidated real estate entities | — | — | — | | 122,000 | 185,000 | (63,000) | |
| **NET LOSS FROM CONTINUING OPERATIONS** | (5,812,000) | (8,371,000) | 2,559,000 | | (9,003,000) | (7,943,000) | (1,060,000) | |
| **DISCONTINUED OPERATIONS** | | | | | | | | |
| Loss from discontinued operations before gains on sale of real estate | | | | | (9,000) | (897,000) | 888,000 | |
| Gain on sale of real estate | | | | | 55,000 | 2,503,000 | (2,448,000) | |
| **INCOME FROM DISCONTINUED OPERATIONS** | — | — | — | | 46,000 | 1,606,000 | (1,560,000) | |
| **NET LOSS** | (5,812,000) | (8,371,000) | 2,559,000 | | (8,957,000) | (6,337,000) | (2,620,000) | |
| **NOI** | 19,103,000 | 18,296,000 | 807,000 | 4% | 22,861,000 | 18,704,000 | 4,157,000 | 22% |

***Rental Revenue***

Same Properties Portfolio and Total Portfolio rental revenue increased $0.8 million, or 4%, and $4.9 million, or 21%, respectively, primarily due to increases in occupancy during 2012. Our Total Portfolio rental revenue was also positively impacted by the revenues from properties we acquired during 2012 and 2011.

***Tenant Reimbursements***

Same Properties Portfolio and Total Portfolio tenant reimbursements revenue increased $0.1 million, or 5%, and $0.8 million, or 34%, respectively, mainly due to increases in occupancy during 2012. The Total Portfolio tenant reimbursement revenue was also positively impacted by the revenues from properties we acquired during 2012 and 2011.

***Management, leasing and development services***

Total Portfolio management, leasing, and development services revenue increased $0.2 million or 64% during 2012 as compared to 2011, due to additional third party management fees from the properties that we acquired in June 2012 through the JV. There are no management, leasing and development fees allocable to the Same Properties Portfolio.

***Other Operating Income***

Same Properties Portfolio other operating income decreased $75,000, or 50%, while Total Portfolio other operating income decreased $25,000, or 17%, during 2012 as compared to 2011, mainly due to lower non-recurring legal fee reimbursements from tenants and lower settlements received from former tenants. The decrease in other income for Same Properties Portfolio was partially offset by income from newly acquired assets.

***Property Expenses***

Same Properties Portfolio property expenses as a percentage of total rental revenues and Total Portfolio property expenses as a percentage of total rental revenues decreased to 25.7% and 25.6%, respectively, in 2012 from 27.0% and 25.8%, respectively, in 2011 due to operational efficiencies. This translated into a $0.1 million, or 2%, decrease in Same Properties Portfolio property expenses during 2012 as compared to 2011. Total Portfolio property expenses increased $1.5 million, or 21%, during 2012 as compared to 2011. Our Total Portfolio property expenses increased as a result of additional acquisitions during 2012 and 2011, and were partially offset by decreases resulting from dispositions and from the operational efficiencies described above.

***General and Administrative***

Total Portfolio general and administrative expenses increased $1.4 million, or 38%, during 2012 as compared to 2011, due to additional acquisitions combined with higher corporate expenses resulting from additional head count.

***Depreciation and Amortization***

Same Properties Portfolio depreciation and amortization expenses decreased $0.2 million, or 2%, due to expiring lives of assets at various properties, while Total Portfolio depreciation and amortization expenses increased $2.9 million, or 29%, during 2012 as compared to 2011 due to additional acquisitions.

***Other Property Expenses***

Same Properties Portfolio other property expenses increased $0.2 million, or 25%, while Total Portfolio other property expenses increased $0.3 million, or 26%, during 2012 as compared to 2011, mainly due to higher corporate overhead allocations for salaries and bonuses.

***Acquisition Expenses***

During 2012, Same Properties Portfolio acquisition expenses decreased $12,000, or 100%, due to direct property acquisition costs, and Total Portfolio acquisition expenses decreased $0.4 million, or 41%, due to higher acquisition activity in 2011.

***Interest Expense***

Same Properties Portfolio interest expense decreased $1.5 million, or 8%, while Total Portfolio interest expense decreased $0.5 million, or 3%, during 2012 as compared to 2011, mainly due to lower swap interest.

***Gain on mark-to-market interest rate swaps***

Total Portfolio gain on mark-to-market interest rate swaps decreased $1.8 million, or 44%, during 2012 as compared to 2011, due to 2012 mark-to-market adjustments.

***Discontinued Operations***

Our income from discontinued operations of $46,000 in 2012 is comprised of losses from operations for the disposition of one property in 2012 combined with income from operations for the disposition of three properties in 2013. Our income from discontinued operations of $1.6 million during 2011 is comprised primarily of gains related to the disposition of the Oxnard land parcel and income from operations from the four properties sold in 2012 and 2013.

**Liquidity and Capital Resources**

We believe that this offering will improve our financial position through changes in our capital structure, including an expected reduction in our leverage. Upon completion of this offering, the concurrent private placement and the formation transactions, and the use of the proceeds from this offering, the concurrent private placement and the new term loan as described in “Use of Proceeds,” we expect our pro forma ratio of debt to total market capitalization will be approximately 24.2%, and we expect to have approximately $2.0 million of available cash (assuming no exercise of the over-allotment option). In addition, the lead arranger for our proposed revolving credit facility has secured commitments allowing borrowings of up to $200 million, which we expect to be available to us upon completion of this offering. We intend to use the proposed revolving credit facility, among other things, for property acquisitions, working capital requirements and other general corporate purposes.

Our short-term liquidity requirements consist primarily of funds to pay for operating expenses and other expenditures directly associated with our properties, including:

- property expenses,
- interest expense and scheduled principal payments on outstanding indebtedness,
- general and administrative expenses, and
- capital expenditures for tenant improvements and leasing commissions.

In addition, we will require funds for future dividends expected to be paid to our common stockholders and distributions to holders of common units following completion of this offering.

We intend to satisfy our short-term liquidity requirements through our existing cash and cash equivalents, cash flow from operating activities, the proceeds of this offering and the concurrent private placement, proceeds from a new term loan that we expect to have in place at the completion of this offering and borrowings available under our proposed revolving credit facility.

Our long-term liquidity needs consist primarily of funds necessary to pay for acquisitions, recurring and non-recurring capital expenditures and scheduled debt maturities. We intend to satisfy our long-term liquidity needs through cash flow from operations, long-term secured and unsecured borrowings, issuance of equity securities, and, in connection with acquisitions of additional properties, the issuance of common units of our operating partnership, property dispositions and joint venture transactions.

***Commitments—Pro Forma***

The following table sets forth our principal obligations and commitments, including periodic interest payments related to the pro forma indebtedness outstanding as of March 31, 2013, after paydowns using the proceeds of this offering and the new term loan that we expect to have in place at the completion of this offering:

| | | Payments by Period[1] | | | |
|---|---|---|---|---|---|
| | Total | Nine Months Ended December 31, 2013 | 2014 | 2015 | Thereafter |
| | | | (in thousands) | | |
| Principal payments | $129,290 | $ 125 | $ 175 | $5,013 | $123,977 |
| Interest payments—fixed rate debt | 520 | 216 | 281 | 23 | — |
| Interest payments—variable rate debt[2] | 12,041 | 1,912 | 2,549 | 2,549 | 5,031 |
| Total | $141,851 | $ 2,217 | $2,956 | $7,586 | $129,008 |

(1) Does not include indebtedness outstanding on the three properties owned indirectly by the JV in which we own a 15% interest.
(2) Based on a weighted interest rate of LIBOR + 1.85%, with LIBOR as of March 31, 2013. Includes interest payments on an outstanding principal balance of $21.2 million under our proposed revolving credit facility.

In addition to the contractual obligations set forth in the table above, we expect to enter into employment agreements with certain of our executive officers. The material terms of the agreements are described under “Executive Compensation—Executive Compensation Arrangements.” We also enter into contracts for maintenance, landscaping and other services at certain properties from time to time.

***Consolidated Indebtedness to be Outstanding After this Offering***

As of March 31, 2013, we had total pro forma consolidated indebtedness of approximately $129.3 million, including approximately $21.2 million outstanding under our proposed revolving credit facility,[1][2] $60.0 million of secured indebtedness under our new term loan and approximately $48.1 million of secured indebtedness that we will assume as part of the formation transactions. Additionally, there is

(1) Assumes borrowings of approximately $7.0 million we expect to borrow under our proposed revolving credit facility at the completion of this offering and an additional $14.2 million which we expect to borrow under our proposed revolving credit facility to acquire 8101-8117 Orion Avenue and 18310-18330 Oxnard Street shortly following the completion of this offering.
(2) Assumes that our shares are sold in this offering at the mid-point of the price range set forth on the front cover of this prospectus. If our shares are sold in this offering at the low-end or high-end of the range of prices set forth on the front cover of this prospectus, then we expect to borrow approximately $36.1 million and $6.3 million respectively, under our proposed revolving credit facility.

approximately $6.2 million of secured indebtedness allocable to our 15% joint venture interest in the three properties owned indirectly by the JV, which is not reflected on our balance sheet. The weighted average interest rate on our total pro forma consolidated indebtedness would have been 2.19% (based on the 30-day LIBOR rate as of March 31, 2013 of 0.20% and assuming a margin of 135 basis points on our proposed revolving credit facility). On a pro forma basis as of March 31, 2013, we had approximately $102.8 million (representing the outstanding principal amount under our new term loan, the proposed revolving credit facility and one of the secured loans being assumed as part of the formation transactions), or approximately 79.5%, of our outstanding long-term debt exposed to fluctuations in short-term interest rates.

The following table sets forth certain information with respect to the total pro forma consolidated indebtedness outstanding as of March 31, 2013:

| Loan | Principal (dollars in thousands) | Fixed Rate/ Floating Rate | Rate | Maturity |
|---|---|---|---|---|
| *Fixed Rate* | | | | |
| 10700 Jersey Blvd | $ 5,313 | Fixed | 5.45% | 1/1/2015 |
| *Variable Rate*[1] | | | | |
| New Term Loan[2] | $ 60,000 | Floating | 2.05% | 6 years, from closing date |
| Proposed Revolving Credit Facility[3] | $ 21,227 | Floating | 1.55% | 3 years, from closing date |
| Glendale Commerce Center | $ 42,750 | Floating | 2.20% | 5/1/16 |
| Subtotal | $123,977 | | | |
| Total/Weighted Average | $129,290 | | 2.19% | |

(1) Based on a 30-day LIBOR rate as of March 31, 2013 of 0.20%.
(2) The new term loan is expected to be in place at the completion of this offering.
(3) Reflects approximately $7.0 million we expect to borrow under our proposed revolving credit facility at the completion of this offering and an additional $14.2 million which we expect to borrow under our proposed revolving credit facility to acquire 8101-8117 Orion Avenue and 18310-18330 Oxnard Street shortly following the completion of this offering.

The following table sets forth certain information with respect to our allocated share of the secured indebtedness outstanding on the three properties owned indirectly by the JV, in which we own a 15% interest, as of March 31, 2013:

| Loan | Principal (dollars in thousands)[1] | Fixed/ Floating | Rate | Maturity |
|---|---|---|---|---|
| *Variable Rate* | | | | |
| 3001 Mission Oaks Blvd | $ 2,011 | Floating | 2.70%[2] | 6/28/2015[3] |
| 3175 Mission Oaks Blvd | 3,094 | Floating | 2.70%[2] | 6/28/2015[3] |
| 3233 Mission Oaks Blvd | 1,120 | Floating | 2.70%[2] | 6/28/2015[3] |
| Total/Weighted Average | $ 6,225 | | 2.70% | |

(1) Represents 15% of the principal amount of the JV debt based on our 15% interest in the JV.
(2) Based on a 30-day LIBOR rate as of March 31, 2013 of 0.20%.
(3) With two 1-year options to extend, provided that certain conditions are satisfied.

Certain of our loan agreements contain financial covenants. The Glendale Commerce Center loan described above contains a debt service coverage ratio requirement that is tested quarterly, and a debt service coverage ratio requirement and a loan-to-value ratio requirement that are tested each time we exercise an option to extend the maturity date of the loan. In addition, pursuant to the terms of the Glendale Commerce Center loan, we must also meet certain liquidity and net worth requirements that are tested annually. The Mission Oaks Blvd loans described above each contain a combined debt yield ratio requirement that is tested annually, and a combined debt service coverage ratio requirement and a combined loan-to-value ratio requirement that are tested each time the borrowers of the Mission Oaks Blvd loans exercise an option to extend the maturity date of the loans. We and the borrowers of the Mission Oaks Blvd loans are currently in compliance with the financial covenants and net worth liquidity requirements in our and their respective loan agreements. The Glendale Commerce Center loan and the Mission Oaks Blvd loans also each contain cross-default provisions with respect to certain of our other indebtedness, and the Mission Oaks Blvd loans are cross-collateralized with each other.

We have negotiated the establishment of a proposed revolving credit facility and are currently negotiating with a number of financial institutions regarding the establishment of a new term loan prior to or contemporaneously with the completion of this offering. This proposed revolving credit facility will be used for property acquisitions, working capital requirements and other general corporate purposes. Our ability to borrow under the proposed revolving credit facility will be subject to our ongoing compliance with a number of customary restrictive covenants, as further described in "Business—Description of Certain Debt." Additionally, the commitments under our proposed revolving credit facility are subject to closing conditions that are expected to include, among other things, satisfactory completion of due diligence by the administrative agent and the other lenders, successful completion of this offering, absence of material adverse effect, payment of fees, and the negotiation, execution and delivery of definitive documentation satisfactory to the administrative agent and the other lenders. We anticipate that the new term loan will contain customary terms, covenants and other conditions (including customary closing conditions) for credit facilities of this type. No assurances can be given that the closing conditions of the proposed revolving credit facility or the new term loan will be satisfied.

**Off Balance Sheet Arrangements**

As of March 31, 2013, neither Rexford Industrial Realty, Inc. Predecessor nor, on a pro forma basis, our company, had any off-balance sheet arrangements other than the two unconsolidated real estate entities which have been disclosed in the notes to our combined financial statements included elsewhere in this prospectus.

**Interest Rate Risk**

ASC 815, *Derivatives and Hedging* (formerly known as SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities*), requires us to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value and the changes in fair value must be reflected as income or expense. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income, which is a component of stockholders equity. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings. Because our predecessor business did not previously prepare financial statements in accordance with GAAP, it did not designate the hedges at the time of inception and therefore, its existing investment in interest rate swaps does not qualify as an effective hedge, and as such, changes in the swaps' fair market value are being recorded in earnings.

**Cash Flows of Rexford Industrial Realty, Inc. Predecessor**

The following table summarizes the historical cash flows of Rexford Industrial Realty, Inc. Predecessor for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012 and 2011:

| | Three Months Ended March 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2012 | 2011 |
| | (unaudited) | (unaudited) | | |
| | (dollars in thousands) | | (dollars in thousands) | |
| Cash provided by (used in) operating activities | $ 1,372 | $ 1,591 | $ 1,080 | $ (3,349) |
| Cash provided by (used in) investing activities | 6,640 | (5,181) | (23,778) | (42,303) |
| Cash provided (used in) by financing activities | (4,065) | 4,944 | 45,269 | 51,569 |

**Cash Flows of Rexford Industrial Realty, Inc. Predecessor**

**Comparison of Three Months Ended March 31, 2013 to Three Months Ended March 31, 2012**

*Net cash provided by operating activities.* Net cash provided by operating activities decreased by $0.2 million to $1.4 million for the three months ended March 31, 2013 compared to $1.6 million for the three months ended March 31, 2012. The decrease was primarily attributable to an increase in net working capital assets due to the timing of our April 2013 property tax payments partially offset by lower cash interest paid due to the expiration of various interest rate swaps during 2012 and incremental cash flows from property acquisitions completed during 2012.

*Net cash from (used in) investing activities.* Net cash provided by investing activities increased by $11.8 million to $6.6 million for the three months ended March 31, 2013 compared to a net use of cash totaling $5.2 million for the three months ended March 31, 2012. The increase is primarily due to $5.4 million from the Foothill note receivable repayment and $3.9 million from property dispositions in the three months ended March 31, 2013 offset by a net decrease of $2.7 million paid toward acquisitions and construction and development projects.

*Net cash (used in) provided by financing activities.* Net cash used in financing activities increased by $9.0 million to $4.1 million for the three months ended March 31, 2013 compared to a net increase in cash from financing activities totaling $4.9 million for the three months ended March 31, 2012. The increase in cash used in financing activities is primarily attributable to a $3.9 million decrease in cash contributions, a $5.6 million increase in distributions and reimbursements paid to members, and $0.5 million of prepaid offering costs, partially offset by a net increase in debt of $1.1 million.

**Comparison of year ended December 31, 2012 to year ended December 31, 2011**

*Net cash provided by (used in) operating activities.* Net cash provided by operating activities increased by $4.4 million to net cash provided by operating activities totaling $1.1 million for the year ended December 31, 2012 compared to a net use of cash totaling $3.3 million for the year ended December 31, 2011. The increase was primarily attributable to incremental cash flows from acquisitions made during 2012 and 2011, as well as lower cash interest paid due to the expiration of various swaps during 2011 with a total notional amount of $52.0 million.

*Net cash used in investing activities.* Net cash used in investing activities decreased by $18.5 million to $23.8 million for the year ended December 31, 2012 compared to $42.3 million for the year ended December 31, 2011. The change is attributable to a year over year decrease of $23.7 million paid for acquisitions, partially offset by an increase of $3.1 million paid for construction and development projects and contributions of $2.8 million for an investment in a joint venture during 2012.

*Net cash provided by financing activities.* Net cash provided by financing activities decreased by $6.3 million to $45.3 million for the year ended December 31, 2012 compared to $51.6 million for the year ended December 31, 2011. The decrease in cash provided by financing activities was primarily attributable to a decrease in mortgage financings as a result of fewer property acquisitions year over year, partially offset by an increase of $8.4 million in cash provided by capital raising activities, year over year.

**Non-GAAP Financial Measures**

In this prospectus, we disclose and discuss net operating income ("NOI"), earnings before interest, taxes, depreciation and amortization ("EBITDA") and funds from operations ("FFO"), all of which meet the definition of "non-GAAP financial measure" set forth in Item 10(e) of Regulation S-K promulgated by the SEC. As a result we are required to include in this prospectus a statement of why management believes that presentation of these measures provides useful information to investors.

None of NOI, EBITDA or FFO should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, NOI, EBITDA and FFO should be compared with our reported net income or net loss and considered in addition to cash flows in accordance with GAAP, as presented in our consolidated financial statements.

**NOI**

We consider NOI to be an appropriate supplemental measure to net income because it helps both investors and management understand the core operations of our properties. We define NOI as total revenue (including rental revenue, tenant reimbursements, management, leasing and development services revenue and other income) less property-level operating expenses including allocated overhead. NOI excludes depreciation and amortization, general and administrative expenses, impairments, gain/loss on sale of real estate, interest expense, gain/loss on mark-to-market interest rate swaps and other non-operating items. The following are the revenue and expense items comprising NOI:

| | Three Months Ended March 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | Pro Forma | | | Pro Forma | | |
| | 2013 | 2013 | 2012 | 2012 | 2012 | 2011 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | | |
| Rental Revenue | 9,592 | $ 7,902 | $ 7,039 | $ 35,500 | $28,586 | $23,696 |
| Tenant recoveries | 1,095 | 904 | 789 | 4,085 | 3,262 | 2,438 |
| Other operating revenues | 380 | 379 | 81 | 634 | 643 | 465 |
| Total revenue | 11,067 | $ 9,185 | $ 7,909 | $ 40,219 | $32,491 | $26,599 |
| Property expenses | 3,150 | 2,512 | 2,263 | 12,058 | 9,630 | 7,895 |
| **Net operating income** | 7,917 | $ 6,673 | $ 5,646 | $ 28,161 | $22,861 | $18,704 |

The following is a reconciliation from pro forma and historical reported net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to NOI:

| | Three Months Ended March 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | Pro Forma | | | Pro Forma | | |
| | 2013 | 2013 | 2012 | 2012 | 2012 | 2011 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | | |
| Net income (loss) | (2,026) | $ 2,053 | $ (2,100) | $ (1,192) | $ (8,957) | $ (6,337) |
| Interest income | (248) | (311) | (337) | (1,011) | (1,577) | (1,578) |
| Depreciation and amortization | 7,273 | 3,208 | 3,526 | 17,822 | 12,727 | 9,874 |
| Interest expense | 939 | 3,906 | 4,209 | 3,754 | 17,452 | 17,970 |
| General and administrative | 2,040 | 1,153 | 983 | 8,683 | 5,146 | 3,729 |
| Gain on mark-market interest rate swaps | — | (49) | (612) | — | (2,361) | (4,185) |
| Acquisition expenses | — | 93 | 68 | — | 599 | 1,022 |
| Equity income (loss) of unconsolidated real estate entities | (61) | 212 | (57) | 105 | (122) | (185) |
| Gain from early repayment of note receivable | — | (1,365) | — | — | — | — |
| Loss on extinguishment of debt | — | 37 | — | — | — | — |
| Income from discontinued operations | — | (2,264) | (34) | — | (46) | (1,606) |
| **Net operating income** | $ 7,917 | $ 6,673 | $ 5,646 | $ 28,161 | $22,861 | $18,704 |

The following are the revenue and expense items comprising our Same Properties Portfolio:

| | Same Store Portfolio | | | |
|---|---|---|---|---|
| | Three Months Ended March 31, | | Year Ended December 31, | |
| | 2013 | 2012 | 2012 | 2011 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Rental revenue | $ 7,267 | $ 6,995 | $ 24,304 | $ 23,480 |
| Tenant recoveries | 869 | 789 | 2,508 | 2,383 |
| Other operating revenues | 118 | 13 | 76 | 151 |
| Total revenue | $ 8,254 | $ 7,797 | $ 26,888 | $ 26,014 |
| Property expenses | 2,201 | 2,120 | 7,785 | 7,718 |
| **Net operating income** | $ 6,053 | $ 5,677 | $ 19,103 | $ 18,296 |

The following is a reconciliation from historical reported net income (loss) for our Same Properties Portfolio, the most directly comparable financial measure calculated and presented in accordance with GAAP, to NOI for our Same Properties Portfolio:

| | Same Store Portfolio | | | |
|---|---|---|---|---|
| | Three Months Ended March 31, | | Year Ended December 31, | |
| | 2013 | 2012 | 2012 | 2011 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Net income (loss) | $ 683 | $ (1,712) | $ (5,812) | $ (8,371) |
| Interest income | (311) | (334) | (1,571) | (1,559) |
| Depreciation and amortization | 3,132 | 3,640 | 9,735 | 9,974 |
| Interest expense | 3,877 | 4,083 | 16,751 | 18,240 |
| Acquisition expenses | | | | |
| Gain from early repayment of note receivable | (1,365) | — | — | 12 |
| Loss on extinguishment of debt | 37 | — | | |
| **Net operating income** | $ 6,053 | $ 5,677 | $ 19,103 | $ 18,296 |

**EBITDA**

We believe that EBITDA is helpful to investors as a supplemental measure of our operating performance as a real estate company because it is a direct measure of the actual operating results of our industrial properties. We also use this measure in ratios to compare our performance to that of our industry peers. The following table sets forth a reconciliation of our pro forma and historical EBITDA for the periods presented to net loss:

| | Three Months Ended March 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | Pro Forma | | | Pro Forma | | |
| | 2013 | 2013 | 2012 | 2012 | 2012 | 2011 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | | |
| Net income (loss) | (2,026) | $ 2,053 | $ (2,100) | $ (1,192) | $ (8,957) | $ (6,337) |
| Interest expense | 939 | 3,906 | 4,209 | 3,754 | 17,452 | 17,970 |
| Depreciation and amortization | 7,273 | 3,208 | 3,526 | 17,822 | 12,727 | 9,874 |
| **EBITDA** | 6,186 | $ 9,167 | $ 5,635 | $ 20,384 | $21,222 | $21,507 |

**FFO**

We calculate FFO before non-controlling interest in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization, gains and losses from property dispositions, other than temporary impairments of unconsolidated real estate entities, and impairment on our investment in real estate, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of performance used by other REITs, FFO may be used by investors as a basis to compare our operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate or interpret FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. FFO should not be used as a measure of our liquidity, and is not indicative of funds available for our cash needs, including our ability to pay dividends.

The following table sets forth a reconciliation of our pro forma and historical FFO before non-controlling interest for the periods presented to net income, the nearest GAAP equivalent:

| | Three Months Ended March 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | Pro Forma 2013 (Unaudited) | 2013 (Unaudited) | 2012 (Unaudited) | Pro Forma 2012 (Unaudited) | 2012 | 2011 |
| Net income (loss) | $ (2,026) | $ 2,053 | $ (2,100) | $ (1,192) | $ (8,957) | $ (6,337) |
| Add: Depreciation and amortization, including amounts in discontinued operations | 7,273 | 3,286 | 3,657 | 17,822 | 13,217 | 10,687 |
| Depreciation and amortization of real estate assets unconsolidated joint ventures and tenant in common[1] | 97 | 470 | 39 | 266 | 409 | 126 |
| Loss from early extinguishment of debt | — | 246 | | — | — | — |
| Deduct: Gain on sale of real estate | — | (2,409) | — | | (55) | (2,503) |
| **Funds from operations (FFO)** | $ 5,344 | $ 3,646 | $ 1,596 | $ 16,896 | $ 4,614 | $ 1,973 |

(1) Amount represents our 15% ownership of Mission Oaks unconsolidated joint venture.

**Inflation**

The majority of our leases are either triple net or provide for tenant reimbursement for costs related to real estate taxes and operating expenses. In addition, most of the leases provide for fixed rent increases. We believe that inflationary increases may be at least partially offset by the contractual rent increases and tenant payment of taxes and expenses described above. We do not believe that inflation has had a material impact on our historical financial position or results of operations.

**Newly Issued Accounting Standards**

***Recent Accounting Pronouncements***

During the fourth quarter of 2011, the FASB issued an accounting standard update that requires disclosures about offsetting and related arrangements to enable financial statements users to evaluate the effect or potential effect of netting arrangements on an entity's financial position, including rights of setoff associated with certain financial instruments and derivative instruments. The disclosure requirements are effective for us on January 1, 2013, and we do not expect the guidance to have a material impact on our combined financial statements.

Also during the fourth quarter of 2011, the FASB issued an accounting standard update to clarify the scope of current U.S. GAAP. The update clarifies that the real estate sales guidance applies to the derecognition of a subsidiary that is in-substance real estate as a result of default on the subsidiary's nonrecourse debt. That is, even if the reporting entity ceases to have a controlling financial interest under the consolidation guidance, the reporting entity would continue to include the real estate, debt, and the results of the subsidiary's operations in its consolidated financial statements until legal title to the real estate is transferred to legally satisfy the debt. This accounting standard update is effective for us on January 1, 2013, and we do not expect the guidance to impact our combined financial statements.

During the third quarter of 2011, the FASB issued an accounting standard update to amend and simplify the rules related to testing goodwill for impairment. The update allows an entity to make an initial qualitative evaluation, based on the entity's events and circumstances, to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The results of this qualitative assessment

determine whether it is necessary to perform the currently required two-step impairment test. The new guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We adopted this standard as of January 1, 2012 and it has not had a material impact on our combined financial statements.

During the second quarter of 2011, the FASB issued an accounting standard update that eliminates the option to present components of other comprehensive income as part of the changes in stockholders' equity, and requires the presentation of components of net income and other comprehensive income either in a single continuous statement or in two separate but consecutive statements. This accounting standard update is effective, on a retrospective basis, for interim and annual periods beginning after December 15, 2011. As this standard is for presentation purposes only, it had no impact on our combined financial statements.

During the second quarter of 2011, the FASB issued Accounting Standards Update No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS, which generally aligns the principles for fair value measurements and the related disclosure requirements under US GAAP and International Financial Reporting Standards ("IFRS"). This standard requires new disclosures, with a particular focus on Level 3 measurements, including; quantitative information about the significant unobservable inputs used for all Level 3 measurements; qualitative discussion about the sensitivity of recurring Level 3 measurements to changes in the unobservable inputs disclosed, including the interrelationship between inputs and a description of our company's valuation processes. This standard also requires disclosure of any transfers between Levels 1 and 2 of the fair value hierarchy; information about when the current use of a non-financial asset measured at fair value differs from its highest and best use and the hierarchy classification for items whose fair value is not recorded on the balance sheet but is disclosed in the notes. This standard was effective for interim and annual periods beginning after December 15, 2011. We adopted this standard effective January 1, 2012. See Note 2 to the combined financial statements of Rexford Industrial Realty, Inc. Predecessor for additional disclosures.

Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act") for complying with new or revised accounting standards. However, we are choosing to "opt out" of such extended transition period and, as a result, we will comply with any such new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

**Quantitative and Qualitative Disclosure About Market Risk**

Our future income, cash flows and fair values relevant to financial instruments are dependent upon prevailing market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. In the future, we may use derivative financial instruments to manage, or hedge, interest rate risks related to our borrowings, primarily through interest rate swaps.

An interest rate swap is a contractual agreement entered into by two counterparties under which each agrees to make periodic payments to the other for an agreed period of time based on a notional amount of principal. Under the most common form of interest rate swap, known from our perspective as a floating-to-fixed interest rate swap, a series of floating, or variable, rate payments on a notional amount of principal is exchanged for a series of fixed interest rate payments on such notional amount.

No assurance can be given that any future hedging activities by us will have the desired beneficial effect on our results of operations or financial condition.

The variable rate component of our variable rate pro forma consolidated indebtedness is LIBOR-based. If LIBOR were to increase by 50 basis points, the increase in interest expense on our pro forma variable rate debt would decrease our future earnings and cash flows by approximately $0.6 million annually. If LIBOR were to decrease by 50 basis points, the decrease in interest expense on our pro forma variable rate debt would be approximately $0.3 million annually.

Interest risk amounts are our management's estimates and were determined by considering the effect of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur in that environment. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

As of March 31, 2013, we had total pro forma outstanding debt of approximately $129.3 million secured by nine of our properties, including approximately $60.0 million of secured indebtedness under our new term loan, $21.2 million drawn on our secured credit facility and approximately $48.1 million of secured indebtedness that we will assume as part of the formation transactions. Additionally, we will have approximately $6.2 million of secured indebtedness allocable to our 15% joint venture interest in the three properties owned indirectly by the JV, and we expect that we will incur additional indebtedness in the future. Interest we pay reduces our cash available for distributions. Certain of our debt issuances bear interest at variable rates and, as of March 31, 2013, we had approximately $124.0 million of variable rate debt outstanding that is not fixed with interest rate swaps.

## MARKET OVERVIEW

*Unless otherwise indicated, all information contained in this Market Overview section is derived from market materials prepared by DAUM compiled from original sources as of March 31, 2013, citing CoStar Property Database, CBRE and other sources.*

***Southern California Economy***

California is home to the nation's largest state economy based on gross domestic product, or GDP. California's 2011 GDP was approximately 50% larger than that of Texas and 69% larger than New York, the two next largest state economies, and would have ranked as the ninth largest world economy if California were an independent nation. The Southern California economy, which we define as the Los Angeles six-county area (Los Angeles, Orange, Ventura, Riverside, San Bernardino and San Diego Counties), would have ranked as the 16th largest world economy based on 2011 GDP, representing approximately 46.5% of the state's GDP.

Southern California is home to the largest U.S. regional population, with more than 21 million residents, projected to grow to 25 million residents by 2030. The region is home to the two largest sea ports in the U.S. (ports of Los Angeles and Long Beach), the fourth largest air freight terminal (Los Angeles International Airport) and is geographically positioned at the nexus for trade and technology flow between the U.S., China, the Pacific Rim nations and South America. The region is also resident to the largest manufacturing base in the nation, with approximately 728,500 manufacturing workers, 43% more than the next largest metropolitan area. Known as the "entertainment capital of the world," its "creative economy" employs nearly one million skilled employees. The region is home to a significant high-tech industry, with more high-tech jobs (376,400) than any other U.S. market as of 2010, and consistently ranks first nationally in space, defense systems and consumer electronics manufacturing. The proximity of leading research institutions provides leadership and capital flows to key industries.

***Southern California Infill Industrial Markets***

The overall Southern California industrial real estate market is the largest in the U.S., with approximately 2.0 billion square feet of space, and is approximately 1.7 times larger than the next largest industrial real estate market (Chicago, Illinois), as illustrated below:


*Source: DAUM market materials, citing CoStar Property Database as of March 2013*
*Note: Southern California market comprised of Los Angeles, Orange, Ventura, San Bernardino, Riverside, and San Diego Counties*

The Southern California industrial market is generally segmented into infill and non-infill regions. Infill markets are considered high-barrier to-entry markets and generally share the following characteristics:

- scarcity of vacant or developable land;
- high concentrations of people, jobs, housing, income, wages and consumption;
- high political barriers, such as extensive land-use and zoning laws and complex entitlement processes that limit development;
- permanent, natural geographic barriers such as oceans, mountains and land preserves that restrict the ability for new development or the introduction of new, competing product;
- economic barriers that limit new construction;
- diminishing supply of infill industrial property as the dense regional population drives the conversion of existing industrial property to alternative uses, such as multi-family, retail and office properties; and
- limited ability to expand the transportation infrastructure, which increases the cost and decreases the desire for businesses to locate in non-infill locations.

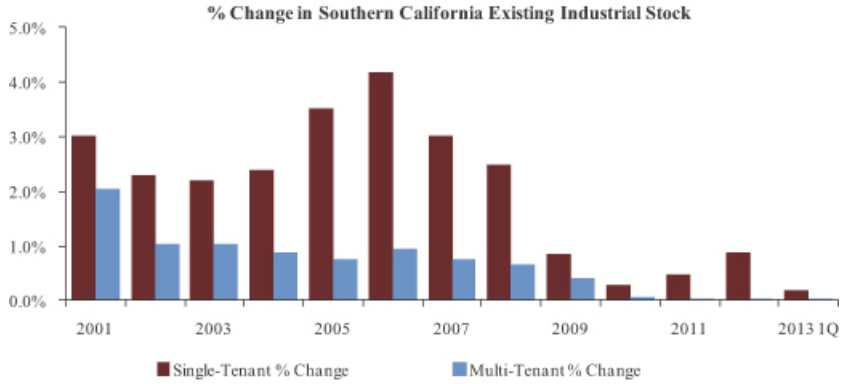
**Market Opportunity**

Our investment strategy focuses on the 1.73 billion square foot infill markets comprised of Los Angeles County, Orange County, West Inland Empire, San Diego County and Ventura County. In 2012, over $5.9 billion of industrial property was sold in Southern California. We believe the market trends and conditions discussed below have created favorable investment opportunities that we are competitively positioned to capitalize upon.

**Portfolio Focused on Infill Southern California Market**

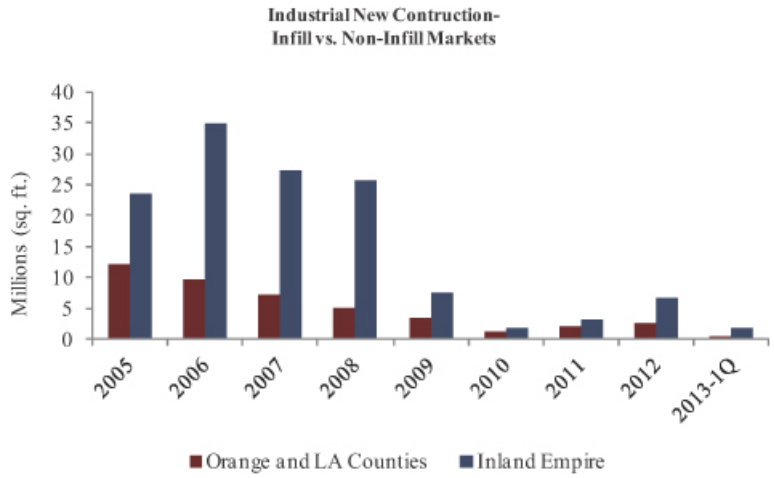
***Limited, Diminishing Supply with Substantial Barriers to Entry***

Southern California is generally considered to be nearly fully developed and is characterized by a scarcity of vacant or developable land. This is due in large part to the region's permanent physical barriers, including major population centers, geographical features including numerous mountain ranges, and the Pacific Ocean. These constraints, combined with a large and growing population, have given rise to high political barriers, such as extensive land use and zoning laws and complex entitlement processes, that curtail real estate development. Further, scarcity of developable land leads to high land and development costs. Industrial lease rates typically do not justify development of new properties for lease in infill markets, which presents an economic barrier for those seeking to develop new industrial properties.



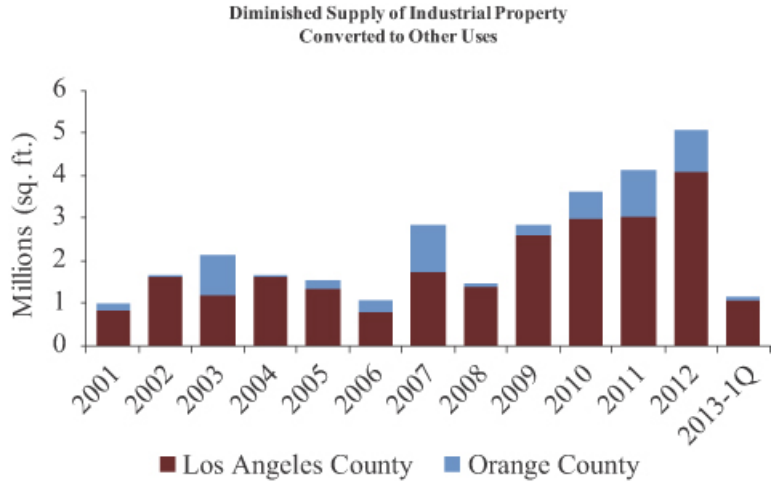

*Source: DAUM market materials, citing CoStar Property Database as of March 2013*

There has been a dearth of new multi-tenant industrial properties built for lease since 1999, with infill development generally limited to relatively few owner-user and build-to-suit developments. Multi-tenant development represented only 1.1% of total new industrial property construction in Southern California markets during 2011 and 2012, combined, and only 0.6% of new construction in 2012. Further, as a majority of infill product is multi-tenant, substantially all new construction occurred in the Inland Empire, much of which is non-infill and generally outside of Rexford's primary target markets.




*Source: DAUM market materials, citing CoStar Property Database as of March 2013*

Industrial use is not typically considered the "highest and best" economic use for the few development or redevelopment sites available within our target markets. As a result, the stock of infill industrial property in our target markets generally has diminished over time, as existing properties have converted to alternate uses, primarily multi-family housing and related development. Since 2001, Los Angeles and Orange Counties have seen more than 24.2 million and 5.8 million square feet of industrial property, respectively, demolished for redevelopment as shown in the charts below.




*Source: DAUM market materials, citing CoStar Property Database as of March 2013*

***High Current Occupancy and High Rental Rates***

The Southern California infill industrial market has consistently out-performed other national markets on the basis of occupancy and asking rents, as illustrated in the following charts. As of March 31, 2013, occupancy was 95.0% and 94.7% for Los Angeles and Orange Counties, respectively, versus the national average of 91.3%. Since 2001, average Los Angeles and Orange County asking rents were 65% higher than the average of the next nine largest markets in the nation over the same twelve-year period. As shown in the charts below, the occupancy rates for Los Angeles and Orange County have consistently been above the other large markets in the United States since the fourth quarter of 2001 and the occupancy rates never dipped below 90%, even during the most recent recession.


*Source: DAUM market report, citing CoStar Property Database and data provided by CBRE as of March 2013*

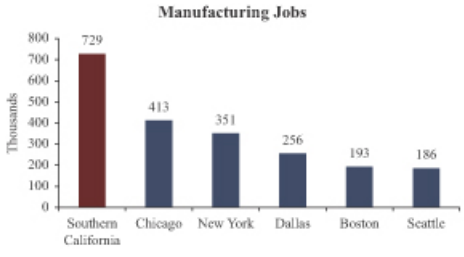

12-Year Average Asking Rent For Orange & Los Angeles County: **$0.66/SF/Month**

12-Year Average Asking Rent For Next Nine Largest National Markets: **$0.40/SF/Month**

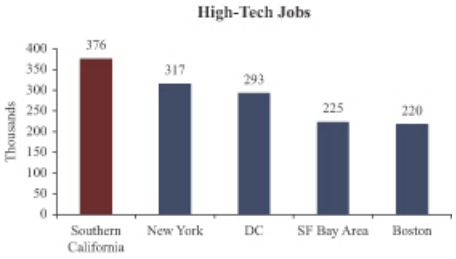
*Source: DAUM market report, citing CoStar Property Database and data provided by CBRE as of March 2013*

***Diverse Tenant Demand Base***

Southern California is home to the nation's largest and most diverse manufacturing and distribution sector, as well as the largest number of high-tech jobs. We draw our tenants from over 17 industry sectors. The following charts compare Southern California's manufacturing and high-tech employment to other major U.S. markets:

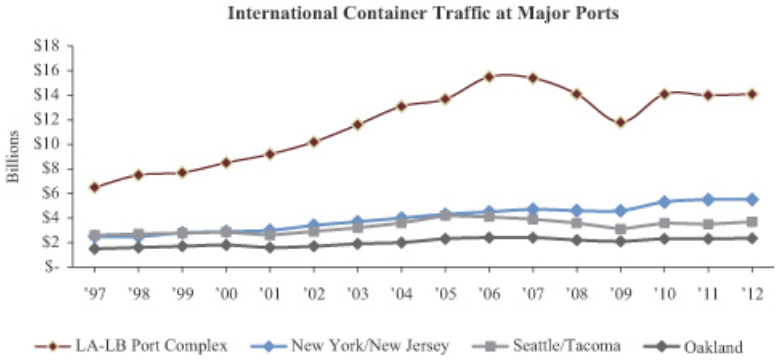



*Source: DAUM market materials, citing Bureau of Labor Statistics as of March 2013*




*Source: DAUM market materials, citing Tech America Foundation, Cyber Cities 2010*

The trend of off-shoring domestic manufacturing to Asia further fuels Southern California industrial tenant demand, as a vast share of Asian goods pass through the Los Angeles-area ports and require regional warehousing and distribution in order to access the broader U.S. market. As of March 31, 2013, approximately 21.3% of our tenants imported product from outside the U.S.

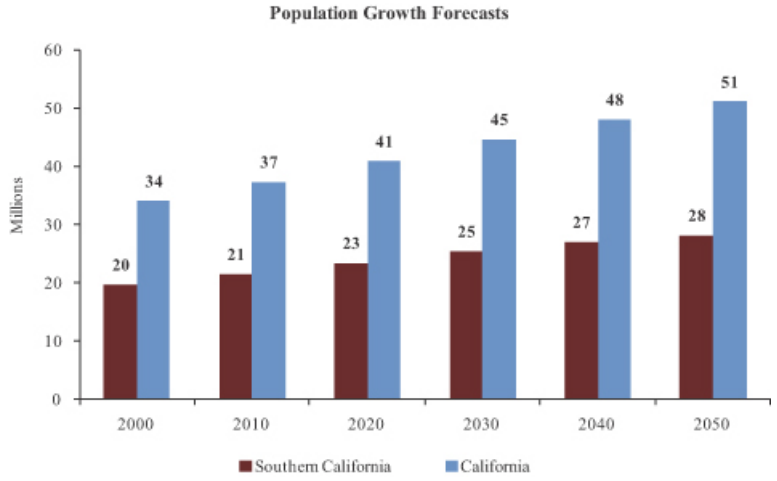



*Source: DAUM market materials, citing websites for the Port of Los Angeles, Port of Long Beach, Port Authority of New York and New Jersey, Port of Seattle, Port of Tacoma and Port of Oakland as of March 2013*

Additionally, the emergence of e-commerce and the growth of Internet retailers and wholesalers are expanding the universe of tenants seeking industrial space in our target markets. Forrester Research Inc. projects that online shoppers in the United States will spend $327 billion in 2016, up 45% from the $226 billion spent in 2012, increasing to an estimated 9.0% of total retail sales by 2016. As of March 31, 2013, approximately 17.4% of our tenants cited e-commerce as a component of their business.

***Large and Growing Regional Population***

Southern California represents the largest regional population in the U.S., with over 21 million residents, comprising over 57% of California residents. The population has increased by approximately 2 million since 2000 and is projected to increase to over 25 million residents by 2030. Our infill tenant base tends to disproportionately serve the direct consumption needs of this growing regional Southern California population. This contrasts with tenants of "big-box" properties, who disproportionately serve super-regional or global trade and distribution. Approximately 94.0% of our tenants sell or distribute their goods or services regionally within California.

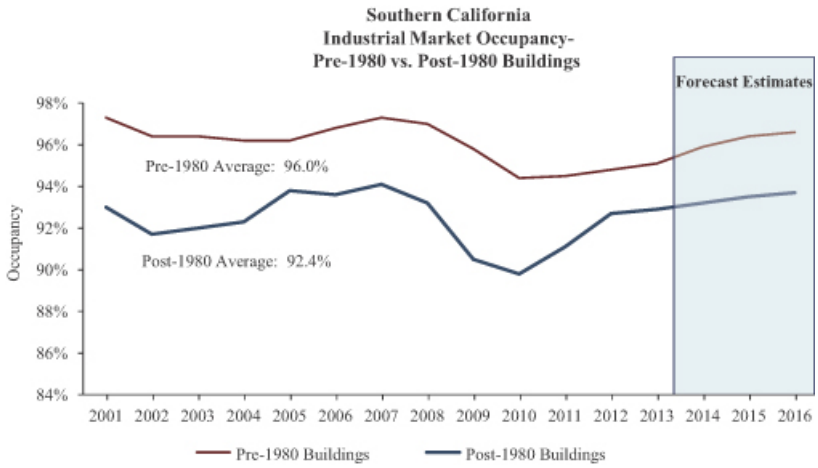



*Source: DAUM market materials, citing projections prepared by Demographic Research Unit, California Department of Finance, May 2012*

**Relative Performance of Our Target Markets and Properties**

***Older Properties Tend To Outperform Newer Properties***

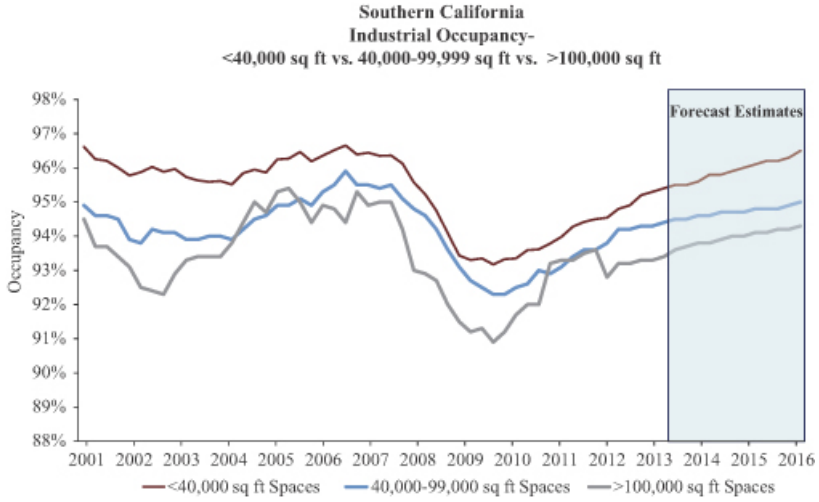
Over one billion square feet of infill industrial space in our target market was built prior to 1980. These buildings are generally more centrally located, which reduces commuting time for our tenants' employees and distribution times to the end consumers of the product. These locations are also typically more densely populated areas than locations that feature a greater proportion of newer construction. These factors have driven higher occupancy rates in pre-1980 buildings compared to post-1980 buildings. As of March 31, 2013, occupancy for pre-1980 buildings was 95.1% versus 92.9% for newer buildings. Pre-1980 buildings have maintained occupancy levels between 94.4% and 97.4% since 2001, while occupancy for post-1980 buildings has ranged from 89.6% to 94.5%, as illustrated in the chart below.




*Source: DAUM market materials, citing CoStar Property Database and CBRE data as of March 2013.*

***Smaller Spaces and Multi-Tenant Properties Tend to Outperform Larger, Single-Tenant Properties***

Our target infill markets feature a majority of properties valued below $25 million or sized below 300,000 square feet. We believe smaller spaces, generally under 40,000 square feet, are positioned for rental rate recovery as economic conditions improve for smaller- and mid-size tenants in the face of ongoing scarcity of supply of these spaces. Occupancy as of March 31, 2013 for "big-box" buildings containing 100,000 square feet or more was 93.2%, while occupancy in buildings containing less than 40,000 square feet was 94.9%.

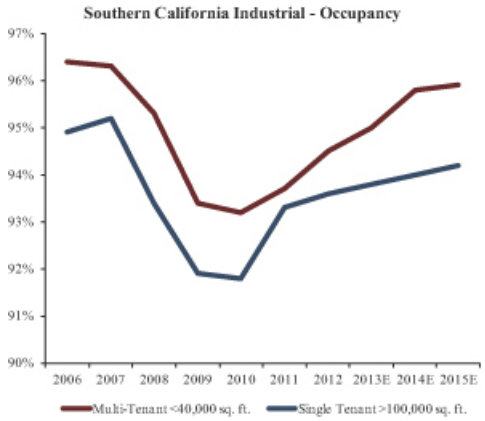



*Source: DAUM market materials, citing CoStar Property Database as of March 2013.*

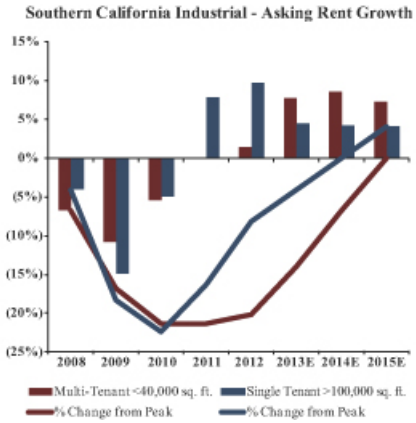
***Projected Improvements in Occupancy and Rental Rates***

Occupancy and rental rates in our target markets are substantially higher for smaller spaces compared to larger spaces on an historical and projected basis as shown in the table below. Further, rental rates for larger, single-tenant spaces have recovered nearly to their pre-recession levels. Conversely, rental rates for small- and mid-sized tenants remain at cyclically low levels and have lagged in recovery compared to larger spaces as shown in the table below. Consequently, we believe the potential for rental rates to increase in the smaller- and medium-sized spaces and buildings may be substantially greater in the near- to medium-term than for larger spaces fueled, in part, by improving liquidity and access to working capital for small and medium sized businesses as the economy continues to stabilize.

As shown in the charts below, occupancy and rental rates in the Southern California industrial infill market are projected to increase over the next three years. Moreover, multi-tenant space under 40,000 square feet, which has been slower to recover from the recent financial crisis, is projected to outperform single-tenant space containing 100,000 or more square feet according to DAUM, utilizing data provided by CBRE.




*Source: DAUM market materials, citing CoStar Property Database and data provided by CBRE as of March 2013*




*Source: DAUM market materials, citing CoStar Property Database and data provided by CBRE as of March 2013*

# BUSINESS

## Overview

Rexford Industrial Realty, Inc. is a newly organized Maryland corporation formed to operate as a self-administered and self-managed REIT focused on owning and operating industrial properties in Southern California infill markets. We were formed to succeed our predecessor business, which is controlled and operated by our principals, Richard Ziman, Howard Schwimmer and Michael Frankel, who collectively have decades of experience acquiring, owning and operating industrial properties in Southern California infill markets. Upon completion of our formation transactions, our initial portfolio will consist of 61 properties with approximately 6.7 million rentable square feet, including two properties that we currently have under contract to purchase, and manage an additional 20 properties with approximately 1.2 million rentable square feet.

Our goal is to generate attractive risk-adjusted returns for our stockholders by providing superior access to industrial property investments in Southern California infill markets. Our target markets provide us with opportunities to acquire both stabilized properties generating favorable cash flow, as well as properties where we can enhance returns through value-add renovations and redevelopment. We believe that Southern California infill markets are among the most attractive industrial real estate markets for investment in the United States. Significant fragmentation, scarcity of available space and high barriers limiting new construction all contribute to create superior long-term supply/demand fundamentals. We built our company from the ground up as an institutional quality, vertically integrated platform with extensive value-add investment and management capabilities to focus on this specific market opportunity.

We own both multi-tenant and single-tenant properties comprising approximately 60% and 40% of our portfolio, respectively. Our properties are highly adaptable and appeal to a wide range of potential tenants and uses, which, in our experience, reduces re-tenanting costs, time and risk, thereby enhancing our return on investment. Our tenants generally are small and medium sized businesses that are structurally tied to the Southern California economy and therefore find that locating within our target markets is critical to the ongoing operations of their business. Our initial portfolio is highly diversified by tenant and industry. Of our 693 tenants, no single tenant accounted for more than 2.3 % of our total annualized rent and no single industry accounted for more than 11.6% of our total annualized rent, as of March 31, 2013. Our average tenant size is approximately 9,000 square feet, with nearly 70% of tenants occupying less than 50,000 square feet each.

We benefit from our management team's extensive market knowledge, long-standing business and personal relationships and research- and relationship-driven origination methods developed over more than 30 years to generate attractive investment opportunities. In our view, the fragmented and complex nature of our target markets generally makes it difficult for less experienced or less focused investors to access comparable opportunities on a consistent basis.

We plan to grow our business through disciplined acquisitions of additional industrial properties in Southern California infill markets, and believe that there are substantial and attractive acquisition opportunities available to us in our target markets. According to DAUM, the Southern California infill industrial property market consists of approximately 1.73 billion square feet of industrial properties. Our initial portfolio represents substantially less than 1.0% of this target market. Through our proprietary origination methods, we are actively monitoring, as of June 4, 2013, approximately 31.6 million square feet of properties in our markets that we believe represent attractive potential investment opportunities, including properties containing approximately 2.9 million square feet on which we have submitted non-binding offers that remain outstanding. In addition, we currently have two properties totaling 123,676 square feet under contract to purchase with their purchase expected to close before July 31, 2013. The closings are subject to satisfactory completion of our due diligence and customary closing conditions. As such, we cannot assure you that we will complete these acquisitions on the current terms or at all. Our predecessor's recent investment fund has acquired in excess of 3.1 million square feet in our target markets with over 2.3 million square feet acquired since 2012 alone, sourced primarily through a combination of off-market and lightly marketed transactions, sale lease-backs and related transactions from

illiquid owners and short sales and discounted note purchases from financial institutions. We believe the current market environment represents an attractive time in the real estate cycle to invest in our target properties as the many small and medium sized businesses that our properties seek to serve are just beginning to participate in the economic recovery. Despite being consistently one of the highest occupied markets in the United States approaching 95% occupancy rates, particularly for multi-tenant properties, rental rates in our target markets have only recently begun to recover from their recessionary lows.

We intend to elect and qualify to be taxed as a REIT under the Code, commencing with the year ending December 31, 2013, and generally will not be subject to U.S. federal taxes on our income to the extent we annually distribute at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid, to our stockholders and otherwise maintain our qualification as a REIT. We are structured as an UPREIT and will own substantially all of our assets and conduct substantially all of our business through our operating partnership**.** We will serve as the sole general partner and expect to own an approximately 86.8% interest in our operating partnership upon completion of this offering.

**Experienced Management and Vertically Integrated Team**

Our predecessor business was founded in 2001 by our Chairman Richard Ziman, and our Co-Chief Executive Officer, Howard Schwimmer, to take advantage of what they believed to be a particularly attractive opportunity to invest in industrial properties in Southern California infill markets. Messrs. Ziman and Schwimmer were joined by Michael Frankel, our Co-Chief Executive Officer, in 2004. These three members of our senior executive management team have worked together for nearly a decade, and each has substantial experience investing in and managing Southern California industrial properties.

Mr. Ziman contributes over 40 years of experience owning and managing industrial real estate and a successful public company track record as the founding chairman and chief executive officer of Arden, a REIT, which at the time of its sale to GE Real Estate in 2006 was the largest publicly traded owner of office properties in Southern California. Mr. Schwimmer has focused exclusively on owning, operating and creating value in infill Southern California industrial property throughout his 30 year career. Mr. Schwimmer has 12 years of experience managing and co-managing our predecessor business, with expertise including the acquisition, value-add improvement, development, management, leasing and disposition of industrial property. Prior to establishing our predecessor business, from 1983 until 2001, Mr. Schwimmer held various positions including stockholder, board member, manager, executive vice president and broker of record for DAUM, California's oldest industrial brokerage company. Mr. Frankel's 28 year career has focused on real estate and private equity investment and senior management operating roles, including nine years co-managing our predecessor business, which almost exclusively focused on investing in industrial properties in Southern California infill markets.

Rexford's vertically integrated company and team provides an entrepreneurial set of processes and personnel experienced in virtually every facet of industrial property investment and management, from originations, finance and underwriting, to asset, construction and property management.

***Arden Realty, Inc.***

Mr. Ziman co-founded Arden (NYSE: ARI) in 1990 and served as Chairman and Chief Executive Officer after taking the company public on the NYSE in 1996. Arden was a publicly traded REIT, engaged in owning, acquiring, managing, leasing, developing and renovating office properties located in Southern California. The company's portfolio was expanded from 4 million square feet to approximately 18.5 million square feet and became one of the largest owners of office properties in Southern California. As a senior member of Arden's management team, Mr. Ziman was instrumental in helping Arden become one of the largest owners of office properties in Southern California. In May 2006, Arden was sold to GE Real Estate, a division of General Electric Capital Corporation, for $4.8 billion in total enterprise value, compared to an enterprise value of approximately $500 million at the time of its initial public offering. An investment in the common stock of

Arden at the time of its initial public offering until its final sale generated a total return to stockholders of approximately 338% per share for each share purchased at the initial public offering price of $20.00 per share (assuming reinvestment of all cash dividends since the initial public offering in 1996) compared to a total return of 248% for the MSCI US REIT Index over the same period.

**Competitive Strengths**

In addition to our infill Southern California target market and asset focus, we believe that our investment strategy and operating model distinguish us from other owners, operators and acquirers of industrial real estate in several important ways, including the following:

***Attractive Existing Portfolio with Diversified Tenant Mix***: We have built a difficult-to-replicate portfolio of interests in 61 properties totaling approximately 6.7 million square feet, including two properties that we currently have under contract to purchase, almost all of which is located in Southern California infill markets. We will own 100% of the interests in 58 of these properties and will own a 15% interest in the remaining three properties. We believe our initial portfolio is attractively positioned to participate in a recovery in rental rates in our markets. Additionally, our portfolio is leased to a broad tenant base, drawn from diverse industry sectors. We believe that this diversification reduces our exposure to tenant default risk and earnings volatility. As of March 31, 2013, we had 693 individual tenants, with no single tenant accounting for more than 2.3% of our total annualized rent.

***Superior Access to Deal Flow***: We believe that we enjoy superior access to distressed, off-market and lightly marketed acquisition opportunities, many of which are difficult for competing investors to access. Approximately half of the acquisitions by deal count completed by our predecessor business since its inception were off-market or lightly-marketed transactions. Off-market and lightly marketed transactions are characterized by a lack of a formal marketing process and a lack of widely disseminated marketing materials. As we are principally focused on the Southern California market, our executive management and acquisition teams have developed and maintain a deep, broad network of relationships among key market participants, including property brokers, lenders, owners and tenants. We employ an extensive broker marketing, incentives and loyalty program. We also utilize data-driven and event-driven analytics and primary research to identify and pursue events and circumstances, including financial distress, related to owners, lenders, and tenants that tend to generate early access to emerging investment opportunities. We believe that our relationship network, creative sourcing approach and research-driven originations methods contribute to a superior level of attractive investment opportunities.

***Experienced Management Team***: Members of our senior management team contribute over 64 years of prior public company experience, and collectively have been involved with over $25 billion of real estate acquisitions over multiple cycles. Members of our senior management team have been working together for nearly a decade and together bring 130 years of experience focused on creating value by investing in infill Southern California industrial property.

***Ability to Execute Opportunistic Transactions:*** The combination of our proprietary origination methods and the experience and relationships of our management team provide us access to and allow us to capitalize on unique transaction opportunities, for example:

- *Glendale Commerce Center:* Glendale Commerce Center is a 473,345 square foot highly functional warehouse and distribution center located in Glendale, California with 100% occupancy. We acquired this property in April 2013. In this transaction we leveraged key relationships and rapid execution to capitalize on a broken portfolio sale. As a result, we were able to acquire the property at a discount to replacement cost.

- *Grand Commerce Center:* Grand Commerce Center is a 101,187 square foot highly functional light industrial property located in Santa Ana, California with 90.1% occupancy. We acquired this

property in September 2010. In this transaction we were able to generally pre-empt the market by utilizing proprietary research to identify a distressed owner. As a result, we were able to acquire the property at a discount to replacement cost.

***Vertically Integrated Platform**:* We are a full-service real estate operating company, with in-house capabilities in all aspects of our business. Our platform includes experienced in-house teams focused on acquisitions, analytics and underwriting, asset management and repositioning, property management, leasing, construction management and sales, as well as finance, accounting, legal and human relations departments.

***Growth-Oriented Capital Structure**:* We believe that a public company capital structure will enable us to capitalize effectively on the substantial volume of opportunities generated by our origination platform. Upon completion of this offering, our pro forma debt to total market capitalization will be approximately 24.2%. We expect to enter into a new approximately $60 million term loan, which will be used at the completion of this offering to repay a portion of our outstanding mortgage debt. In addition, we have negotiated a proposed revolving credit facility with a borrowing capacity of $200 million that we expect to have in place at the completion of this offering. This facility is expected to have an accordion feature that may provide for up to an additional $200 million borrowing capacity as our company grows. We expect to use the proposed revolving credit facility for property acquisitions, working capital requirements and other general corporate purposes.

***Value-Add Repositioning and Redevelopment Expertise**:* Our in-house redevelopment and construction management team collectively has over 75 years of industrial property redevelopment experience. Our in-house team employs an entrepreneurial approach to redevelopment and repositioning activities that are designed to increase the functionality and cash flow of our properties. These activities include converting large underutilized spaces into a series of smaller and more functional spaces, adding additional square footage and modernizing properties by, among other things, modernizing fire, life-safety and building operating systems, resolving functional obsolescence, adding or enhancing loading areas and truck access and making certain other accretive improvements.

**Our Business and Growth Strategies**

Our primary objective is to generate attractive risk-adjusted returns for our stockholders through dividends and capital appreciation. We believe that pursuing the following strategies will enable us to achieve this objective:

***External Growth through Acquisitions***

We intend to grow our initial portfolio through disciplined acquisitions in prime Southern California infill markets. We believe that our relationship-, data- and event-driven research allows us to identify and exploit asset mispricing and market inefficiencies. Through these proprietary origination methods, we are actively monitoring, as of June 4, 2013, approximately 31.6 million square feet of properties in our markets that we believe represent attractive potential investment opportunities, including properties containing approximately 2.9 million square feet on which we have submitted non-binding offers that remain outstanding. In addition, we currently have two properties totaling 123,676 square feet under contract to purchase with their purchase expected to close before July 31, 2013. The closings are subject to satisfactory completion of our due diligence and customary closing conditions. As such, we cannot assure you that we will complete these acquisitions on the current terms or at all. Our predecessor's most recent investment fund has acquired in excess of 3.1 million square feet in our target markets with over 2.3 million square feet acquired since 2012 alone, sourced primarily through a combination of off-market and lightly marketed transactions, sale lease-backs and related transactions, short sales and discounted note purchases from financial institutions.

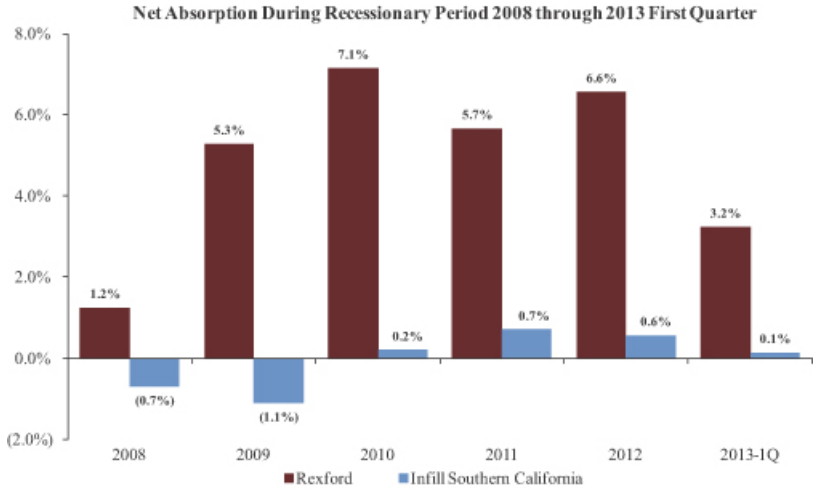
We believe there are a large number of over-leveraged industrial properties within our target markets facing loan maturities over the next several years. We seek to source transactions from owners facing pressing

liquidity needs or financial distress, including maturities of loans that lack economical refinancing options. We also seek to transact with lenders, which, following the recent financial crisis, face a heightened need to divest or resolve underperforming loans in order to meet capital and regulatory requirements.

***Internal Growth through Intensive, Value-Added Asset Management***

We employ an intensive asset management strategy that is designed to increase cash flow and occupancy from our properties. Our strategy includes repositioning industrial property by renovating, modernizing or increasing functionality to increase cash flow and value. For example, we sometimes convert formerly single-tenant properties to multi-tenant occupancy to capitalize upon the higher per square foot rents generated by smaller spaces in our target markets. We believe that by undertaking such conversions or other functional enhancements, we can position our properties to attract a larger universe of potential tenants, increase occupancy, tenant quality and rental rates. We also believe that multi-tenant properties help to limit our exposure to tenant default risk and diversify our sources of cash flow.

Our proactive approach to leasing and asset management is driven by our in-house team of portfolio and property managers, which maintains direct, day-to-day relationships and dialogue with our tenants. In addition, we motivate listing brokers through leasing incentives combined with highly entrepreneurial leasing plans that we develop for each of our properties. We believe our proactive approach to leasing and asset management enhances recurring cash flow and reduces periods of vacancy. Our properties have successfully outperformed the overall infill Southern California market in leasing up vacant space. As illustrated in the chart below, over the course of the last five years, we have demonstrated an ability to consistently increase occupancy, even during the depth of the recent "Great Recession" when our target markets experienced a net reduction in occupancy.




*Source: DAUM market materials, citing CoStar Property Database as of March 2013.*

We believe that our initial portfolio contains the potential for imbedded growth through the lease-up of currently available space. As of March 31, 2013, our initial portfolio was 89.4% leased. We believe four factors will contribute to increased cash flow from leasing in the near term:

- a number of our properties are in their final lease-up stage after being repositioned through our value-add activities,

- we expect the firming up of supply and demand in certain markets, such as San Diego, that has generally lagged the infill markets of Los Angeles County and Orange County through the 2010 to 2012 recovery, and are now experiencing net positive absorption, and
- expected market rental rate increases in the multi-tenant industrial market, as smaller and medium sized business tenants begin to gain access to increased liquidity and available credit as the economy recovers.

***Financing Strategy***

We intend to maintain a flexible and growth-oriented capital structure. Upon completion of this offering, we will have an initial debt-to-market capitalization of approximately 24.2%. To facilitate our acquisition strategy, we have negotiated a proposed revolving credit facility with a borrowing capacity of $200 million that we expect to have in place at the completion of this offering. This facility is expected to have an accordion feature that may provide for up to an additional $200 million borrowing capacity as our company grows. This facility will be used for property acquisitions, working capital requirements and other general corporate purposes. We also expect to enter into a new $60 million term loan, which will be used at the completion of this offering to repay a portion of our outstanding mortgage debt. For more information regarding our proposed revolving credit facility and our new term loan, see "Business—Description of Certain Debt."

We expect to fund property acquisitions through borrowings under our proposed revolving credit facility and traditional mortgage financing, as well as from any remaining cash available from the proceeds of this offering and the concurrent private placement after repayment of certain indebtedness as described under "Use of Proceeds." We may place longer term mortgage debt on certain properties. We also anticipate using common units to acquire properties from existing owners interested in tax-deferred transactions.

**Our Properties**

In connection with our formation transactions, the concurrent private placement and this offering, in exchange for an estimated combined total of 4,957,099 shares of common stock and 3,714,419 common units and approximately $0.7 million in cash, we will acquire interests in entities that own 61 properties, including two properties that we currently have under contract to purchase. Our target properties fit into four general categories focused on industrial property located in Southern California infill markets:

- Core Plus;
- Value Add;
- Core; and
- First Mortgages Tied to Target Industrial Property.

The following table provides information about the properties we will own upon completion of our formation transactions, including two properties that we currently have under contract to purchase:

| Property Address | City | Number of Buildings | Asset Type | Year Built / Renovated[1] | Rentable Square Feet | Ownership Interest in Rentable Square Feet[2] | Percentage of Rentable Square Feet[3] | Number of Leases | Occupancy[4] | Annualized Base Rent[5] | Percentage of Total Annualized Base Rent[6] | Total Annualized Base Rent per Square Foot[7] | Owner-ship Interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Los Angeles—Greater San Fernando Valley** | | | | | | | | | | | | | |
| 3350 Tyburn St., 3332, 3334, 3360, 3368, 3370, 3378, 3380, 3410, 3424 N. San Fernando Rd. | Los Angeles | 8 | Warehouse / Distribution | 1966, 1992, 1993, 1994 | 473,345 | 473,345 | 8.4% | 27 | 99.4% | $ 4,471,764 | 10.6% | $ 9.51 | 100.0% |
| 15140 & 15148 Bledsoe St., 13065—13081 Bradley Ave. | Sylmar | 2 | Warehouse / Light Manufacturing | 1969, 2008 / 2006 | 138,474 | 138,474 | 2.4% | 7 | 94.5% | $ 1,007,592 | 2.4% | $ 7.70 | 100.0% |
| 28340—28400 Avenue Crocker | Valencia | 1 | Warehouse / Light Manufacturing | 1987 / 2006 | 91,788 | 91,788 | 1.6% | 2 | 100.0% | $ 706,884 | 1.7% | $ 7.70 | 100.0% |
| 28159 Avenue Stanford | Valencia | 1 | Light Industrial / Office | 1987 / 2008 | 79,701 | 79,701 | 1.4% | 7 | 63.3% | $ 817,152 | 1.9% | $ 16.19 | 100.0% |
| 21-29 West Easy St. | Simi Valley | 5 | Warehouse / Light Manufacturing | 1991 / 2006 | 102,327 | 102,327 | 1.8% | 12 | 93.2% | $ 850,236 | 2.0% | $ 8.91 | 100.0% |
| 18310-18330 Oxnard St. | Tarzana | 2 | Warehouse / Light Manufacturing | 1973 | 75,288 | 75,288 | 1.3% | 22 | 82.4% | $ 652,116 | 1.5% | $ 10.51 | 100.0% |
| 15041 Calvert St. | Van Nuys | 1 | Warehouse / Light Manufacturing | 1971 | 81,282 | 81,282 | 1.4% | 1 | 100.0% | $ 438,924 | 1.0% | $ 5.40 | 100.0% |
| 8101-8117 Orion Ave. | Van Nuys | 1 | Warehouse / Light Manufacturing | 1978 | 48,388 | 48,388 | 0.9% | 22 | 77.5% | $ 460,428 | 1.1% | $ 12.27 | 100.0% |
| 6701 & 6711 Odessa Ave. | Van Nuys | 2 | Warehouse / Light Manufacturing | 1970-1972 / 2012 | 29,544 | 29,544 | 0.5% | 2 | 100.0% | $ 205,620 | 0.5% | $ 6.96 | 100.0% |
| 1050 Arroyo Ave. | San Fernando | 1 | Warehouse / Light Manufacturing | 1969 / 2012 | 76,993 | 76,993 | 1.4% | 1 | 100.0% | $ 526,632 | 1.2% | $ 6.84 | 100.0% |
| 901 W. Alameda Ave. | Burbank | 1 | Light Industrial / Office | 1969 / 2009 | 44,924 | 44,924 | 0.8% | 3 | 89.5% | $ 1,178,436 | 2.8% | $ 29.32 | 100.0% |
| 700 Allen Ave., 1840 Dana St., & 1830 Flower | Glendale | 3 | Light Industrial / Office | 1949, 1961 / 2011-2012 | 38,665 | 38,665 | 0.7% | 0 | 0.0% | $ 0 | 0.0% | $ 0.00 | 100.0% |
| 121-125 N. Vinedo Ave. | Pasadena | 1 | Warehouse / Light Manufacturing | 1953 / 1993 | 48,381 | 48,381 | 0.9% | 1 | 100.0% | $ 476,640 | 1.1% | $ 9.85 | 100.0% |
| 89-91 N. San Gabriel Blvd., 2670-2674 Walnut Ave., 2675 Nina St. | Pasadena | 5 | Light Manufacturing / Flex | 1947, 1985 / 2009 | 31,619 | 31,619 | 0.6% | 2 | 84.2% | $ 433,692 | 1.0% | $ 16.28 | 100.0% |
| **Subtotal / Weighted Average[8]** | | 34 | | | 1,360,719 | 1,360,719 | 24.0% | 109 | 91.2% | $12,226,116 | 29.0% | $ 9.85 | 100.0% |

| Property Address | City | Number of Buildings | Asset Type | Year Built / Renovated[1] | Rentable Square Feet | Ownership Interest in Rentable Square Feet[2] | Percentage of Rentable Square Feet[3] | Number of Leases | Occupancy[4] | Annualized Base Rent[5] | Percentage of Total Annualized Base Rent[6] | Total Annualized Base Rent per Square Foot[7] | Owner-ship Interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Los Angeles—San Gabriel Valley** | | | | | | | | | | | | | |
| 1400 South Shamrock | Monrovia | 1 | Light Manufacturing / Flex | 1957, 1962 / 2004 | 67,838 | 67,838 | 1.2% | 1 | 100.0% | $ 938,304 | 2.2% | $ 13.83 | 100.0% |
| 15705, 15709 Arrow Highway & 5220 Fourth St. | Irwindale | 3 | Warehouse / Light Manufacturing | 1987 | 69,592 | 69,592 | 1.2% | 30 | 92.2% | $ 631,176 | 1.5% | $ 9.84 | 100.0% |
| 15715 Arrow Highway | Irwindale | 1 | Light Manufacturing / Flex | 1989 | 76,000 | 76,000 | 1.3% | 1 | 100.0% | $ 967,824 | 2.3% | $ 12.73 | 100.0% |
| 14250-14278 La Valley Blvd. | Puente | 8 | Warehouse / Light Manufacturing | 1974 / 2007 | 99,720 | 99,720 | 1.8% | 25 | 94.4% | $ 741,223 | 1.8% | $ 7.88 | 100.0% |
| 13914-13932 La Valley Blvd. | Puente | 2 | Warehouse / Light Manufacturing | 1978, 1988 / 2012 | 58,084 | 58,084 | 1.0% | 27 | 94.0% | $ 432,276 | 1.0% | $ 7.91 | 100.0% |
| 15241—15277, 15317—15339 Don Julian Rd. | City of Industry | 2 | Warehouse / Distribution | 1965, 2005 / 2003 | 241,248 | 241,248 | 4.3% | 13 | 100.0% | $ 1,963,620 | 4.7% | $ 8.14 | 100.0% |
| **Subtotal / Weighted Average** | | 17 | | | 612,482 | 612,482 | 10.8% | 97 | 97.6% | $ 5,674,423 | 13.4% | $ 9.49 | 100.0% |
| **Los Angeles—Central** | | | | | | | | | | | | | |
| 1938-1946 E. 46th St. | Vernon | 3 | Warehouse / Light Manufacturing | 1961, 1983 / 2008-2010 | 190,663 | 190,663 | 3.4% | 3 | 100.0% | $ 1,257,912 | 3.0% | $ 6.60 | 100.0% |
| **Los Angeles—Mid-Counties** | | | | | | | | | | | | | |
| 9641—9657 Santa Fe Springs Rd. | Santa Fe Springs | 3 | Warehouse / Distribution | 1982 / 2009 | 106,995 | 106,995 | 1.9% | 4 | 100.0% | $ 864,276 | 2.0% | $ 8.08 | 100.0% |
| 14944, 14946, 14948 Shoemaker Ave. | Santa Fe Springs | 3 | Warehouse / Light Manufacturing | 1978 / 2012 | 86,010 | 86,010 | 1.5% | 19 | 82.3% | $ 533,076 | 1.3% | $ 7.53 | 100.0% |
| 12910 East Mulberry Dr. | Whittier | 1 | Warehouse / Distribution | 1962 / 2009 | 153,080 | 153,080 | 2.7% | 2 | 100.0% | $ 869,664 | 2.1% | $ 5.68 | 100.0% |
| 9220-9268 Hall Rd. | Downey | 1 | Warehouse / Light Manufacturing | 2008 | 176,405 | 176,405 | 3.1% | 25 | 55.8% | $ 748,464 | 1.8% | $ 7.60 | 100.0% |
| **Subtotal / Weighted Average** | | 8 | | | 522,490 | 522,490 | 9.2% | 50 | 82.2% | $ 3,015,480 | 7.1% | $ 7.02 | 100.0% |

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| Property Address | City | Number of Buildings | Asset Type | Year Built / Renovated[1] | Rentable Square Feet | Ownership Interest in Rentable Square Feet[2] | Percentage of Rentable Square Feet[3] | Number of Leases | Occupancy[4] | Annualized Base Rent[5] | Percentage of Total Annualized Base Rent[6] | Total Annualized Base Rent per Square Foot[7] | Owner-ship Interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Los Angeles—South Bay** | | | | | | | | | | | | | |
| 1661 240th St. | Los Angeles | 1 | Warehouse / Distribution | 1975 / 1995 | 100,851 | 100,851 | 1.8% | 2 | 39.0% | $ 239,532 | 0.6% | $ 6.09 | 100.0% |
| 6423-6431 & 6407-6119 Alondra Blvd. | Paramount | 2 | Warehouse / Light Manufacturing | 1986 | 30,224 | 30,224 | 0.5% | 8 | 74.1% | $ 174,240 | 0.4% | $ 7.78 | 100.0% |
| 18118-18120 S. Broadway | Carson | 3 | Warehouse / Distribution | 1957 / 1989 | 78,183 | 78,183 | 1.4% | 5 | 100.0% | $ 500,820 | 1.2% | $ 6.41 | 100.0% |
| 311, 319, 329 & 333 157th St. | Gardena | 4 | Warehouse / Light Manufacturing | 1960-1971 / 2006-2011 | 60,000 | 60,000 | 1.1% | 7 | 100.0% | $ 434,880 | 1.0% | $ 7.25 | 100.0% |
| 20920-20950 Normandie Ave. | Torrance | 2 | Warehouse / Light Manufacturing | 1989 | 49,466 | 49,466 | 0.9% | 24 | 89.0% | $ 476,208 | 1.1% | $ 10.82 | 100.0% |
| 6010 Paramount Ave., 2708 Seaboard Lane | Long Beach | 1 | Warehouse / Light Manufacturing | 1981-1982 | 16,534 | 16,534 | 0.3% | 2 | 100.0% | $ 133,344 | 0.3% | $ 8.06 | 100.0% |
| **Subtotal / Weighted Average** | | 13 | | | 335,258 | 335,258 | 5.9% | 48 | 77.7% | $ 1,959,024 | 4.6% | $ 7.52 | 100.0% |
| **North Orange County** | | | | | | | | | | | | | |
| 2300-2386 East Walnut Ave. | Fullerton | 3 | Warehouse / Distribution | 1985-1986 / 2005 | 161,286 | 161,286 | 2.8% | 14 | 100.0% | $ 1,155,696 | 2.7% | $ 7.17 | 100.0% |
| 1631 N. Placentia Ave., 2350—2384 E. Orangethorpe Ave. | Anaheim | 2 | Warehouse / Light Manufacturing | 1973 / 2007 | 62,395 | 62,395 | 1.1% | 29 | 91.2% | $ 646,104 | 1.5% | $ 11.35 | 100.0% |
| **Subtotal / Weighted Average** | | 5 | | | 223,681 | 223,681 | 3.9% | 43 | 97.6% | $ 1,801,800 | 4.3% | $ 8.26 | 100.0% |
| **Orange County Airport** | | | | | | | | | | | | | |
| 3441 West MacArthur Blvd. | Santa Ana | 1 | Warehouse / Distribution | 1973 | 122,060 | 122,060 | 2.2% | 1 | 100.0% | $ 678,900 | 1.6% | $ 5.56 | 100.0% |
| 600-650 South Grand Ave. | Santa Ana | 6 | Warehouse / Light Manufacturing | 1988 | 101,210 | 101,210 | 1.8% | 44 | 85.7% | $ 890,052 | 2.1% | $ 10.27 | 100.0% |
| 3720-3750 W. Warner Ave. | Santa Ana | 1 | Warehouse / Light Manufacturing | 1973 / 2008 | 38,570 | 38,570 | 0.7% | 11 | 71.9% | $ 253,104 | 0.6% | $ 9.13 | 100.0% |
| 200-220 South Grand Ave. | Santa Ana | 1 | Warehouse / Light Manufacturing | 1973 / 2008 | 27,200 | 27,200 | 0.5% | 7 | 100.0% | $ 261,660 | 0.6% | $ 9.62 | 100.0% |
| **Subtotal / Weighted Average** | | 9 | | | 289,040 | 289,040 | 5.1% | 63 | 91.2% | $ 2,083,716 | 4.9% | $ 7.90 | 100.0% |

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| Property Address | City | Number of Buildings | Asset Type | Year Built / Renovated[1] | Rentable Square Feet | Ownership Interest in Rentable Square Feet[2] | Percentage of Rentable Square Feet[3] | Number of Leases | Occupancy[4] | Annualized Base Rent[5] | Percentage of Total Annualized Base Rent[6] | Total Annualized Base Rent per Square Foot[7] | Owner-ship Interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **San Bernardino—Inland Empire West** | | | | | | | | | | | | | |
| 1400 S. Campus Ave. | Ontario | 2 | Warehouse / Light Manufacturing | 1964-1966, 1973, 1987 | 107,861 | 107,861 | 1.9% | 1 | 100.0% | $ 440,076 | 1.0% | $ 4.08 | 100.0% |
| 9160—9220 Cleveland Ave., 10860 6th St. | Rancho Cucamonga | 3 | Light Manufacturing / Flex | 1988-1989 / 2006 | 129,309 | 129,309 | 2.3% | 2 | 64.0% | $ 1,450,296 | 3.4% | $ 17.52 | 100.0% |
| 10700 Jersey Blvd. | Rancho Cucamonga | 7 | Light Industrial / Office | 1988-1989 | 107,568 | 107,568 | 1.9% | 49 | 89.5% | $ 833,016 | 2.0% | $ 8.65 | 100.0% |
| 9375 Archibald Ave. | Rancho Cucamonga | 8 | Light Industrial / Office | 1980 / 2007 | 62,677 | 62,677 | 1.1% | 26 | 65.7% | $ 369,984 | 0.9% | $ 8.98 | 100.0% |
| 8900-8980 Benson Ave., 5637 Arrow Highway | Montclair | 5 | Warehouse / Light Manufacturing | 1974 | 88,146 | 88,146 | 1.6% | 41 | 79.6% | $ 660,000 | 1.6% | $ 9.41 | 100.0% |
| **Subtotal / Weighted Average** | | 25 | | | 495,561 | 495,561 | 8.7% | 119 | 80.4% | $ 3,753,372 | 8.9% | $ 9.42 | 100.0% |
| **San Bernardino—Inland Empire East** | | | | | | | | | | | | | |
| 6750 Unit B-C—6780 Central Ave. | Riverside | 4 | Warehouse / Light Manufacturing | 1978 | 63,675 | 63,675 | 1.1% | 5 | 93.2% | $ 295,704 | 0.7% | $ 4.98 | 100.0% |
| 77-700 Enfield Lane | Palm Desert | 1 | Warehouse / Light Manufacturing | 1990 | 21,607 | 21,607 | 0.4% | 7 | 100.0% | $ 151,584 | 0.4% | $ 7.02 | 100.0% |
| **Subtotal / Weighted Average** | | 5 | | | 85,282 | 85,282 | 1.5% | 12 | 94.9% | $ 477,288 | 1.1% | $ 5.53 | 100.0% |
| **Ventura County** | | | | | | | | | | | | | |
| 3001 Mission Oaks Blvd.[9] | Camarillo | 1 | Warehouse / Distribution | 1969 | 309,500 | 46,425 | 0.8% | 1 | 96.9% | $ 245,700 | 0.6% | $ 5.46 | 15.0% |
| 3175 Mission Oaks Blvd.[9] | Camarillo | 1 | Warehouse / Distribution | 2000 | 423,106 | 63,466 | 1.1% | 1 | 100.0% | $ 346,523 | 0.8% | $ 5.46 | 15.0% |
| 3233 Mission Oaks Blvd.[9] | Camarillo | 2 | Warehouse / Distribution | 1980-1982 | 455,801 | 68,370 | 1.2% | 1 | 31.6% | $ 191,178 | 0.5% | $ 8.85 | 15.0% |
| 300 South Lewis Rd. | Camarillo | 1 | Warehouse / Distribution | 1960-1963 / 2006 | 215,128 | 215,128 | 3.8% | 11 | 100.0% | $ 1,558,020 | 3.7% | $ 7.24 | 100.0% |
| 2220-2260 Camino del Sol | Oxnard | 1 | Warehouse / Distribution | 2005 | 69,891 | 69,891 | 1.2% | 2 | 100.0% | $ 510,024 | 1.2% | $ 7.30 | 100.0% |
| 701 Del Norte Blvd. | Oxnard | 1 | Warehouse / Light Manufacturing | 2000 | 125,514 | 125,514 | 2.2% | 17 | 98.5% | $ 997,920 | 2.4% | $ 8.07 | 100.0% |
| **Subtotal / Weighted Average** | | 7 | | | 1,598,940 | 588,794 | 10.4% | 33 | 91.5% | $ 3,849,365 | 9.1% | $ 7.14 | 36.8% |

| Property Address | City | Number of Buildings | Asset Type | Year Built / Renovated[1] | Rentable Square Feet | Ownership Interest in Rentable Square Feet[2] | Percentage of Rentable Square Feet[3] | Number of Leases | Occupancy[4] | Annualized Base Rent[5] | Percentage of Total Annualized Base Rent[6] | Total Annualized Base Rent per Square Foot[7] | Owner-ship Interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **San Diego—North County** | | | | | | | | | | | | | |
| 1335 Park Center Dr. | Vista | 1 | Warehouse / Distribution | 1999 / 2007 | 124,997 | 124,997 | 2.2% | 1 | 5.1% | $ 88,320 | 0.2% | $ 13.80 | 100.0% |
| 929, 935, 939 & 951 Poinsettia Ave. | Vista | 4 | Warehouse / Light Manufacturing | 1989 / 2007 | 121,892 | 121,892 | 2.2% | 11 | 79.6% | $ 667,500 | 1.6% | $ 6.88 | 100.0% |
| 2575 Pioneer Ave. | Vista | 1 | Warehouse / Light Manufacturing | 1988 / 2006 | 68,935 | 68,935 | 1.2% | 6 | 87.2% | $ 477,991 | 1.1% | $ 7.95 | 100.0% |
| 6200 & 6300 Yarrow Dr. | Carlsbad | 2 | Warehouse / Light Manufacturing | 1977-1988 / 2006 | 151,433 | 151,433 | 2.7% | 2 | 63.1% | $ 882,624 | 2.1% | $ 9.23 | 100.0% |
| 2431-2465 Impala Dr. | Carlsbad | 7 | Light Manufacturing / Flex | 1983 / 2006 | 89,951 | 89,951 | 1.6% | 6 | 60.0% | $ 679,608 | 1.6% | $ 12.58 | 100.0% |
| 6231 & 6241 Yarrow Dr. | Carlsbad | 2 | Warehouse / Light Manufacturing | 1977 / 2006 | 80,441 | 80,441 | 1.4% | 6 | 92.6% | $ 631,608 | 1.5% | $ 8.48 | 100.0% |
| 5803 Newton Dr. | Carlsbad | 1 | Light Manufacturing / Flex | 1997-1999 / 2009 | 71,602 | 71,602 | 1.3% | 2 | 56.0% | $ 441,084 | 1.0% | $ 11.01 | 100.0% |
| **Subtotal / Weighted Average** | | 18 | | | 709,251 | 709,251 | 12.5% | 34 | 60.3% | $ 3,868,735 | 9.2% | $ 9.05 | 100.0% |
| **San Diego—Central** | | | | | | | | | | | | | |
| 10439-10477 Roselle St. | San Diego | 10 | Warehouse / Light Manufacturing | 1970 / 2007 | 97,967 | 97,967 | 1.7% | 43 | 91.0% | $ 1,077,180 | 2.6% | $ 12.08 | 100.0% |
| 12345 First American Way | Poway | 1 | Light Industrial / Office | 2002 / 2007 | 40,022 | 40,022 | 0.7% | 2 | 100.0% | $ 438,984 | 1.0% | $ 10.97 | 100.0% |
| **Subtotal / Weighted Average** | | 11 | | | 137,989 | 137,989 | 2.4% | 45 | 93.6% | $ 1,516,164 | 3.6% | $ 11.74 | 100.0% |
| **San Diego—South County** | | | | | | | | | | | | | |
| 131 W. 33rd St. | National City | 2 | Warehouse / Light Manufacturing | 1969 / 2008 | 78,615 | 78,615 | 1.4% | 12 | 49.0% | $ 364,452 | 0.9% | $ 9.46 | 100.0% |
| **Other** | | | | | | | | | | | | | |
| 500-560 Zenith Dr. | Glenview | 3 | Light Industrial / Office | 1978 | 37,992 | 37,992 | 0.7% | 25 | 75.6% | $ 387,024 | 0.9% | $ 13.48 | 100.0% |
| **Portfolio—Total / Weighted Average[10]** | 61 Properties | 160 | | | 6,677,963 | 5,667,817 | 100.0% | 693 | 85.5% | $42,204,871 | 100.0% | $ 8.71 | 84.9%[11] |

(1) Year renovated means the most recent year in which a material upgrade, alteration or addition to building systems was completed resulting in increased marketability of the property.
(2) Calculated as rentable square feet for such property multiplied by our ownership interest in such property.
(3) Calculated as our ownership interest in rentable square feet for such property divided by our ownership interest in rentable square feet for the total portfolio as of March 31, 2013.
(4) Calculated as the occupancy at such property as of March 31, 2013, weighted by our ownership interest in rentable square feet for such property.
(5) Calculated as monthly contracted base rent per the terms of the lease(s) at such property, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest in such property. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See "Business—Leases."
(6) Calculated as annualized base rent for such property divided by annualized base rent for the total portfolio as of March 31, 2013.
(7) Calculated as annualized base rent for such property divided by our ownership interest in leased square feet for such property as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(8) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 92.3%, annualized base rent was $11,113,572, percentage of total annualized base rent was 27.0% and total annualized base rent per square foot was $9.73.

(9) Properties are adjacent to one another and are accounted for as three separate properties as they are located on three separate legal parcels.
(10) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 85.6%, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.
(11) Weighted average ownership interest for the total portfolio is based on the ownership interest in rentable square feet for the total portfolio divided by rentable square feet for the total portfolio.

***Property Diversification***

The following table sets forth information relating to diversification by property type in our portfolio based on total annualized rent as of March 31, 2013.

| Property Type | Number of Properties | Occupancy[1] | Rentable Square Feet | Ownership Interest in Rentable Square Feet[2] | Percentage of Total Rentable Square Feet | Annualized Base Rent[3] | Percentage of Total Annualized Base Rent[4] | Annualized Base Rent per Square Foot[5] |
|---|---|---|---|---|---|---|---|---|
| Warehouse / Light Manufacturing[6] | 34 | 87.0% | 2,764,624 | 2,764,624 | 48.8% | $19,585,430 | 46.4% | $ 8.14 |
| Warehouse / Distribution | 14 | 88.6% | 3,035,471 | 2,025,325 | 35.7% | $13,684,037 | 32.4% | $ 7.63 |
| Light Manufacturing / Flex | 6 | 74.5% | 466,319 | 466,319 | 8.2% | $ 4,910,808 | 11.6% | $ 14.14 |
| Light Industrial / Office | 7 | 72.1% | 411,549 | 411,549 | 7.3% | $ 4,024,596 | 9.5% | $ 13.56 |
| **Total / Weighted Average[7]** | 61 | 85.5% | 6,677,963 | 5,667,817 | 100.0% | $42,204,871 | 100.0% | $ 8.71 |

(1) Calculated as the average occupancy at such properties as of March 31, 2013, weighted by ownership interest in the properties' rentable square feet.
(2) Calculated for each property as rentable square feet for such property multiplied by our ownership interest for such property, and then aggregated by property type.
(3) Calculated for each property as the monthly contracted base rent per the terms of the lease(s) at such property, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest for such property, and then aggregated by property type. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See "Business—Leases."
(4) Calculated for each property type as annualized base rent for such property type divided by annualized base rent for the total portfolio as of March 31, 2013.
(5) Calculated for each property type as annualized base rent for such property type divided by our ownership interest in leased square feet for such property type as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(6) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 87.3%, annualized base rent was $18,472,886 and total annualized base rent per square foot was $8.01.
(7) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

***Uncommenced Leases***

The following table sets forth information relating to our uncommenced leases.

| Market | Leased Square Feet Under Uncommenced Leases[1] | Ownership Interest in Leased Square Feet[2] | Pro Forma Occupancy[3] | Annualized Base Rent Under Uncommenced Leases[4] | Total Pro Forma Annualized Base Rent[5] | Total Pro Forma Annualized Base Rent per Square Foot[6] |
|---|---|---|---|---|---|---|
| Los Angeles County [7] | 188,956 | 188,956 | 91.6% | $ 1,897,926 | $24,579,655 | $ 8.88 |
| Orange County | 57,408 | 57,408 | 93.7% | $ 509,913 | $ 3,859,976 | $ 8.04 |
| San Bernardino County | 79,047 | 79,047 | 87.5% | $ 656,229 | $ 4,445,504 | $ 8.74 |
| Ventura County | 14,714 | 14,714 | 89.0% | $ 123,904 | $ 3,714,313 | $ 7.09 |
| San Diego County | 223,807 | 223,807 | 86.4% | $ 1,574,494 | $ 7,159,806 | $ 8.95 |
| Other | 3,381 | 3,381 | 75.6% | $ 51,312 | $ 387,024 | $ 13.48 |
| Total/Weighted Average [8] | 567,313 | 567,313 | 90.1% | $ 4,813,778 | $44,146,278 | $ 8.64 |

(1) The uncommenced leases include: 103,629 square feet being renewed and 85,327 square feet of new leases for Los Angeles County; 37,092 square feet being renewed and 20,316 square feet of new leases for Orange County; 28,289 square feet being renewed and 50,758 square feet of new leases for San Bernardino County; 14,714 square feet being renewed and no new leases for Ventura County; 19,145 square feet being renewed and 204,662 square feet of new leases for San Diego County; and 3,381 square feet being renewed and no new leases for Other.

(2) Ownership interest in leased square feet is calculated as square feet subject to the uncommenced leases multiplied by our ownership interest in the relevant properties and then aggregated by market.

(3) Pro forma occupancy is calculated as (i) square footage under lease as of March 31, 2013 weighted by our ownership interest in rentable square feet plus additional square footage leased pursuant to uncommenced leases (net of renewal space) as of June 4, 2013 weighted by our ownership interest minus square footage vacated between March 31, 2013 and June 4, 2013, weighted by our ownership interest in rentable square feet, divided by (ii) total rentable square feet (including new uncommenced leases) weighted by our ownership interest.

(4) Annualized base rent under uncommenced leases is calculated by multiplying the first full month of contractual rents (before rent abatements) to be received under uncommenced leases, by 12 and then multiplying by our ownership interest in the relevant properties and then aggregating by market. Total rent abatements under leases entered into as of June 4, 2013 but that had not commenced as of March 31, 2013 for the 12 months ending March 31, 2014 are $727,840. This figure includes $688,799 of rent abatements for new leases and $39,041 for renewal leases.

(5) Total pro forma annualized base rent is calculated by adding annualized base rent as of March 31, 2013 and annualized base rent under uncommenced leases (net of renewals) and subtracting annualized base rent contributed by tenants that had vacated their applicable properties between March 31, 2013 and June 4, 2013. To avoid double counting, total pro forma annualized rent does not include annualized rent on space under lease as of March 31, 2013 that is being renewed pursuant to an uncommenced lease. Excludes billboard and antenna revenue.

(6) Annualized base rent per square foot under uncommenced leases is calculated as (i) annualized rent base under leases entered into as of June 4, 2013 but that had not commenced as of March 31, 2013, divided by (ii) ownership interest in leased square feet under uncommenced leases.

(7) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 92.0%, annualized base rent under uncommenced leases was $1,844,142, total pro forma annualized base rent was $23,441,563 and total annualized base rent per square foot was $8.80.

(8) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 90.3%, annualized base rent under uncommenced leases was $4,759,995, total pro forma annualized base rent was $43,008,186 and total annualized base rent per square foot was $8.59.

***Geographic Diversification***

The following table sets forth information relating to geographic diversification by state in our portfolio based on total annualized rent as of March 31, 2013.

| Market | Number of Properties | Occupancy[1] | Rentable Square Feet | Ownership Interest in Rentable Square Feet[2] | Percentage of Total Rentable Square Feet | Annualized Base Rent[3] | Percentage of Total Annualized Base Rent[4] | Annualized Base Rent per Square Foot[5] |
|---|---|---|---|---|---|---|---|---|
| **Los Angeles County** | | | | | | | | |
| Greater San Fernando Valley | 14 | 91.2% | 1,360,719 | 1,360,719 | 24.0% | $ 12,226,117 | 29.0% | $ 9.85 |
| San Gabriel Valley | 6 | 97.6% | 612,482 | 612,482 | 10.8% | $ 5,674,423 | 13.4% | $ 9.49 |
| Central | 1 | 100.0% | 190,663 | 190,663 | 3.4% | $ 1,257,912 | 3.0% | $ 6.60 |
| Mid-Counties | 4 | 82.2% | 522,490 | 522,490 | 9.2% | $ 3,015,480 | 7.1% | $ 7.02 |
| South Bay | 6 | 77.7% | 335,258 | 335,258 | 5.9% | $ 1,959,024 | 4.6% | $ 7.52 |
| **Subtotal / Weighted Average (6)** | 31 | 90.0% | 3,021,612 | 3,021,612 | 53.3% | $ 24,132,956 | 57.2% | $ 8.87 |
| **Orange County** | | | | | | | | |
| North Orange County | 2 | 97.6% | 223,681 | 223,681 | 3.9% | $ 1,801,800 | 4.3% | $ 8.26 |
| Airport | 4 | 91.2% | 289,040 | 289,040 | 5.1% | $ 2,083,716 | 4.9% | $ 7.90 |
| **Subtotal / Weighted Average** | 6 | 94.0% | 512,721 | 512,721 | 9.0% | $ 3,885,516 | 9.2% | $ 8.06 |
| **San Bernardino County** | | | | | | | | |
| Inland Empire West | 5 | 80.4% | 495,561 | 495,561 | 8.7% | $ 3,753,372 | 8.9% | $ 9.42 |
| Inland Empire East | 2 | 94.9% | 85,282 | 85,282 | 1.5% | $ 447,288 | 1.1% | $ 5.53 |
| **Subtotal / Weighted Average** | 7 | 82.5% | 580,843 | 580,843 | 10.2% | $ 4,200,660 | 10.0% | $ 8.77 |
| **Ventura County** | | | | | | | | |
| Camarillo / Oxnard | 6 | 91.5% | 1,598,940 | 588,794 | 10.4% | $ 3,849,365 | 9.1% | $ 7.14 |
| **Subtotal / Weighted Average** | 6 | 91.5% | 1,598,940 | 588,794 | 10.4% | $ 3,849,365 | 9.1% | $ 7.14 |
| **San Diego County** | | | | | | | | |
| North County | 7 | 60.3% | 709,251 | 709,251 | 12.5% | $ 3,868,734 | 9.2% | $ 9.05 |
| Central | 2 | 93.6% | 137,989 | 137,989 | 2.4% | $ 1,516,164 | 3.6% | $ 11.74 |
| South County | 1 | 49.0% | 78,615 | 78,615 | 1.4% | $ 364,452 | 0.9% | $ 9.46 |
| **Subtotal / Weighted Average** | 10 | 64.3% | 925,855 | 925,855 | 16.3% | $ 5,749,350 | 13.6% | $ 9.66 |
| **Other[7]** | 1 | 75.6% | 37,992 | 37,992 | 0.7% | $ 387,024 | 0.9% | $ 13.48 |
| **Portfolio—Total / Weighted Average [8]** | 61 | 85.5% | 6,677,963 | 5,667,817 | 100.0% | $ 42,204,871 | 100.0% | $ 8.71 |

(1) Calculated as the average occupancy at such properties as of March 31, 2013, weighted by our ownership interest in the properties' rentable square feet. As of June 4, 2013, we have entered into 53 new leases and 58 renewal leases, totaling 111 leases or renewals that had not yet commenced as of March 31, 2013.

(2) Calculated for each property as rentable square feet for such property multiplied by our ownership interest for such property, and then aggregated by market.

(3) Calculated for each property as monthly contracted base rent per the terms of the lease(s) at such property, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest for such property, and then aggregated by market. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See "Business—Leases."

(4) Calculated as annualized base rent for such market divided by annualized base rent for the total portfolio as of March 31, 2013.

(5) Calculated as annualized base rent for such market divided by our ownership interest in leased square feet for such market as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.

(6) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 90.4%, annualized base rent was $23,020,412, percentage of total annualized base rent was 56.0% and total annualized base rent per square foot was $8.79.

(7) Includes one property in Glenview, Illinois.
(8) Excluding our pending acquisitions of Oxnard and Orion, occupancy was 85.6%, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

***Industry Diversification***

The following table sets forth information relating to tenant diversification by industry in our portfolio based on total annualized rent as of March 31, 2013.

| Industry | Number of Leases[1] | Leased Square Feet | Ownership Interest in Leased Square Feet[2] | Percentage of Total Leased Square Feet | Annualized Base Rent[3] | Percentage of Total Annualized Base Rent[4] | Annualized Base Rent per Square Foot[5] |
|---|---|---|---|---|---|---|---|
| Wholesale/Retail[6] | 79 | 580,350 | 580,350 | 12.0% | $ 4,883,172 | 11.6% | $ 8.41 |
| Business Services[7] | 96 | 339,542 | 339,542 | 7.0% | $ 3,931,812 | 9.3% | $ 11.58 |
| Light Manufacturing[8] | 46 | 478,085 | 478,085 | 9.9% | $ 3,549,504 | 8.4% | $ 7.42 |
| Apparel[9] | 27 | 720,684 | 465,684 | 9.6% | $ 3,077,760 | 7.3% | $ 6.61 |
| Technology & Electronics[10] | 48 | 427,331 | 304,938 | 6.3% | $ 3,042,102 | 7.2% | $ 9.98 |
| Industrial Equipment & Components | 46 | 326,241 | 326,241 | 6.7% | $ 2,647,950 | 6.3% | $ 8.12 |
| Construction[11] | 53 | 329,807 | 329,807 | 6.8% | $ 2,556,960 | 6.1% | $ 7.75 |
| Automotive[12] | 56 | 298,032 | 298,032 | 6.2% | $ 2,546,904 | 6.0% | $ 8.55 |
| Paper & Printing | 14 | 324,607 | 324,607 | 6.7% | $ 2,382,036 | 5.6% | $ 7.34 |
| Warehousing & Storage[13] | 48 | 659,743 | 300,103 | 6.2% | $ 2,231,347 | 5.3% | $ 7.44 |
| Pharmaceuticals | 13 | 172,419 | 172,419 | 3.6% | $ 2,116,128 | 5.0% | $ 12.27 |
| Food & Beverage[14] | 42 | 200,589 | 200,589 | 4.1% | $ 1,885,128 | 4.5% | $ 9.40 |
| Sporting & Recreational Goods | 26 | 163,077 | 163,077 | 3.4% | $ 1,381,476 | 3.3% | $ 8.47 |
| Logistics & Transportation | 22 | 159,385 | 159,385 | 3.3% | $ 1,236,624 | 2.9% | $ 7.76 |
| Healthcare | 28 | 120,609 | 120,609 | 2.5% | $ 1,221,444 | 2.9% | $ 10.13 |
| Government | 2 | 60,881 | 60,881 | 1.3% | $ 1,071,936 | 2.5% | $ 17.61 |
| Financial Services | 18 | 31,345 | 31,345 | 0.6% | $ 415,512 | 1.0% | $ 13.26 |
| Other[15] | 29 | 188,156 | 188,156 | 3.9% | $ 2,027,076 | 4.8% | $ 10.77 |
| **Total / Weighted Average[16]** | 693 | 5,580,883 | 4,843,850 | 100.0% | $42,204,871 | 100.0% | $ 8.71 |

(1) A single lease may cover space in more than one building.
(2) Calculated for each lease as leased square feet multiplied by our ownership interest for the applicable property, and then aggregated by industry.
(3) Calculated for each lease as the monthly contracted base rent per the terms of such lease, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest for the applicable property, and then aggregated by industry. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See “Business—Leases.”
(4) Calculated as annualized base rent for tenants in such industry divided by annualized base rent for the total portfolio as of March 31, 2013.
(5) Calculated as annualized base rent for tenants in such industry divided by our ownership interest in leased square feet for tenants in such industry as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(6) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $4,714,152, percentage of total annualized base rent was 11.5% and total annualized base rent per square foot was $8.36.
(7) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $3,770,700, percentage of total annualized base rent was 9.2% and total annualized base rent per square foot was $11.60.
(8) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $3,523,116, percentage of total annualized base rent was 8.6% and total annualized base rent per square foot was $7.41.

(9) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $3,027,348, percentage of total annualized base rent was 7.4% and total annualized base rent per square foot was $6.56.
(10) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,938,062, percentage of total annualized base rent was 7.1% and total annualized base rent per square foot was $9.94.
(11) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,523,816, percentage of total annualized base rent was 6.1% and total annualized base rent per square foot was $7.71.
(12) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,508,372, percentage of total annualized base rent was 6.1% and total annualized base rent per square foot was $8.51.
(13) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $1,875,535, percentage of total annualized base rent was 4.6% and total annualized base rent per square foot was $7.00.
(14) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $1,742,340, percentage of total annualized base rent was 4.2% and total annualized base rent per square foot was $9.22.
(15) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $1,995,780, percentage of total annualized base rent was 4.9% and total annualized base rent per square foot was $10.76.
(16) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

## Tenants

Our portfolio of properties has a stable and diversified tenant base. As of March 31, 2013, our properties were 89.4% leased to 693 tenants in a variety of industries, with no single tenant accounting for more than 2.3% and no single industry accounting for more than 11.6% of our total annualized rent. Our average tenant size is approximately 9,000 square feet, with nearly 70% of tenants occupying less than 50,000 square feet each. Our 10 largest tenants account for 13.7% of our annualized rent as of March 31, 2013. We intend to continue to maintain a diversified mix of tenants in order to limit our exposure to any single tenant or industry.

The following table sets forth information about the 10 largest tenants in our portfolio based on total annualized rent as of March 31, 2013.

| Tenant | Submarket | Number of Properties | Leased Square Feet | Ownership Interest in Leased Square Feet[1] | Percentage of Total Leased Square Feet | Annualized Base Rent[2] | Percentage of Total Annualized Base Rent[3] | Annualized Base Rent per Square Foot[4] | Lease Expirations |
|---|---|---|---|---|---|---|---|---|---|
| Biosense | San Gabriel Valley | 1 | 76,000 | 76,000 | 1.6% | $ 967,824 | 2.3% | $ 12.73 | 10/31/2020 |
| Towne Inc | OC Airport | 1 | 122,060 | 122,060 | 2.5% | $ 678,900 | 1.6% | $ 5.56 | 7/31/2014 |
| Deckers Outdoor Corporation | Ventura | 2 | 723,106 | 108,466 | 2.2% | $ 592,223 | 1.4% | $ 5.46 | 11/30/2018 |
| Royal Printex | Central LA | 1 | 78,928 | 78,928 | 1.6% | $ 540,384 | 1.3% | $ 6.85 | 1/31/2017 |
| Sonic Electronix | Greater San Fernando Valley | 1 | 71,268 | 71,268 | 1.5% | $ 534,516 | 1.3% | $ 7.50 | 8/31/2014 |
| PureTek | Greater San Fernando Valley | 1 | 76,993 | 76,993 | 1.6% | $ 526,632 | 1.2% | $ 6.84 | 11/30/2015 |
| Circor Aerospace | Greater San Fernando Valley | 1 | 77,118 | 77,118 | 1.6% | $ 524,256 | 1.2% | $ 6.80 | 12/31/2014 |
| Perfect Fit Industries | Mid Counties | 1 | 96,758 | 96,758 | 2.0% | $ 522,492 | 1.2% | $ 5.40 | 7/31/2013 |
| Plastics Research Corporation | Inland Empire West | 1 | 107,861 | 107,861 | 2.2% | $ 440,076 | 1.0% | $ 4.08 | 2/28/2022 |
| Genie Air | Greater San Fernando Valley | 1 | 81,282 | 81,282 | 1.7% | $ 438,924 | 1.0% | $ 5.40 | 5/31/2016 |
| **Top 10 Tenants** | | 11 | 1,511,374 | 896,734 | 18.5% | $ 5,766,227 | 13.7% | $ 6.43 | |
| All Other Tenants[5] | | 50 | 4,069,509 | 3,947,116 | 81.5% | $36,438,644 | 86.3% | $ 9.23 | |
| **Total Initial Portfolio[6]** | | 61 | 5,580,883 | 4,843,850 | 100.0% | $42,204,871 | 100.0% | $ 8.71 | |

(1) Calculated for each tenant as leased square feet multiplied by our ownership interest for the applicable property.

(2) Calculated for each tenant as the monthly contracted base rent per the terms of such tenant's lease, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest for the applicable property. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See "Business—Leases."
(3) Calculated as annualized base rent for such tenant divided by annualized base rent for the total portfolio as of March 31, 2013.
(4) Calculated as annualized base rent for such tenant divided by our ownership interest in leased square feet for such tenant as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(5) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $35,326,100, percentage of total annualized base rent was 86.0% and total annualized base rent per square foot was $9.18.
(6) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

**Leases**

***Overview***

*Triple net lease.* In our triple net leases, the tenant is responsible for all aspects of and costs related to the property and its operation during the lease term. The landlord may have responsibility under the lease to perform or pay for certain capital repairs or replacements to the roof, structure or certain building systems, such as heating and air conditioning and fire suppression. The tenant may have the right to terminate the lease or abate rent due to a major casualty or condemnation affecting a significant portion of the property or due to the landlord's failure to perform its obligations under the lease. As of March 31, 2013, there were 76 triple net leases in our property portfolio, representing approximately 37.1% of our total annualized base rent.

*Modified gross lease.* In our modified gross leases, the landlord is responsible for some property related expenses during the lease term, but the cost of most of the expenses is passed through to the tenant for reimbursement to the landlord. The tenant may have the right to terminate the lease or abate rent due to a major casualty or condemnation affecting a significant portion of the property or due to the landlord's failure to perform its obligations under the lease. As of March 31, 2013, there were 395 modified gross leases in our property portfolio, representing approximately 38.2% of our total annualized base rent.

*Gross lease.* In our gross leases, the landlord is responsible for all aspects of and costs related to the property and its operation during the lease term. The tenant may have the right to terminate the lease or abate rent due to a major casualty or condemnation affecting a significant portion of the property or due to the landlord's failure to perform its obligations under the lease. As of March 31, 2013, there were 222 gross leases in our property portfolio, representing approximately 24.7% of our total annualized base rent.

The following table provides information regarding our leases as of March 31, 2013:

| Square Feet | Number of Leases | Leased Square Feet | Ownership Interest in Leased Square Feet[1] | Percentage of Total Leased Square Feet | Annualized Base Rent[2] | Percentage of Total Annualized Base Rent[3] | Annualized Base Rent per Square Foot[4] |
|---|---|---|---|---|---|---|---|
| <4,999 [5] | 492 | 984,989 | 984,989 | 20.3% | $ 9,521,563 | 22.6% | $ 9.67 |
| 5,000—9,999 [6] | 80 | 552,436 | 552,436 | 11.4% | $ 5,015,844 | 11.9% | $ 9.08 |
| 10,000—24,999 | 82 | 1,302,745 | 1,302,745 | 26.9% | $11,936,274 | 28.3% | $ 9.16 |
| 25,000—49,999 | 21 | 717,913 | 717,913 | 14.8% | $ 5,926,008 | 14.0% | $ 8.25 |
| >50,000 | 18 | 2,022,800 | 1,285,767 | 26.5% | $ 9,805,182 | 23.2% | $ 7.63 |
| **Total / Weighted Average [7]** | 693 | 5,580,883 | 4,843,850 | 100.0% | $42,204,871 | 100.0% | $ 8.71 |

(1) Calculated for each lease as rentable square feet under the lease multiplied by our ownership interest in the applicable property, and then aggregated by square feet.

(2) Calculated for each lease as the monthly contracted base rent per the terms of such lease, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest in the applicable property, and then aggregated by square feet. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See "Business—Leases."
(3) Calculated as annualized base rent for such leases divided by annualized base rent for the total portfolio as of March 31, 2013.
(4) Calculated as annualized base rent for such leases divided by our ownership interest in leased square feet for such leases as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(5) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $8,494,519, percentage of total annualized base rent was 20.7% and total annualized base rent per square foot was $9.49.
(6) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $4,930,344, percentage of total annualized base rent was 12.0% and total annualized base rent per square foot was $9.08.
(7) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

***Lease Expirations***

As of March 31, 2013, our weighted average in-place remaining lease term was 2.57 years. The following table sets forth a summary schedule of lease expirations for leases in place as of March 31, 2013, plus available space, for each of the 10 full and partial calendar years commencing March 31, 2013 and thereafter in our portfolio. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

| Year of Lease Expiration | Number of Leases Expiring | Total Rentable Square Feet[1] | Ownership Interest in Rentable Square Feet[2] | Percentage of Total Owned Square Feet | Annualized Base Rent[3] | Percentage of Total Annualized Base Rent[4] | Annualized Base Rent per Square Foot[5] |
|---|---|---|---|---|---|---|---|
| MTM Tenants [6][7] | 49 | 113,339 | 113,339 | 2.0% | $ 1,039,740 | 2.5% | $ 9.17 |
| Available [8] | 0 | 1,097,080 | 823,967 | 14.5% | $ 0 | 0.0% | $ 0.00 |
| 2013[9] | 202 | 812,859 | 812,859 | 14.3% | $ 7,322,400 | 17.3% | $ 9.01 |
| 2014[10] | 215 | 1,355,875 | 1,355,875 | 23.9% | $11,164,976 | 26.5% | $ 8.23 |
| 2015[11] | 140 | 1,102,780 | 980,387 | 17.3% | $ 7,833,558 | 18.6% | $ 7.99 |
| 2016[12] | 44 | 526,443 | 526,443 | 9.3% | $ 4,630,512 | 11.0% | $ 8.80 |
| 2017[13] | 17 | 342,615 | 342,615 | 6.0% | $ 2,873,538 | 6.8% | $ 8.39 |
| 2018[14] | 15 | 938,080 | 323,440 | 5.7% | $ 2,749,691 | 6.5% | $ 8.50 |
| 2019 | 3 | 55,787 | 55,787 | 1.0% | $ 582,672 | 1.4% | $ 10.44 |
| 2020 | 4 | 154,526 | 154,526 | 2.7% | $ 2,571,192 | 6.1% | $ 16.64 |
| 2021 | 1 | 1,680 | 1,680 | 0.0% | $ 29,028 | 0.1% | $ 17.28 |
| 2022 | 1 | 107,861 | 107,861 | 1.9% | $ 440,076 | 1.0% | $ 4.08 |
| Thereafter | 2 | 69,038 | 69,038 | 1.2% | $ 967,488 | 2.3% | $ 14.01 |
| **Total Initial Portfolio[15]** | 693 | 6,677,963 | 5,667,817 | 100.0% | $42,204,871 | 100.0% | $ 8.71 |

(1) Represents the contracted square footage upon expiration.
(2) Calculated as rentable square feet for such property multiplied by our ownership interest in such property.
(3) Calculated as monthly contracted base rent per the terms of such lease, as of March 31, 2013, multiplied by 12 and then multiplied by our ownership interest in such property. Excludes billboard and antenna revenue and rent abatements. Total rent abatements with respect to our initial portfolio for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $980,117, of which our proportionate share, based on our ownership interest in the applicable properties, is $980,117. Annualized base rent includes rent from triple net leases, modified gross leases and gross leases. See "Business—Leases."
(4) Calculated as annualized base rent set forth in this table divided by annualized base rent for the total portfolio as of March 31, 2013.
(5) Calculated as annualized base rent for such leases divided by our ownership interest in leased square feet for such leases at each of the properties so impacted by the lease expirations as of March 31, 2013. Total annualized base rent per square foot, net of our proportionate share of rent abatements, for our properties is $8.51.
(6) Represents tenants under month-to-month leases.
(7) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $924,552, percentage of total annualized base rent was 2.2% and total annualized base rent per square foot was $8.84.

(8) Excluding our pending acquisitions of Oxnard and Orion, percentage of total owned square feet was 14.4%.
(9) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $7,161,912, percentage of total annualized base rent was 17.4% and total annualized base rent per square foot was $8.96.
(10) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $10,942,555, percentage of total annualized base rent was 26.6% and total annualized base rent per square foot was $8.18.
(11) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $7,379,442, percentage of total annualized base rent was 18.0% and total annualized base rent per square foot was $7.87.
(12) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $4,593,252, percentage of total annualized base rent was 11.2% and total annualized base rent per square foot was $8.78.
(13) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,860,146, percentage of total annualized base rent was 7.0% and total annualized base rent per square foot was $8.38.
(14) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $2,640,011, percentage of total annualized base rent was 6.4% and total annualized base rent per square foot was $8.48.
(15) Excluding our pending acquisitions of Oxnard and Orion, annualized base rent was $41,092,327 and total annualized base rent per square foot was $8.66.

**Description of Initial Portfolio**

We are presenting additional data below for the only property that comprised 10% or more of our total consolidated assets as of March 31, 2013 or that had gross revenues that amounted to 10% or more of our consolidated gross revenues for the three months ended March 31, 2013.

***Glendale Commerce Center***

Glendale Commerce Center is an eight-building industrial complex located in Los Angeles, California within the Greater San Fernando Valley submarket. The property, positioned along the main industrial corridor of Glendale, California, offers regional access via the I-5 or the Glendale freeway at San Fernando Road. The complex includes six industrial buildings containing approximately 434,422 rentable square feet in the aggregate, and features both traditional dock-high 26 foot clearance warehouse/distribution units that range in size from 18,000 to 60,000 square feet as well as ground-level 18 foot clearance multi-tenant units between 2,800 and 13,500 square feet. The complex also includes two retail buildings containing approximately 38,923 rentable square feet in the aggregate. Constructed in stages between 1966 and 1995, the property is situated on 21.48 acres. Approximately 1 acre of the site is ground leased pursuant to a lease that has a remaining term of approximately 49 years and a current monthly base rent payment of $12,000; the remaining portions of the Glendale Commerce Center are owned in fee simple.

As of March 31, 2013, Glendale Commerce Center had 27 tenants, each under a triple net lease. The property was 99.4% occupied at acquisition, and currently the property is 100% occupied. We acquired Glendale Commerce Center on April 17, 2013 for $56.2 million from DEXUS Glendale, LLC.

The following table summarizes information regarding material tenants representing in excess of 10% of the annualized base rent of Glendale Commerce Center as of March 31, 2013:

| Tenant | Principal Nature of Business | Lease Expiration | Renewal Options | Date of Early Termination Option | Total Leased Square Feet | Percentage of Property Rentable Square Feet | Annualized Base Rent[2] | Annualized Rent Per Leased Square Foot[3] | Percentage of Property Annualized Rent |
|---|---|---|---|---|---|---|---|---|---|
| Anderson Printing | Paper & Printing | 12/31/2016 | (1) | N/A | 58,328 | 12.3% | 501,444 | $ 8.60 | 11.2% |

(1) One five-year renewal option.
(2) Calculated as the monthly contracted base rent per the terms of the lease as of March 31, 2013, multiplied by 12. Annualized base rent includes rent from triple net leases.
(3) Represents annualized base rent divided by leased square feet.

The following table sets forth the lease expirations for leases in place at Glendale Commerce Center as of March 31, 2013, plus available space, for each of the ten full and partial calendar years beginning March 31, 2013. The information set forth in the table assumes that tenants exercise no renewal options and no early termination options. As of March 31, 2013, the weighted average remaining lease term for this property was 3.1 years.

| Year of Lease Expiration | Number of Leases Expiring | Total Rentable Square Feet | Percentage Of Total Owned Square Feet | Annualized Base Rent[1] | Percentage of Total Annualized Base Rent | Annualized Base Rent Per Square Foot[2] |
|---|---|---|---|---|---|---|
| Available | 0 | 2,920 | 0.6% | $ 0 | 0.0% | $ 0.00 |
| 2013 | 2 | 23,160 | 4.9% | $ 286,272 | 6.4% | $ 12.36 |
| 2014 | 5 | 32,284 | 6.8% | $ 340,884 | 7.6% | $ 10.56 |
| 2015 | 9 | 175,383 | 37.1% | $1,611,408 | 36.1% | $ 9.19 |
| 2016 | 5 | 115,758 | 24.5% | $1,006,524 | 22.5% | $ 8.70 |
| 2017 | 3 | 42,966 | 9.1% | $ 356,688 | 8.0% | $ 8.30 |
| 2018 | 1 | 40,500 | 8.6% | $ 413,088 | 9.2% | $ 10.20 |
| 2019 | 2 | 40,374 | 8.5% | $ 456,900 | 10.2% | $ 11.32 |
| 2020 | 0 | 0 | 0.0% | $ 0 | 0.0% | $ 0.00 |
| 2021 | 0 | 0 | 0.0% | $ 0 | 0.0% | $ 0.00 |
| 2022 | 0 | 0 | 0.0% | $ 0 | 0.0% | $ 0.00 |
| Thereafter | 0 | 0 | 0.0% | $ 0 | 0.0% | $ 0.00 |
| **Total/Weighted Average:** | 27 | 473,345 | 100.0% | $4,471,764 | 100.0% | $ 9.51 |

(1) Calculated as the monthly contracted base rent per the terms of the leases as of March 31, 2013, multiplied by 12. Excludes billboard and antenna revenue and rent abatements. Total rent abatements for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $15,870. Annualized base rent includes rent from triple net leases.
(2) Represents annualized base rent divided by leased square feet.

The following table sets forth the percentage leased, annualized base rent per leased square foot and annualized net effective annual base rent per leased square foot for Glendale Commerce Center as of the dates indicated below:

| Date | Percent Leased[2] | Annualized Base Rent per Leased Square Foot[3] | Annualized Net Effective Rent per Leased Square Foot[4] |
|---|---|---|---|
| March 31, 2013[1] | 99.4% | $ 9.51 | $ 8.95 |

(1) Data is not available earlier than March 31, 2013 because the property was acquired in April 2013.
(2) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated above, divided by (ii) rentable square feet, expressed as a percentage.
(3) Calculated as the monthly contracted base rent per the terms of the leases as of March 31, 2013, multiplied by 12. Excludes billboard and antenna revenue and rent abatements. Total rent abatements for leases in effect as of March 31, 2013 for the 12 months ending March 31, 2014 are $15,870. Annualized base rent includes rent from triple net leases.
(4) Calculated as (i) the contractual base rent for the leases in place as of March 31, 2013, calculated on a straight-line basis to amortize free rent periods and abatements, but without regard to tenant improvement allowances and leasing commissions, divided by (ii) square footage under commenced leases as of March 31, 2013.

Other than normally recurring capital expenditures, we have no plans with respect to the renovation, improvement or redevelopment of Glendale Commerce Center.

Upon completion of this offering and the formation transactions, Glendale Commerce Center will be encumbered with a $42.8 million mortgage loan. For more information regarding the mortgage debt encumbering

Glendale Commerce Center, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Consolidated Indebtedness to be Outstanding After this Offering."

The current real estate tax rate for Glendale Commerce Center is 1.26775% per $1.00 of assessed value. The total annual tax for Glendale Commerce Center at this rate for the tax year ended June 30, 2013 is $569,175 (at a taxable assessed value of $44,896,516). There were $44,277 in direct assessments imposed on Glendale Commerce Center by the City of Los Angeles or County of Los Angeles for the tax year ended June 30, 2013. All of the leases at this property are triple net leases. Any increase in real estate taxes as a result of the formation transactions will be borne by our tenants under the terms of their triple net leases.

**Historical Tenant Improvements and Leasing Commissions**

The following table sets forth certain historical information regarding leasing related (revenue generating) tenant improvement and leasing commission costs for tenants at the properties in our initial portfolio through March 31, 2013.

| | Three Months Ended March 31, 2013 | Square Feet | 2013 PSF[1] | 2012 | Square Feet | 2012 PSF[1] | 2011 | Square Feet | 2011 PSF[1] |
|---|---|---|---|---|---|---|---|---|---|
| **Tenant Improvements** | | | | | | | | | |
| New Leases—First Generation[2] | $ 19,000 | 38,986 | $0.49 | $ 623,000 | 38,068 | $16.37 | $ 415,000 | 184,944 | $2.24 |
| New Leases—Second Generation[2] | 54,000 | 56,507 | 0.96 | 206,000 | 164,190 | 1.25 | 29,000 | 67,859 | 0.43 |
| Renewal Leases | 14,000 | 25,390 | 0.55 | 525,000 | 208,841 | 2.51 | 2,000 | 32,465 | 0.06 |
| Total Tenant Improvements | $ 87,000 | 120,883 | $0.72 | $1,354,000 | 411,100 | $ 3.29 | $ 446,000 | 285,268 | $1.56 |
| **Leasing Commissions** | | | | | | | | | |
| New Leases—First Generation[2] | $ 42,000 | 34,431 | $1.22 | $ 472,000 | 424,803 | $ 1.11 | $ 344,000 | 305,572 | $1.13 |
| New Leases—Second Generation[2] | 53,000 | 47,352 | 1.12 | 120,000 | 152,604 | 0.79 | 138,000 | 92,231 | 1.50 |
| Renewal Leases | 50,000 | 66,200 | 0.76 | 514,000 | 352,484 | 1.46 | 201,000 | 218,778 | 0.92 |
| Total Leasing Commissions | $145,000 | 147,983 | $0.98 | $1,106,000 | 929,891 | $ 1.19 | $ 683,000 | 616,581 | $1.11 |
| **Total Tenant Improvements & Leasing Commissions** | $232,000 | 268,866 | $1.70 | $2,460,000 | 1,340,991 | $ 4.48 | $1,129,000 | 901,849 | $2.67 |

(1) Per square foot ("PSF") amounts calculated by dividing the aggregate tenant improvement and/or leasing commission cost by the aggregate square footage of the leases in which we incurred such costs, excluding new/renewal leases in which there were no tenant improvements and/or leasing commissions.

(2) New leases represent all leases other than renewal leases.

### Historical Capital Expenditures

The following table sets forth certain information regarding historical maintenance (non-revenue generating) capital expenditures at the properties in our portfolio through March 31, 2013.

| | Three Months Ended March 31, 2013 | | | 2012 | | | 2011 | | | 2010 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Amount | Square Feet | PSF[1] | Amount | Square Feet | PSF[1] | Amount | Square Feet | PSF[1] | Amount | Square Feet | PSF[1] |
| Non-Recurring Capital Expenditures [2] | $433,000 | 5,014,382 | $ 0.09 | $3,056,000 | 5,093,752 | $ 0.60 | $1,117,000 | 4,562,842 | $ 0.24 | $1,016,338 | 3,993,092 | $ 0.25 |
| Recurring Capital Expenditures [3] | $ 72,000 | 5,014,382 | $ 0.01 | $ 367,000 | 5,093,752 | $ 0.07 | $ 225,000 | 4,562,842 | $ 0.05 | $ 240,228 | 3,993,092 | $ 0.06 |
| **Total Capital Expenditures** | $505,000 | | | $3,423,000 | | | $1,342,000 | | | $1,256,566 | | |

(1) PSF amounts calculated by dividing the aggregate capital expenditure costs for each period ending by the square footage of our properties for each period.
(2) Non-recurring capital expenditures is defined as expenditures made in respect of a property for improvement to the appearance of such property or any other major upgrade or renovation of such property, and further includes capital expenditures for seismic upgrades, or capital expenditures for deferred maintenance existing at the time such property was acquired.
(3) Recurring capital expenditures is defined as expenditures made in respect of a property for maintenance of such property and replacement of items due to ordinary wear and tear, including, but not limited to, expenditures made for maintenance or replacement of parking lot, roofing materials, mechanical systems, HVAC systems and other structural systems.

### Property Revenue and Operating Expenses

Our initial portfolio contains gross, modified gross and triple net leases. In the case of modified gross leases and triple net leases, base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.

In order to provide a better understanding of how these expenses impact the comparability of the leases in place at the properties comprising our initial portfolio, the tables below include information regarding base rent, additional property income, billed expense reimbursements and property operating expenses associated with each of the properties in our initial portfolio for the 12 months ended March 31, 2013. Because our properties are self-managed, property operating expenses do not include property management fees.

| Property Address[1] | Base Rent[2] | Base Rent, Net of Abatements[3] | Additional Property Income[4] | Billed Expense Reimbursements | Property Operating Expenses[5] |
|---|---|---|---|---|---|
| **Los Angeles—Greater San Fernando Valley** | | | | | |
| 15140 & 15148 Bledsoe St., 13065—13081 Bradley Ave. | $ 868,959 | $ 774,508 | $ 1,665 | $ 175,887 | ($230,627) |
| 28340—28400 Avenue Crocker | $ 634,053 | $ 593,029 | $ 0 | $ 62,946 | ($207,036) |
| 28159 Avenue Stanford | $ 871,169 | $ 854,333 | $ 10,656 | $ 27,534 | ($305,084) |
| 21-29 West Easy St. | $ 858,301 | $ 825,207 | ($ 6,411) | $ 51,601 | ($215,952) |
| 15041 Calvert St.[6] | $ 122,710 | $ 122,710 | $ 0 | $ 0 | ($ 27,386) |
| 6701 & 6711 Odessa Ave. | $ 184,075 | $ 149,804 | $ 0 | $ 37,317 | ($ 69,349) |
| 1050 Arroyo Ave. | $ 175,544 | $ 113,679 | $ 0 | $ 770 | ($ 90,336) |
| 901 W. Alameda Ave. | $1,145,941 | $1,145,941 | $ 16,225 | $ 6,380 | ($253,581) |
| 700 Allen Ave., 1840 Dana St., & 1830 Flower | $ 0 | $ 0 | $ 0 | $ 0 | ($ 96,572) |

| Property Address[1] | Base Rent[2] | Base Rent, Net of Abatements[3] | Additional Property Income[4] | Billed Expense Reimbursements | Property Operating Expenses[5] |
|---|---|---|---|---|---|
| 121-125 N. Vinedo Ave. | $ 467,583 | $ 467,583 | $ 0 | $ 0 | ($ 87,353) |
| 89-91 N. San Gabriel Blvd., 2670-2674 Walnut Ave., 2675 Nina St. | $ 475,907 | $ 433,044 | ($ 3,506) | $ 28,792 | ($ 91,394) |
| **Subtotal** | $5,804,242 | $5,479,838 | $ 18,629 | $ 391,227 | ($1,674,670) |
| **Los Angeles—San Gabriel Valley** | | | | | |
| 1400 South Shamrock | $ 906,545 | $ 906,545 | $ 5,758 | $ 123,092 | ($ 129,741) |
| 15705, 15709 Arrow Highway & 5220 Fourth St. | $ 956,752 | $ 906,752 | $ 0 | $ 114,873 | ($ 134,836) |
| 15715 Arrow Highway | $ 599,886 | $ 588,394 | $ 9,785 | $ 92,520 | ($ 257,658) |
| 14250-14278 Valley Blvd. | $ 666,491 | $ 608,563 | $ 5,225 | $ 49,749 | ($ 185,395) |
| 13914-13932 Valley Blvd. | $ 321,123 | $ 308,643 | $ 6,016 | $ 13,115 | ($ 144,052) |
| 15241—15277, 15317—15339 Don Julian Rd. | $1,968,803 | $1,819,837 | $ 0 | $ 163,985 | ($ 448,709) |
| **Subtotal** | $5,419,600 | $5,138,734 | $ 26,784 | $ 557,334 | ($1,300,391) |
| **Los Angeles—Central** | | | | | |
| 1938-1946 E. 46th St. | $1,193,894 | $1,102,246 | $ 0 | $ 111,306 | ($ 197,161) |
| **Subtotal** | $1,193,894 | $1,102,246 | $ 0 | $ 111,306 | ($ 197,161) |
| **Los Angeles—Mid-Counties** | | | | | |
| 9641—9657 Santa Fe Springs Rd. | $ 850,018 | $ 768,280 | $ 55 | $ 112,460 | ($ 196,836) |
| 14944, 14946, 14948 Shoemaker Ave. | $ 477,117 | $ 434,319 | ($ 290) | $ 45,863 | ($ 178,534) |
| 12910 East Mulberry Dr. | $ 879,306 | $ 763,293 | $ 0 | $ 10,960 | ($ 191,996) |
| 9220-9268 Hall Rd. | $ 726,488 | $ 669,213 | $ 18,339 | $ 96,561 | ($ 442,200) |
| **Subtotal** | $2,932,929 | $2,635,105 | $ 18,104 | $ 265,844 | ($1,009,566) |
| **Los Angeles—South Bay** | | | | | |
| 6423-6431 & 6407-6119 Alondra Blvd. | $ 215,169 | $ 213,743 | $ 1,783 | $ 36,142 | ($ 74,689) |
| 311, 319, 329 & 333 157th St. | $ 375,281 | $ 352,041 | $ 2,465 | $ 21,163 | ($ 119,037) |
| 20920-20950 Normandie Aven. | $ 474,829 | $ 460,028 | $ 460 | $ 50,398 | ($ 161,427) |
| 6010 Paramount Ave., 2708 Seaboard Lane[7] | $ 132,589 | $ 132,589 | $ 0 | $ 29,110 | ($ 25,403) |
| **Subtotal** | $1,197,868 | $1,158,401 | $ 4,708 | $ 136,813 | ($ 380,556) |
| **North Orange County** | | | | | |
| 2300-2386 East Walnut Ave. | $1,003,243 | $ 894,680 | $ 82,555[8] | $ 241,071 | ($ 327,551) |
| 1631 N. Placentia Ave., 2350—2384 E. Orangethorpe Ave. | $ 619,878 | $ 575,408 | $ 2,424 | $ 32,623 | ($ 203,224) |
| 1255 Knollwood Circle | $ 22,112 | $ 22,112 | $ 18,980 | $ 16,495 | ($ 46,969) |
| **Subtotal** | $1,645,233 | $1,492,200 | $ 103,959 | $ 290,189 | ($ 577,744) |
| **Orange County Airport** | | | | | |
| 3441 West MacArthur Blvd. | $ 672,306 | $ 672,306 | $ 0 | $ 114,392 | ($ 121,058) |
| 600-650 South Grand Ave. | $ 853,430 | $ 787,977 | ($ 940) | $ 64,093 | ($ 320,853) |
| 3720-3750 W. Warner Ave. | $ 232,798 | $ 214,885 | ($ 3,750) | $ 15,858 | ($ 88,722) |
| 200-220 South Grand Ave. | $ 219,062 | $ 200,475 | $ 1,825 | $ 26,085 | ($ 73,253) |
| **Subtotal** | $1,977,596 | $1,875,643 | ($ 2,865) | $ 220,428 | ($ 603,886) |

| Property Address[1] | Base Rent[2] | Base Rent, Net of Abatements[3] | Additional Property Income[4] | Billed Expense Reimbursements | Property Operating Expenses[5] |
|---|---|---|---|---|---|
| **San Bernardino—Inland Empire West** | | | | | |
| 1400 S. Campus Ave. [9] | $ 427,999 | $ 427,999 | $ 0 | $ 24,175 | ($ 72,552) |
| 9160—9220 Cleveland Ave., 10860 6th St. | $ 1,441,389 | $ 1,342,687 | $ 0 | $ 26,098 | ($ 345,667) |
| 10700 Jersey Blvd. | $ 791,696 | $ 752,696 | $ 3,973 | $ 28,030 | ($ 291,847) |
| 9375 Archibald Ave. | $ 370,868 | $ 348,343 | $ 16,944 | $ 25,908 | ($ 209,888) |
| **Subtotal** | $ 3,031,952 | $ 2,871,725 | $ 20,917 | $ 104,211 | ($ 919,954) |
| **San Bernardino—Inland Empire East** | | | | | |
| 6750 Unit B-C—6780 Central Ave. | $ 224,830 | $ 144,857 | $ 360 | $ 24,697 | ($ 115,440) |
| 77-700 Enfield Lane | $ 147,065 | $ 137,712 | $ 0 | $ 19 | ($ 48,864) |
| **Subtotal** | $ 371,895 | $ 282,569 | $ 360 | $ 24,716 | ($ 164,304) |
| **Ventura County** | | | | | |
| 300 South Lewis Rd. | $ 1,378,247 | $ 1,279,319 | $ 5,960 | $ 120,343 | ($ 283,351) |
| 2220-2260 Camino del Sol | $ 499,394 | $ 484,122 | $ 1,498 | $ 88,220 | ($ 136,286) |
| 701 Del Norte Blvd. [10] | $ 287,411 | $ 269,105 | $ 1,075 | ($ 1,415) | ($ 72,925) |
| **Subtotal** | $ 2,165,052 | $ 2,032,546 | $ 8,533 | $ 207,148 | ($ 492,562) |
| **San Diego—North County** | | | | | |
| 1335 Park Center Dr. [11] | $ 108,320 | $ 93,600 | $ 0 | $ 163 | ($ 222,987) |
| 929, 935, 939 & 951 Poinsettia Ave. | $ 470,667 | $ 424,898 | $ 5,240 | $ 62,664 | ($ 286,604) |
| 2575 Pioneer Ave. | $ 401,948 | $ 322,732 | $ 0 | $ 61,255 | ($ 177,154) |
| 6200 & 6300 Yarrow Dr. | $ 861,811 | $ 777,871 | $ 0 | $ 139,200 | ($ 279,757) |
| 2431-2465 Impala Dr. | $ 775,347 | $ 710,587 | $ 0 | $ 153,744 | ($ 256,035) |
| 6231 & 6241 Yarrow Dr. | $ 591,218 | $ 546,780 | $ 0 | $ 54,942 | ($ 203,167) |
| 5803 Newton Dr. | $ 343,280 | $ 250,792 | $ 0 | $ 49,233 | ($ 218,538) |
| **Subtotal** | $ 3,552,591 | $ 3,127,260 | $ 5,240 | $ 521,201 | ($1,644,242) |
| **San Diego—Central** | | | | | |
| 12345 First American Way | $ 420,386 | $ 380,197 | $ 65 | $ 117,390 | ($ 163,593) |
| **Subtotal** | $ 420,386 | $ 380,197 | $ 65 | $ 117,390 | ($ 163,593) |
| **San Diego—South County** | | | | | |
| 131 W. 33rd St. | $ 434,655 | $ 419,207 | $ 50 | $ 39,084 | ($ 158,545) |
| **Subtotal** | $ 434,655 | $ 419,207 | $ 50 | $ 39,084 | ($ 158,545) |
| **Other** | | | | | |
| 2515, 2507, 2441 W. Erie Drive & 2929 S. Fair Lane | $ 570,557 | $ 523,879 | $ 0 | $ 269,328 | ($ 242,441) |
| 500-560 Zenith Dr. [12] | $ 282,313 | $ 279,506 | $ 400 | $ 120,617 | ($ 306,978) |
| **Subtotal** | $ 852,870 | $ 803,385 | $ 400 | $ 389,945 | ($ 549,419) |
| **Consolidated Portfolio—Total** | $31,000,763 | $28,799,056 | $204,884 | $ 3,376,836 | ($9,836,593) |
| 10439-10477 Roselle St. [13] | $ 729,000 | $ 677,991 | $ 6,696 | $ 7,980 | ($ 260,589) |
| 3001, 3175 & 3233 Mission Oaks Blvd. [14] | $ 687,161 | $ 642,161 | $ 4,260 | $ 299,118 | ($ 316,773) |

(1) Includes two properties sold subsequent to March 31, 2013. Excludes properties acquired since March 31, 2013. Properties acquired during the 12 months ended March 31, 2013 reflect their respective prorated ownership period.

(2) Represents base rent for the 12 months ended March 31, 2013 (before abatements) and excludes impact of straight line rent and FAS 141 adjustments in the amount of $872,004 and ($222,798), respectively. Total abatements for our initial total portfolio were ($2,201,707) for the 12 months ended March 31, 2013. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.
(3) Represents base rent for the 12 months ended March 31, 2013, adjusted for abatements, which, for our portfolio, total ($2,201,707).
(4) Represents additional property-related income for the 12 months ended March 31, 2013, which includes other property income (such as late fees, reimbursement for legal fees and other miscellaneous reimbursements).
(5) Represents property operating expenses for the 12 months ended March 31, 2013. Total property operating expenses includes all rental expenses including overhead allocations in the aggregate amount of $839,667.
(6) Property acquired on December 26, 2012.
(7) Portion of the property was sold on October 12, 2012.
(8) Includes $81,000 for an easement fee for the temporary use of a portion of the building.
(9) Property acquired on March 7, 2012.
(10) Property acquired on December 18, 2012.
(11) Property executed a new 118,597 sq. ft., 11.5 year lease that commenced on June 1, 2013. The tenant commences paying rent on January 1, 2014 with a starting annualized base rent amount of $740,045.
(12) Property acquired on May 1, 2012.
(13) Amounts represent 70% tenants-in-common ownership interest, presented under the equity method in the Predecessor financial statements.
(14) Property acquired on June 27, 2012. Amounts represents our 15% joint venture ownership interest, presented under the equity method in the Predecessor financial statements.

**Description of Certain Debt**

The following is a summary of the material provisions of the loan agreements evidencing our material debt to be outstanding upon the completion of this offering and the completion of the formation transactions (based on pro forma balances as of March 31, 2013). The following is only a summary and it does not include all of the provisions of such agreements, copies of which are filed as exhibits to the registration statement of which this prospectus is a part. See “Where You Can Find More Information.”

***Assumed Mortgage Loans***

Immediately following the completion of our formation transactions and the application of the net proceeds of this offering and the concurrent private placement, we expect to assume an aggregate amount of approximately $48.1 million in principal amount of mortgage debt secured by two of our properties, based on March 31, 2013 balances. One of the loans has a floating interest rate of LIBOR + 2.00%, is secured by our property known as the Glendale Commerce Center, and is schedule to mature on May 1, 2016, subject to two 1-year extensions. The other loan is a securitized loan that has a fixed interest rate of 5.45% per annum, is secured by a mortgage on our property located at 10700 Jersey Boulevard, and is scheduled to mature on January 1, 2015.

In addition, the three properties owned indirectly by the JV are subject to the following mortgage debt, based on March 31, 2013 balances:

- a loan with an estimated outstanding balance of approximately $13.4 million ($2.0 million of which represents our 15% allocated share of such loan) and a floating interest rate of LIBOR + 2.50%, which is secured by a mortgage on our property located at 3001 Mission Oaks Boulevard and is scheduled to mature on June 28, 2015, subject to two 1-year extension options;

- a loan with an estimated outstanding balance of approximately $20.6 million ($3.1 million of which represents our 15% allocated share of such loan) and a floating interest rate of LIBOR + 2.50%, which is secured by a mortgage on our property located at 3175 Mission Oaks Boulevard and is scheduled to mature on June 28, 2015, subject to two 1-year extension options; and

- a loan with an estimated outstanding balance of approximately $7.5 million ($1.1 million of which represents our 15% allocated share of such loan) and a floating interest rate of LIBOR + 2.50%, which is secured by a mortgage on our property located at 3233 Mission Oaks Boulevard and is scheduled to mature on June 28, 2015, subject to two 1-year extension options.

The Glendale Commerce Center loan agreement contains a debt service coverage ratio requirement that is tested quarterly, as well as a debt service coverage ratio requirement and a loan-to-value ratio requirement that are tested each time we exercise an option to extend the maturity date of the loan. In addition, pursuant to the terms of the Glendale Commerce Center loan, we must also meet certain liquidity and net worth requirements that are tested annually. The loan agreements for the properties owned indirectly by the JV each contain a combined debt yield ratio requirement that is tested annually, and a combined debt service coverage ratio requirement and a combined loan-to-value ratio requirement that are tested each time the borrowers of the Mission Oaks Blvd loans exercise an option to extend the maturity date of the loans. We and the borrowers of the Mission Oaks Blvd loans are currently in compliance with the financial covenants and net worth and liquidity requirements in our and their respective loan agreements. The Glendale Commerce Center loan and the Mission Oaks Blvd loans also each contain cross-default provisions with respect to certain of our other indebtedness, and the Mission Oaks Blvd loans are cross-collateralized with each other.

***New Term Loan***

We have negotiated a new $60 million term loan with Bank of America, N.A., which we expect to have in place upon completion of this offering. We anticipate that the new term loan will be secured by a mortgage on approximately six of our properties, and will bear interest at a floating rate of LIBOR + 1.925%. The new term loan is expected to have an initial term of approximately 72 months, subject to one 12-month extension, and is expected to amortize on a monthly basis beginning in month 37 of the loan (based on a 30-year repayment schedule and an interest rate equal to the actual payment rate). We anticipate that the new term loan will contain customary financial covenants, including a debt service coverage ratio that will be tested quarterly, as well as liquidity and net worth requirements that will be tested annually. The new term loan may also include cross-default provisions with respect to certain of our other indebtedness, and will be subject to customary closing conditions for a loan of this type. There can be no assurance that all of the closing conditions will be satisfied.

***Proposed Revolving Credit Facility***

A group of lenders for which Bank of America, N.A. will act as administrative agent and Merrill Lynch, Pierce, Fenner & Smith Incorporated will act as sole bookrunner and sole lead arranger have provided commitments for a proposed revolving credit facility allowing borrowings of up to $200 million by our operating partnership. We expect the facility to have a term of three years. We also expect the facility to have an accordion feature that may allow us to increase the availability thereunder by $200 million to $400 million. We intend to use this facility principally for property acquisitions, working capital requirements and other general corporate purposes. We expect to borrow approximately $7.0 million under our proposed revolving credit facility at the completion of this offering, and an additional $14.2 million under our proposed revolving credit facility following the completion of this offering to acquire 8101-8117 Orion Avenue and 18310-18330 Oxnard Street (as reflected in our consolidated pro forma indebtedness as of March 31, 2013).

The proposed revolving credit facility is expected to bear interest at the rate of LIBOR plus a margin of 135 basis points to 205 basis points, depending on our leverage ratio. The amount available for us to borrow under the facility will be subject to the lesser of the then-applicable facility amount, a percentage of the net operating income of our properties that form the borrowing base of the facility, and a minimum implied debt service coverage ratio.

Our operating partnership’s ability to borrow under this proposed revolving credit facility will be subject to our ongoing compliance with a number of customary restrictive covenants, including a maximum leverage ratio, a maximum secured leverage ratio, a maximum recourse debt ratio, a minimum fixed charge coverage ratio, an unencumbered debt yield ratio, and a minimum tangible net worth requirement. Additionally, under the proposed revolving credit facility, our distributions may not exceed the greater of (i) 95.0% of our FFO or (ii) the amount required for us to qualify and maintain our status as a REIT and avoid the payment of federal

or state income or excise tax in any 12 month period. If a default or event of default occurs and is continuing, we may be precluded from making certain distributions (other than those required to allow us to qualify and maintain our status as a REIT). The proposed revolving credit facility will also include cross-default provisions with respect to certain of our other indebtedness. We expect that we and certain of our subsidiaries will guarantee the obligations under the proposed revolving credit facility.

The commitments are subject to closing conditions that are expected to include, among other things, satisfactory completion of due diligence by Bank of America, N.A. and the other lenders, successful completion of this offering, absence of material adverse effect, payment of fees, and the negotiation, execution and delivery of definitive documentation satisfactory to Bank of America, N.A. and the other lenders. There can be no assurance that all of the closing conditions will be satisfied.

Upon completion of this offering, and after the debt pay downs discussed under "Use of Proceeds," and after taking into account the anticipated borrowing under the new term loan at the completion of this offering, the approximately $7.0 million expected to be drawn under the proposed revolving credit facility at the completion of this offering and the approximately $14.2 million expected to be drawn under the proposed revolving credit facility to acquire the 8101-8117 Orion Avenue and 18310-18330 Oxnard Street properties shortly after the completion of this offering, we expect to have approximately $180.8 million in cash and revolving credit facility capacity available to us to fund working capital and property acquisitions and to execute our business strategy.

**Regulation**

***General***

Our properties are subject to various laws, ordinances and regulations, including regulations relating to common areas and fire and safety requirements. We believe that we have the necessary permits and approvals to operate each of our properties.

***Americans with Disabilities Act***

Our properties must comply with Title III of the ADA to the extent that such properties are "public accommodations" as defined under the ADA. Under the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where such removal is readily achievable. Although we believe that the properties in our portfolio in the aggregate substantially comply with present requirements of the ADA, and we have not received any notice for correction from any regulatory agency, we have not conducted a comprehensive audit or investigation of all of our properties to determine whether we are in compliance and therefore we may own properties that are not in compliance with the ADA.

ADA compliance is dependent upon the tenant's specific use of the property, and as the use of a property changes or improvements to existing spaces are made, we will take steps to ensure compliance. Noncompliance with the ADA could result in additional costs to attain compliance, imposition of fined by the U.S. government or an award of damages or attorney's fees to private litigants. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our properties and to make alterations to achieve compliance as necessary.

***Environmental Matters***

The properties that we acquire will be subject to various federal, state and local environmental laws. Under these laws, courts and government agencies have the authority to require us, as owner of a contaminated property, to clean up the property, even if we did not know of or were not responsible for the contamination. These laws also apply to persons who owned a property at the time it became contaminated, and therefore it is

possible we could incur these costs even after we sell some of the properties we acquire. In addition to the costs of cleanup, environmental contamination can affect the value of a property and, therefore, an owner's ability to borrow using the property as collateral or to sell the property. Under applicable environmental laws, courts and government agencies also have the authority to require that a person who sent waste to a waste disposal facility, such as a landfill or an incinerator, pay for the clean-up of that facility if it becomes contaminated and threatens human health or the environment.

Furthermore, various court decisions have established that third parties may recover damages for injury caused by property contamination. For instance, a person exposed to asbestos at one of our properties may seek to recover damages if he or she suffers injury from the asbestos. Lastly, some of these environmental laws restrict the use of a property or place conditions on various activities. An example would be laws that require a business using chemicals to manage them carefully and to notify local officials that the chemicals are being used.

We could be responsible for any of the costs discussed above. The costs to clean up a contaminated property, to defend against a claim, or to comply with environmental laws could be material and could adversely affect the funds available for distribution to our stockholders. We usually require Phase I or similar environmental assessments by independent environmental consultants at the time of acquisition of a property. We generally expect to continue to obtain a Phase I or similar environmental site assessments by independent environmental consultants on each property prior to acquiring it. However, these environmental assessments may not reveal all environmental costs that might have a material adverse effect on our business, assets, results of operations or liquidity and may not identify all potential environmental liabilities.

We can make no assurances that (1) future laws, ordinances or regulations will not impose material environmental liabilities on us, or (2) the current environmental condition of our properties will not be affected by tenants, the condition of land or operations in the vicinity of our properties (such as releases from underground storage tanks), or by third parties unrelated to us.

**Insurance**

We will carry commercial property, liability and terrorism coverage on all the properties in our initial portfolio under a blanket insurance policy. Generally, we do not carry insurance for certain types of extraordinary losses, including, but not limited to, losses caused by riots, war, earthquakes and wildfires. Substantially all of our properties are located in areas that are subject to earthquakes and are not insured against such an event. We will continue to monitor third-party earthquake insurance pricing and conditions and may consider obtaining third-party coverage if we deem it cost effective. Upon completion of this offering, the formation transactions and the concurrent private placement, we believe the policy specifications and insured limits will be appropriate and adequate given the relative risk of loss, the cost of the coverage and standard industry practice, however, our insurance coverage may not be sufficient to fully cover all of our losses. In addition, our title insurance policies may not insure for the current aggregate market value of our initial portfolio, and we do not intend to increase our title insurance coverage as the market value of our initial portfolio increases. We have not obtained and do not intend to obtain new or additional title insurance in connection with this offering, the formation transactions and the concurrent private placement, including any so-called date down endorsements or other modifications to our existing title insurance policies.

**Competition**

In acquiring our target properties, we compete with other public industrial property sector REITs, income oriented non-traded REITs, private real estate fund managers and local real estate investors and developers. The last named group, local real estate investors and developers, historically has represented our dominant competition for deals. Many of these entities have greater resources than us or other competitive advantages. We also face significant competition in leasing available properties to prospective tenants and in re-leasing space to existing tenants, including competition from the properties owned by Mr. Schwimmer. See "Certain Relationships and Related Transactions—Property Management Agreements."

**Employees**

As of March 31, 2013, our predecessor business employed 31 full-time employees. We believe that our relationships with our employees are very good. None of the employees is represented by a labor union.

**Legal Proceedings**

From time to time, we are party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. We are not currently a party, as plaintiff or defendant, to any legal proceedings which, individually or in the aggregate, would be expected to have a material effect on our business, financial condition or results of operations if determined adversely to us.

**Our Corporate Information**

Our principal executive offices are located at 11620 Wilshire Boulevard, Suite 300, Los Angeles, CA 90025. Our telephone number is (310) 966-1680. Our website is *www.rexfordindustrial.com*. The information found on, or otherwise accessible through, our website is not incorporated into, and does not form a part of, this prospectus or any other report or document we file with or furnish to the SEC.

## MANAGEMENT

### Directors and Executive Officers

Upon completion of this offering, our board of directors shall consist of seven directors, four of whom we believe are "independent" directors with independence being determined in accordance with the listing standards established by the NYSE. All members will serve annual terms. Upon the expiration of their terms at the annual meeting of stockholders in 2014, directors will be elected to serve a term of one year and until their successors are duly elected and qualify. Subject to rights pursuant to any employment agreements, officers serve at the pleasure of our board of directors.

The following sets forth certain information with respect to our directors and executive officers as of March 31, 2013.

| Name* | Age | Positions |
|---|---|---|
| Richard Ziman | 70 | Chairman |
| Howard Schwimmer | 52 | Co-Chief Executive Officer, Director |
| Michael S. Frankel | 50 | Co-Chief Executive Officer, Director |
| Adeel Khan | 39 | Chief Financial Officer |
| ** Robert L. Antin | 63 | Director Nominee |
| ** Leslie E. Bider | 62 | Director Nominee |
| ** Steven C. Good | 70 | Director Nominee |
| ** Joel S. Marcus | 65 | Director Nominee |

* The address of each director and executive officer listed is 11620 Wilshire Boulevard, Suite 300, Los Angeles, CA 90025.
** Will become a director effective upon completion of this offering.

### Biographical Summaries of Directors and Executive Officers

***Richard Ziman***

Mr. Ziman will serve as our Chairman. Mr. Ziman has served as the Co-Founder, Chairman and Director of our predecessor business since its inception in December 2001. Mr. Ziman's industrial real estate experience comprises over forty years of industrial real estate investment experience overseeing his personal, family and foundation-related investments in Southern California as well as having co-founded and served as Chairman of the management companies that we will acquire as part of the formation transactions. Mr. Ziman's overall commercial real estate experience also includes his role as the founding Chairman and CEO of Arden Realty, Inc., a real estate investment firm focused on the commercial office real estate markets in infill Southern California. Mr. Ziman served as Arden's Chairman of the Board and CEO from its inception in 1990 until its sale in mid-2006 to GE Real Estate in a $4.8 billion transaction involving Arden's portfolio of approximately 18.5 million square feet in more than 200 office buildings. Arden was publicly traded on the NYSE under the symbol "ARI." In 2006, Mr. Ziman also co-founded AVP Advisors, LLC and AVP Capital, LLC, the exclusive advisor to American Value Partners, a real estate fund of funds deploying capital on behalf of pension funds throughout the United States. In 1979, Mr. Ziman formed Pacific Financial Group, a diversified real estate investment and development firm, of which he was Managing General Partner. Mr. Ziman also serves on the boards of directors of The Rosalinde and Arthur Gilbert Foundation and The Gilbert Collection Trust. In 2001, Mr. Ziman established and endowed the Richard S. Ziman Center for Real Estate at the Anderson Graduate School of Management at the University of California at Los Angeles. Over the years, Mr. Ziman has held many significant leadership positions in the cultural, educational and social service life of Southern California. Mr. Ziman received his Bachelor's degree and his Juris Doctor degree from the University of Southern California and practiced law as a partner of the law firm Loeb & Loeb from 1971 to 1980, specializing in transactional and financial aspects of real estate. Mr. Ziman brings to the Board extensive executive management experience in the industrial real estate industry and in public companies and extensive knowledge of our company and our operations.

***Howard Schwimmer***

Mr. Schwimmer will serve as our Co-Chief Executive Officer and Director. Mr. Schwimmer has served as Co-Founder and Senior Managing Partner of our predecessor business and President of Rexford Industrial Realty & Management Inc. since December 2001. From May 1983 until November 2001, Mr. Schwimmer, a licensed California real estate broker, served at various times as manager, executive vice president and broker of record for, and until recently held a less than 7% ownership interest in, DAUM Commercial Real Estate, one of California's oldest industrial brokerage companies. Mr. Schwimmer's thirty-year professional career has been dedicated entirely and exclusively to Southern California infill industrial real estate, including its acquisition, value-add improvement, management, sales, leasing and disposition. Mr. Schwimmer has extensive experience forming real estate investment companies, managing real estate brokerage offices, serving as a real estate brokerage company board member and acquiring, repositioning, developing, leasing, selling and adding value to over thirty million square feet of industrial properties in Southern California. Mr. Schwimmer received his Bachelor's degree from the University of Southern California in 1983 where he majored in business with an emphasis in real estate finance and development. Mr. Schwimmer serves on the USC Lusk Center Real Estate Leadership Council, is Board Chair of USC Hillel, and is the Allocation Committee Chair of the Los Angeles Jewish Federation, Real Estate Principals Organization. Mr. Schwimmer brings to the Board executive management experience in the real estate industry and extensive knowledge of our company and our operations.

***Michael S. Frankel***

Mr. Frankel will serve as our Co-Chief Executive Officer and Director. Mr. Frankel has served as the Chief Financial Officer of Rexford Industrial Realty & Management Inc. since May 2005 and as Managing Partner of Rexford Industrial LLC and Rexford Sponsor LLC since December 2007 and September 2010, respectively. Mr. Frankel's twenty-eight year career includes nine years co-managing our predecessor business, which exclusively focused on investing in infill Southern California industrial real estate. Mr. Frankel has focused on real estate investment, private equity investments and senior management operating roles throughout his career. Mr. Frankel was previously responsible for investments at the private equity firm "C3," a subsidiary of the Comcast Corporation (NASD: CMCSA). Mr. Frankel also served with LEK Consulting, providing strategic advisory services to several of the world's leading investment institutions. Mr. Frankel began his career as Vice President at Melchers & Co., an European-based firm, where he was responsible for Melchers' U.S.-Asia operations, principally based in Beijing. Mr. Frankel brings significant private equity, finance and management experience to our company. Mr. Frankel has substantial experience working in China, Southeast Asia and France, and speaks Mandarin and French. Mr. Frankel is a licensed real estate broker in the state of California and a member of the Urban Land Institute. Mr. Frankel earned his Bachelor of Arts degree in political economy from the University of California at Berkeley and his Masters of Business Administration from the Harvard Business School. Mr. Frankel brings to the Board extensive executive management and operational experience and an extensive knowledge of our company and our operations.

***Adeel Khan***

Mr. Khan will serve as our Chief Financial Officer. Mr. Khan served as Corporate Controller for our predecessor business since March 2012. From February 2002 until February 2012, Mr. Khan served as Vice President, Controller at MPG Office Trust, Inc. (NYSE: MPG), the largest owner of class-A office buildings in downtown Los Angeles, with an office and hotel portfolio in Southern California and Denver, Colorado. Prior to MPG, Mr. Khan served as Senior Financial Analyst at The Walt Disney Company (NYSE: DIS). Mr. Khan also served as Senior Auditor & Consultant at Arthur Andersen LLP, where Mr. Khan assumed responsibility for the audit of public real estate, financial services and media/technology companies. Mr. Khan is a Certified Public Accountant and obtained his Bachelor of Arts in Business Administration at the California State University, Fullerton. Mr. Khan brings to our company 16 years of accounting, finance and operations experience.

***Robert L. Antin***

Mr. Antin will become a Director upon completion of the offering. Mr. Antin was a founder of VCA Antech, Inc. ("VCA"), a publicly traded national animal healthcare company (NASDAQ: WOOF) that provides veterinary services, diagnostic testing and various medical technology products and related services to the veterinary market. Mr. Antin has served as a Director, Chief Executive Officer and President at VCA since its inception in 1986. From September 1983 to 1985, Mr. Antin was President, Chief Executive Officer, a Director and co-founder of AlternaCare Corp., a publicly held company that owned, operated and developed freestanding out-patient surgical centers. From July 1978 until September 1983, Mr. Antin was an officer of American Medical International, Inc., an owner and operator of health care facilities. Mr. Antin received his Bachelor's degree from the State University of New York at Cortland and his MBA with a certification in hospital and health administration from Cornell University. Mr. Antin brings to the Board extensive experience as an executive at a public company which enables him to make significant contributions to the deliberations of the Board, especially in relation to operations, financings and strategic planning.

***Leslie E. Bider***

Mr. Bider will become a Director upon completion of the offering. Since June 2008, Mr. Bider has been the Chief Executive Officer and a Director of PinnacleCare, International, a Private Health Advisory firm. From 2007 to 2008, he was the Chief Strategist at ITU Ventures, a Los Angeles based Venture Capital firm. From 2005 to 2007, Mr. Bider served as an executive in residence at Elevation Partners. From 1987 to 2005, Mr. Bider was the Chairman/Chief Executive Officer of Warner Chappell Music, Inc., one of the world's largest music publishing companies. Prior to that, Mr. Bider served as Chief Financial Officer of Warner Bros. Music, and was a principal in an accounting firm specializing in the entertainment industry. Mr. Bider holds a Bachelor's degree in accounting from University of Southern California and an M.S. from the Wharton School of the University of Pennsylvania. Mr. Bider has served on the board of Douglas Emmett, Inc. (NYSE: DEI) since October 2006 and was a member of the Board of Directors of OSI Systems, Inc. (NASDAQ: OSIS) from April 2006 to May 2010 and of California Pizza Kitchen (NASDAQ: CPKI) from August 2009 to June 2011. Mr. Bider brings to the Board accounting and finance skills, operating experience in several industries and extensive experience in the real estate industry.

***Steven C. Good***

Mr. Good will become a Director upon completion of the offering. Since February 2010, Mr. Good has served as a consultant for the accounting firm of Cohn Reznick LLP and provides business consulting and advisory services for a sizeable and varied client base which includes manufacturing, garment, medical services, and real estate development industries. Mr. Good founded the accounting firm of Good, Swartz, Brown & Berns (predecessor of Cohn Reznick LLP) in 1976, and served as an active Senior Partner until February 2010. From 1997 until 2005, Mr. Good served as a Director of Arden Realty Group, Inc., a publicly-held Real Estate Investment Trust listed on the New York Stock Exchange. Mr. Good currently serves as a Director of OSI Systems, Inc. (NASDAQ: OSIS). Mr. Good also currently serves as a Director of Kayne Anderson MLP Investment Company (NYSE: KYN) and Kayne Anderson Energy Total Return Fund, Inc. (NYSE: KYE). Mr. Good holds a Bachelor of Science degree in Accounting from the University of California, Los Angeles and attended its Graduate School of Business. Mr. Good brings to the Board extensive audit, finance and accounting expertise as well as extensive experience as a Director of several public companies.

***Joel S. Marcus***

Mr. Marcus will become a Director upon completion of the offering. Since May 2007, Mr. Marcus has served as Chairman of the Board of Directors of Alexandria Real Estate Equities, Inc. ("Alexandria," NYSE: ARE), a publicly traded REIT focused on life science real estate. Mr. Marcus has also served as Chief Executive Officer since March 1997, President since February 2009, and a Director since Alexandria's inception in 1994. Mr. Marcus co-founded Alexandria in 1994, Alexandria Venture Investments in 1996, and the annual

Alexandria Summit™ in 2011. From 1986 to 1994, Mr. Marcus was a partner at the law firm of Brobeck, Phleger & Harrison LLP, specializing in corporate finance and capital markets, venture capital, and mergers and acquisitions. From 1984 to 1994, he also served as General Counsel and Secretary of Kirin-Amgen, Inc., a joint venture that financed the development of, and owned patents to, genetically engineered biopharmaceutical products. Mr. Marcus was formerly a practicing certified public accountant and tax manager with Arthur Young & Co. specializing in the financing and taxation of REITs. He received his undergraduate and Juris Doctor degrees from the University of California, Los Angeles. Mr. Marcus serves on the boards of the Accelerator Corporation, of which he was one of the original architects and co-founders, Foundation for the National Institutes of Health, Intra-Cellular Therapies, Inc., Multiple Myeloma Research Foundation, and the Partnership for New York City. Mr. Marcus received the Ernst & Young 1999 Entrepreneur of the Year Award (Los Angeles – Real Estate). Mr. Marcus served on the Board of Trustees of PennyMac Mortgage Investment Trust, a publicly traded mortgage REIT, from August 2009 to August 2012. Mr. Marcus brings to the Board over 38 years of experience in the real estate and life sciences industries, including his 15 years of operating experience as a Chief Executive Officer and 18 years of experience as a Director of a publicly traded REIT.

**Other Key Employees**

***Patrick Schlehuber***

Mr. Schlehuber will serve as our Director of Acquisitions, responsible for originating investment opportunities and managing their respective transactions. Mr. Schlehuber joined our predecessor business in May 2009 as Director of Acquisitions. From June 2004 to March 2009 Mr. Schlehuber was employed by First Industrial Realty Trust, Inc. (NYSE: FR), one of the nation's largest publicly listed REITs focused exclusively on industrial real estate investment and management. There he served first as an Investment Associate and then as a Transaction Officer responsible for the origination of industrial real estate investments in the greater Los Angeles market. Mr. Schlehuber also served as an Associate with RA Capital Advisors and as a Senior Consultant in the Arthur Andersen/KPMG Transaction Advisory Services group. Mr. Schlehuber obtained his Bachelor of Business Administration, finance degree at the University of Notre Dame and is a Chartered Financial Analyst (CFA) and Certified Public Accountant (CPA).

***Bruce Herbkersman***

Mr. Herbkersman will serve as our Director of Construction & Development, responsible for construction project management. Mr. Herbkersman joined our predecessor business in June 2009 as Director of Development. From November 1998 until April 2009, Mr. Herbkersman served as a Senior Vice President at Lowe Enterprises and was responsible for industrial, office and resort development, project management and construction. Prior to Lowe Enterprises, Mr. Herbkersman served as Project Manager at Turner Construction focused on industrial development in Southern California over an eight year tenure. Mr. Herbkersman obtained his Bachelor of Science in construction management from California Polytechnic State University.

***Michael Levine***

Mr. Levine will serve as our Construction Project Manager. Mr. Levine joined our predecessor business in January 2004 as Construction Project Manager. Mr. Levine is responsible for overseeing property renovation and new construction projects. Mr. Levine is a third- generation builder with thirty years' experience in the construction industry. As a general contractor, he has built a wide variety of projects including industrial buildings, supermarkets, retail malls, health clubs, medical facilities and artist's studios. His projects have been featured in many magazines including "Interiors and Architectural Record," and have received several awards including the Los Angeles American Institute of Architects Merit Award and the Los Angeles Business Council Award for Historical Adaptive Reuse of Commercial-Interiors. Mr. Levine received his Bachelor of Arts degree from the University of California at Los Angeles and in 2002 in association with the Building Industry Association of California he received the Professional Designation in Construction Management from the University of California, Los Angeles.

***Dan Elisha***

Mr. Elisha will serve as our Controller. Mr. Elisha contributes over 15 years of public company experience. From November 2005 until May 2013, Mr. Elisha was employed by Kilroy Realty Corporation ("Kilroy," NYSE: KRC). At Kilroy, Mr. Elisha served in number of different capacities. From December 2011 until May 2013 he served as Senior Director of Internal Reporting & Planning and then as Senior Director of Construction/Development Accounting. From January 2008 until December 2011, Mr. Elisha served as Director of Accounting & Reporting. From November 2005 until January 2008, Mr. Elisha served as Manager of Accounting & Reporting. Prior to his time at Kilroy, Mr. Elisha served for six years at VCA as Manager of Operations and Property Accounting as well as in other capacities. Mr. Elisha earned his Bachelor of Science degree in Business Management with an emphasis on finance and real estate and also earned his Masters of Business Administration from Cal State University Northridge.

***Cher Riban***

Ms. Riban will serve as our Assistant Controller, responsible for oversight of day-to-day finance and accounting. Ms. Riban contributes over eight years of senior finance, audit and real estate experience. Ms. Riban joined our predecessor business in October 2011 as Assistant Controller. From January 2010 to October 2011, Ms. Riban served as Manager of Financial Reporting for Douglas Emmett, Inc. (NYSE: DEI), where she was responsible for corporate accounting and SEC financial reporting. From July 2007 until December 2009, Ms. Riban served as a Corporate Senior Accountant at Douglas Emmett. Prior to joining Douglas Emmett, Ms. Riban served for three years as a Senior Auditor at Deloitte & Touche. Ms. Riban obtained her Bachelor of Arts degree in business economics with an emphasis in accounting from the University of California at Santa Barbara and is a Certified Public Accountant (CPA) in the State of California.

***Shannon Lewis***

Ms. Lewis will serve as our Director of Leasing & Asset Management, responsible for leasing, marketing and asset management. Ms. Lewis joined our predecessor business in March 2013 as Director of Leasing & Asset Management. From August 2006 to March 2013, Ms. Lewis served as Senior Leasing Manager at Douglas Emmett, Inc. (NYSE: DEI), responsible for the leasing, marketing and tenant improvements of a multi-million square foot portfolio of office, retail and medical office properties in West Los Angeles. Prior to Douglas Emmett, Ms. Lewis served as Vice President, Asset Management at Kilroy Realty Corporation (NYSE: KRC), responsible for leasing, marketing, tenant improvements and strategic planning for a multi-million square foot portfolio of industrial and office properties, spanning a four year tenure at Kilroy. Ms. Lewis also previously served as Regional Portfolio Manager over a four year period at Legacy Partners Commercial responsible for leasing and property management of a multi-million square foot industrial and office property portfolio. Additionally, Ms. Lewis served as a Senior Property Manager and Portfolio Manager at Trammell Crow Company and The Voit Companies, respectively, responsible for multi-million square foot industrial and office property portfolios over a combined ten year period. Ms. Lewis obtained her Bachelor of Science degree in managerial economics from the University of California at Davis and received the Real Property Administrator designation from the Building Owners and Managers Association as well as the Certified Property Manager designation from the Institute of Real Estate Management.

**Corporate Governance Profile**

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Notable features of our corporate governance structure include the following:

- our board of directors is not classified, instead, each of our directors is subject to re-election annually;

- of the seven persons who will serve on our board of directors immediately after the completion of this offering, we expect our board of directors to determine that four, or 57%, of our directors satisfy the listing standards for independence of the NYSE and Rule 10A-3 under the Exchange Act;
- we anticipate that at least one of our directors will qualify as an "audit committee financial expert" as defined by the SEC;
- we have opted out of the business combination and control share acquisition statutes in the MGCL; and
- we do not have a stockholder rights plan.

Our directors will stay informed about our business by attending meetings of our board of directors and its committees and through supplemental reports and communications. Our independent directors will meet regularly in executive sessions without the presence of our corporate officers or non-independent directors.

**Role of the Board in Risk Oversight**

One of the key functions of our board of directors is informed oversight of our risk management process. Our board of directors administers this oversight function directly, with support from its three standing committees, the audit committee, the nominating and corporate governance committee and the compensation committee, each of which addresses risks specific to their respective areas of oversight. In particular, our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our internal audit function. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

**Board Committees**

Upon completion of this offering, our board of directors will establish three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The principal functions of each committee are briefly described below. We intend to comply with the listing requirements and other rules and regulations of the NYSE, as amended or modified from time to time, and each of these committees will be comprised exclusively of independent directors. Additionally, our board of directors may from time to time establish certain other committees to facilitate the management of our company.

***Audit Committee***

Upon completion of this offering, our audit committee will consist of three of our independent directors. We expect that the chairman of our audit committee will qualify as an "audit committee financial expert" as that term is defined by the applicable SEC regulations and NYSE corporate governance listing standards. We expect that our board of directors will determine that each of the audit committee members is "financially literate" as that term is defined by the NYSE corporate governance listing standards. Prior to the completion of this offering, we expect to adopt an audit committee charter, which will detail the principal functions of the audit committee, including oversight related to:

- our accounting and financial reporting processes;
- the integrity of our consolidated financial statements and financial reporting process;

- our systems of disclosure controls and procedures and internal control over financial reporting;
- our compliance with financial, legal and regulatory requirements;
- the evaluation of the qualifications, independence and performance of our independent registered public accounting firm;
- the performance of our internal audit function; and
- our overall risk profile.

The audit committee will also be responsible for engaging an independent registered public accounting firm, reviewing with the independent registered public accounting firm the plans and results of the audit engagement, approving professional services provided by the independent registered public accounting firm, including all audit and non-audit services, reviewing the independence of the independent registered public accounting firm, considering the range of audit and non-audit fees and reviewing the adequacy of our internal accounting controls. The audit committee also will prepare the audit committee report required by SEC regulations to be included in our annual proxy statement. Mr. Good has been designated as chair and Messrs. Bider and Marcus have been appointed as members of the audit committee.

***Compensation Committee***

Upon completion of this offering, our compensation committee will consist of three of our independent directors. Prior to the completion of this offering, we expect to adopt a compensation committee charter, which will detail the principal functions of the compensation committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our co-chief executive officers' compensation, evaluating our co-chief executive officers' performance in light of such goals and objectives and determining and approving the remuneration of our co-chief executive officers based on such evaluation;
- reviewing and approving the compensation, if any, of all of our other officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans;
- assisting management in complying with our proxy statement and annual report disclosure requirements;
- producing a report on executive compensation to be included in our annual proxy statement; and
- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors;

Mr. Marcus has been designated as chair and Messrs. Bider and Good have been appointed as members of the compensation committee.

***Nominating and Corporate Governance Committee***

Upon completion of this offering, our nominating and corporate governance committee will consist of three of our independent directors. Prior to the completion of this offering, we expect to adopt a nominating and corporate governance committee charter, which will detail the principal functions of the nominating and corporate governance committee, including:

- identifying and recommending to the full board of directors qualified candidates for election as directors to fill vacancies on the board or at the annual meeting of stockholders;

- developing and recommending to our board of directors corporate governance guidelines and implementing and monitoring such guidelines;
- reviewing and making recommendations on matters involving the general operation of our board of directors, including board size and composition, and committee composition and structure;
- recommending to our board of directors nominees for each committee of our board of directors;
- annually facilitating the assessment of our board of directors' performance as a whole and of the individual directors, as required by applicable law, regulations and the NYSE corporate governance listing standards; and
- overseeing our board of directors' evaluation of management.

In identifying and recommending nominees for election as directors, the nominating and corporate governance committee may consider diversity of relevant experience, expertise and background. Mr. Antin has been designated as chair and Messrs. Bider and Good have been appointed as members of the nominating and corporate governance committee.

**Code of Business Conduct and Ethics**

Upon completion of this offering, our board of directors will establish a code of business conduct and ethics that applies to our officers, directors and employees. Among other matters, our code of business conduct and ethics will be designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in our SEC reports and other public communications;
- compliance with laws, rules and regulations;
- prompt internal reporting of violations of the code to appropriate persons identified in the code; and
- accountability for adherence to the code of business conduct and ethics.

Any waiver of the code of business conduct and ethics for our executive officers or directors must be approved by a majority of our independent directors, and any such waiver shall be promptly disclosed as required by law or NYSE regulations.

**Limitation of Liability and Indemnification**

We intend to enter into indemnification agreements with each of our directors and executive officers that will obligate us, if a director or executive officer is or is threatened to be made a party to, or witness in, any proceeding by reason of such director's or executive officer's status as a present or former director, officer, employee or agent of our company or as a director, trustee, officer, partner, manager, member, fiduciary, employee or agent of another enterprise that the director or executive officer served in such capacity at our request, to indemnify such director or executive officer, and advance expenses actually and reasonably incurred by him or her, or on his or her behalf, unless it has been established that:

- the act or omission of the director or executive officer was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty;

- the director or executive officer actually received an improper personal benefit in money, property or services; or
- with respect to any criminal action or proceeding, the director or executive officer had reasonable cause to believe his or her conduct was unlawful.

In addition, except as described below, our directors and executive officers will not be entitled to indemnification pursuant to the indemnification agreement:

- if the proceeding was one brought by us or on our behalf and the director or executive officer is adjudged to be liable to us;
- if the director or executive officer is adjudged to be liable on the basis that personal benefit was improperly received in a proceeding charging improper personal benefit to the director or executive officer; or
- in any proceeding brought against us by the director or executive officer other than to enforce his or her rights under the indemnification agreement, and then only to the extent provided by the agreement, and except as may be expressly provided in our charter, our bylaws, a resolution of our board of directors or of our stockholders entitled to vote generally in the election of directors or an agreement approved by our board of directors.

Notwithstanding the limitations on indemnification described above, on application by a director or executive officer of our company to a court of appropriate jurisdiction, the court may order indemnification of such director or executive officer if the court determines that such director or executive officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director or executive officer (1) has met the standards of conduct set forth above or (2) has been adjudged liable for receipt of an "improper personal benefit." Under Maryland law, any such indemnification is limited to the expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection with any proceeding by or on behalf of our company or in which the officer or director was adjudged liable for receipt of an improper personal benefit. If the court determines the director or executive officer is so entitled to indemnification, the director or executive officer will also be entitled to recover from us the expenses of securing such indemnification.

Notwithstanding, and without limiting, any other provision of the indemnification agreements, if a director or executive officer is made a party to any proceeding by reason of such director's or executive officer's status as a director, officer, employee or agent of our company or as a director, trustee, officer, partner, manager, member, fiduciary, employee or agent of another entity that the director or executive officer served in such capacity at our request, and such director or executive officer is successful, on the merits or otherwise, as to one or more (even if less than all) claims, issues or matters in such proceeding, we must indemnify such director or executive officer for all expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection with each successfully resolved claim, issue or matter, including any claim, issue or matter in such a proceeding that is terminated by dismissal, with or without prejudice.

In addition, the indemnification agreements will require us to advance reasonable expenses incurred by the indemnitee within ten days of the receipt by us of a statement from the indemnitee requesting the advance, provided the statement evidences the expenses and is accompanied by:

- a written affirmation of the indemnitee's good faith belief that he or she has met the standard of conduct necessary for indemnification; and
- a written undertaking to reimburse us if a court of competent jurisdiction determines that the director or executive officer is not entitled to indemnification.

The indemnification agreements will also provide for procedures for the determination of entitlement to indemnification, including a requirement that such determination be made by independent counsel after a change of control of us.

Our charter permits us and our bylaws obligate us, to the maximum extent permitted by Maryland law, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (1) any of our present or former directors or officers who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity or (2) any individual who, while serving as our director or officer and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity.

Generally, Maryland law permits a Maryland corporation to indemnify its present and former directors and officers except in instances where the person seeking indemnification acted in bad faith or with active and deliberate dishonesty, actually received an improper personal benefit in money, property or services or, in the case of a criminal proceeding, had reasonable cause to believe that his or her actions were unlawful. Under Maryland law, a Maryland corporation also may not indemnify a director or officer in a suit by or on behalf of the corporation in which the director or officer was adjudged liable to the corporation or for a judgment of liability on the basis that a personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct; however, indemnification for an adverse judgment in a suit by us or on our behalf, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

In addition, our directors and officers may be entitled to indemnification pursuant to the terms of the partnership agreement. See “Description of the Partnership Agreement of Rexford Industrial Realty, L.P.”

## EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the "Summary Compensation Table" below. Applicable SEC rules require that a registrant provide information regarding the material components of its executive compensation program with respect to the last completed fiscal year. However, because we did not conduct business in 2012, no compensation was paid to any of our named executive officers in 2012. In order to provide an overview of our anticipated compensation program going forward, set forth below is an overview of the expected initial components of our named executive officer compensation program, including annual cash compensation, equity awards and health and retirement benefits, to be provided following the completion of this offering. Our "named executive officers" during 2013 are expected to be:

- Howard Schwimmer, Co-Chief Executive Officer;
- Michael S. Frankel, Co-Chief Executive Officer; and
- Adeel Khan, Chief Financial Officer.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. We are continuing to assess the identity of our named executive officers and to formulate our compensation philosophy and its appropriate components and levels and, accordingly, actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

### Summary Compensation Table

As noted above, we did not conduct business in 2012 and, accordingly, we did not pay any compensation to our named executive officers during or in respect of that year. Because we have no 2012 compensation to report, we are including below a Summary Compensation Table setting forth certain compensation that we expect to pay our 2013 named executive officers during 2013 following the completion of this offering, in order to provide some understanding of our expected compensation levels.

| Name and Principal Position | Year | Salary($)[1] | Bonus($)[2] | Stock Awards ($) | Option Awards($) | Non-Equity Incentive Plan Compensation ($) | Nonqualified Deferred Compensation Earnings ($) | All Other Compensation ($) | Total($) |
|---|---|---|---|---|---|---|---|---|---|
| Howard Schwimmer<br>Co-Chief Executive Officer | 2013 | 495,000 | 495,000 | [3] | — | — | — | — | 990,000 |
| Michael S. Frankel<br>Co-Chief Executive Officer | 2013 | 495,000 | 495,000 | [3] | — | — | — | — | 990,000 |
| Adeel Khan<br>Chief Financial Officer | 2013 | 275,000 | 215,000 | [3] | — | — | — | — | 490,000 |

(1) Each of our named executive officers is expected to receive a pro-rata portion of his 2013 annual base salary for the period from the completion of this offering through December 31, 2013.

(2) Amount represents the target annual cash bonus which the named executive officer is eligible to receive, at the sole discretion of our compensation committee, as described in "Executive Compensation Arrangements" below. With respect to Mr. Khan, this amount also includes a one-time $50,000 cash bonus to be awarded to Mr. Khan in connection with the completion of this offering.

(3) Equity awards covering shares of our common stock or common units have not previously been granted to our named executive officers. In connection with this offering, we expect to make grants to Messrs. Schwimmer, Frankel and Khan of awards of restricted stock valued at $4,000,000, $4,000,000 and $275,000, respectively.

***Base Salaries***

As of the completion of this offering, our named executive officers will earn annualized base salaries that are commensurate with their positions and are expected to provide a steady source of income sufficient to permit these officers to focus their time and attention on their work duties and responsibilities. The expected annualized amounts of 2013 annual base salaries of our named executive officers, which will be effective as of the completion of this offering, are set forth in the Summary Compensation Table above, but may be adjusted by our compensation committee following the offering.

***Cash Bonuses***

Following the completion of this offering, we expect that our named executive officers will be eligible to earn annual bonuses based on the attainment of specified performance objectives established by our compensation committee. Eligibility to receive these cash bonuses is expected to incentivize our named executive officers to strive to attain company and/or individual performance goals that further our interests and the interests of our stockholders. The applicable terms and conditions of the cash bonuses will be determined by our compensation committee.

In addition, in connection with the completion of this offering we expect to award Mr. Khan a one-time cash bonus equal to $50,000.

***Equity Compensation***

We intend to adopt a 2013 Incentive Award Plan, referred to below as the Plan, in order to facilitate the grant of cash and equity incentives to directors, employees (including our named executive officers) and consultants of our company and certain of our affiliates and to enable our company and certain of our affiliates to obtain and retain services of these individuals, which is essential to our long-term success. We expect that the Plan will be effective on the date on which it is adopted by our board of directors, subject to approval of the Plan by our stockholders. For additional information about the Plan, please see the section titled "Executive Compensation—2013 Incentive Award Plan" below.

We expect to make grants of restricted stock pursuant to the Plan to certain of our employees, including our named executive officers, in connection with this offering. We anticipate that the awards granted to our named executive officers in connection with this offering will vest as to 25% of the number of shares subject to the award on each of the first, second, third and fourth anniversaries of the date of grant, based on the executive's continued service with us through the applicable vesting date. In addition, the restricted stock awards granted to Messrs. Schwimmer and Frankel in connection with this offering will be subject to accelerated vesting provisions set forth in the executive's employment agreement, as described in further detail below under "Executive Compensation Arrangements." We expect to make grants of restricted common stock under the Plan in connection with this offering to our employees, including our executive officers, and our non-employee directors. Each restricted stock award is expected to be denominated as a specified dollar value, and the actual number of shares issued will be calculated at or prior to grant by dividing the total denominated dollar value of the award by the per share initial public offering price of our common stock. We expect that the aggregated denominated dollar value of all restricted stock awards granted to non-employee directors, executive officers and other employees in connection with this offering will be approximately $12.9 million, including the following grants to our named executive officers:

| Named Executive Officer | Approximate Restricted Stock Denominated Grant Value |
|---|---|
| Howard Schwimmer | $ 4,000,000 |
| Michael S. Frankel | $ 4,000,000 |
| Adeel Khan | $ 275,000 |

**Other Elements of Compensation**

***Retirement Plans***

The Internal Revenue Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to a 401(k) plan. We expect to establish a 401(k) retirement savings plan for our employees, including our named executive officers, who satisfy certain eligibility requirements. We expect that our named executive officers will be eligible to participate in the 401(k) plan on the same terms as other full-time employees.

*Employee Benefits and Perquisites*

We expect that our full-time employees, including our named executive officers, will be eligible to participate in health and welfare benefit plans, which will provide medical, dental, prescription and other health and related benefits. We may also implement additional benefit and other perquisite programs as our compensation committee determines appropriate, though we do not expect any such additional benefits and perquisites to constitute a material component of our named executive officers' compensation package.

*Additional Compensation Components*

Following the completion of this offering, as we formulate and implement our compensation program, we may provide different and/or additional compensation components, benefits and/or perquisites to our named executive officers, to ensure that we provide a balanced and comprehensive compensation structure. We believe that it is important to maintain flexibility to adapt our compensation structure at this time to properly attract, motivate and retain the top executive talent for which we compete.

**Executive Compensation Arrangements**

We expect to enter into employment agreements with certain executive officers of the company, including Messrs. Schwimmer and Frankel, that will take effect upon the completion of this offering. While the agreements have not yet been executed and therefore remain subject to modification, the following is a summary of the material terms of the agreements, as currently contemplated.

Under the agreements, Messrs. Schwimmer and Frankel will each serve as a Co-Chief Executive Officer of our company and will report directly to the board. The initial term of the employment agreements will end on the fourth anniversary of the completion of this offering. On that date, and on each subsequent one year anniversary of such date, the term of the employment agreements will automatically be extended for one year, unless earlier terminated. Pursuant to the employment agreements, during the terms of Messrs. Schwimmer's and Frankel's employment, we will nominate each for election as a director.

Under the employment agreements, Messrs. Schwimmer and Frankel will receive initial annual base salaries in the amounts reflected in the "Summary Compensation Table" above, which are subject to increase at the discretion of our compensation committee. In addition, each of Messrs. Schwimmer and Frankel will be eligible to receive an annual discretionary cash performance bonus targeted at 100% of the executive's then-current annual base salary. The actual amount of any such bonuses will be determined by reference to the attainment of applicable Company and/or individual performance objectives, as determined by our compensation committee. In connection with entering into the employment agreements and as described above, Messrs. Schwimmer and Frankel will each be granted an award of restricted shares of our common stock. These restricted stock awards will vest in four equal, annual installments on each of the first four anniversaries of the date of this offering, subject to each executive's continued service through the applicable vesting date. In addition, beginning in calendar year 2014 and for each calendar year thereafter, Messrs. Schwimmer and Frankel will each be eligible to receive an annual equity award, as determined by our compensation committee in its sole

discretion. Messrs. Schwimmer and Frankel will also be eligible to participate in customary health, welfare and fringe benefit plans, and, subject to certain restrictions, healthcare benefits will be provided to them and their eligible dependents at our sole expense. Each of Messrs. Schwimmer and Frankel will accrue four weeks of paid vacation per year.

Pursuant to the terms of the employment agreements, if Mr. Schwimmer's or Mr. Frankel's employment is terminated by our company without "cause," by the executive for "good reason" (each, as defined in the applicable employment agreement) or because our company elects not to renew the term of the employment agreement then, in addition to any accrued amounts, the executive will be entitled to receive the following:

- A lump-sum payment in an amount equal to three times the sum of (i) the executive's annual base salary then in effect, (ii) the average annual bonus earned by the executive for the three prior fiscal years (substituting target bonus in the average for any fiscal year not yet completed if fewer than three fiscal years have been completed) and (iii) the average value of any annual equity awards(s) made to the executive during the prior three fiscal years (excluding the initial grant of restricted stock described above, any award(s) granted pursuant to a multi-year, outperformance or long-term performance program and any other non-recurring awards), or if fewer than three years have elapsed, over such lesser number of years;

- a lump-sum payment in an amount equal to (i) any annual bonus relating to the year immediately preceding the year in which the termination date occurs that remains unpaid on the termination date (if any), and (ii) a pro rata portion of the executive's target bonus for the partial fiscal year in which the termination date occurs;

- accelerated vesting of all outstanding equity awards held by the executive as of the termination date; and

- company-paid continuation healthcare coverage for 18 months after the termination date.

The executive's right to receive the severance payments and benefits described above is subject to his delivery and non-revocation of an effective general release of claims in favor of our company. The employment agreements also contain customary confidentiality and non-solicitation provisions.

Upon a termination of employment by reason of death or disability, the executive or his estate will be entitled to accelerated vesting of all outstanding equity awards held by the executive as of the termination date, in addition to any accrued amounts. In addition, upon a change in control of our company (as defined in the Plan), Messrs. Schwimmer and Frankel will be entitled to accelerated vesting of all outstanding equity awards held by such executive as of the date of the change in control. In addition, under the employment agreements, to the extent that any change in control payment or benefit would be subject to an excise tax imposed in connection with Section 4999 of the Code, such payments and/or benefits may be subject to a "best pay cap" reduction to the extent necessary so that the executive receives the greater of the (i) net amount of the change in control payments and benefits reduced such that such payments and benefits will not be subject to the excise tax and (ii) net amount of the change in control payments and benefits without such reduction.

**Director Compensation**

We intend to approve and implement a compensation program for our non-employee directors that we expect will consist of annual retainer fees and long-term equity awards. The material terms of the program, as currently contemplated, are described below:

*Cash Compensation*

Under the program, each non-employee director, other than Mr. Ziman, will be entitled to receive an annual cash retainer of $25,000, and Mr. Ziman will be entitled to receive an annual cash retainer equal to $250,000 so long as he remains chairman of the board. In addition, each committee chairperson will receive a $10,000 annual cash retainer and, in the event we have a lead independent director, he or she will receive a $25,000 annual cash retainer. Annual retainers will be paid in cash quarterly in arrears.

*Equity Compensation*

Under the program, each non-employee director, other than Mr. Ziman, will receive an award of restricted stock in connection with the completion of this offering in a denominated dollar value equal to $40,000. These awards will vest in substantially equal one-third installments on each of the first, second and third anniversaries of the completion of this offering, subject to continued service on our board of directors through the applicable vesting date. We expect to grant Mr. Ziman a "founders" restricted stock award in connection with the completion of this offering that will vest as to 25% of the number of shares subject to the award on each of the first, second, third and fourth anniversaries of the date of grant, based on Mr. Ziman's continued service with us through the applicable vesting date, and will accelerate and vest in full immediately prior to a change in control. We expect that Mr. Ziman's restricted stock award will cover a number of shares representing a dollar-denominated value equal to $3,000,000, determined by reference to the per share initial public offering price of our common stock.

In addition, under the program, each non-employee director who is initially elected to serve on our board of directors following the completion of this offering, and each director who is serving on our board of directors as of the date of each annual meeting of stockholders, will be granted an award of restricted stock in a denominated dollar value equal to $40,000 (or, with respect to awards to initially elected or appointed non-employee directors, a pro-rated value to reflect any partial year service). These awards will vest on the earlier to occur of (i) the date of the annual meeting of stockholders immediately following the grant date and (ii) the first anniversary of the grant date, subject in each case to continued service on our board of directors.

**2013 Incentive Award Plan**

*2013 Incentive Award Plan*

We intend to adopt the Plan subject to approval by our stockholders, under which we may grant cash and equity incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the Plan, as it is currently contemplated, are summarized below. Our board of directors is still in the process of developing, approving and implementing the Plan and, accordingly, this summary is subject to change.

***Eligibility and Administration.*** Our employees, consultants and directors, and employees, consultants and directors of our operating partnership, our services company and our respective subsidiaries will be eligible to receive awards under the Plan. We expect that, upon adoption, the Plan will be administered by our board of directors but that following our initial public offering the Plan will be administered by our board of directors with respect to awards to non-employee directors and by our compensation committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under Section 162(m) of the Internal Revenue Code, or the Code, Section 16 of the Exchange Act, the MGCL and/or stock exchange rules, as applicable. The plan administrator will have the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the Plan, including any vesting and vesting acceleration conditions.

***Limitation on Awards and Shares Available.*** The aggregate number of shares of our common stock and/or LTIP units of partnership interest in our operating partnership, or LTIP units, that will be available for issuance under awards granted pursuant to the Plan is 2,272,689 shares/LTIP units. Shares and units granted under the Plan may be authorized but unissued shares/LTIP units, or, if authorized by the board of directors, shares purchased in the open market. If an award under the Plan is forfeited, expires or is settled for cash, any shares/LTIP units subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the Plan. However, the following shares/LTIP units may not be used again for

grant under the Plan: (1) shares/LTIP units tendered or withheld to satisfy grant or exercise price or tax withholding obligations associated with an award; (2) shares subject to a stock appreciation right, or SAR, that are not issued in connection with the stock settlement of the SAR on its exercise; and (3) shares purchased on the open market with the cash proceeds from the exercise of options. The maximum number of shares that may be issued under the Plan upon the exercise of incentive stock options will be 2,272,689.

Awards granted under the Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction will not reduce the shares available for grant under the Plan. After the expiration of a transition period that may apply following the effective date of our initial public offering, the maximum number of shares of our common stock that may be subject to one or more awards granted to any one participant pursuant to the Plan during any calendar year will be 1,500,000 and the maximum amount that may be paid under a cash award pursuant to the Plan to any one participant during any calendar year period will be $2,000,000.

***Awards.*** The Plan provides for the grant of stock options, including incentive stock options, or ISOs, and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, stock payments, restricted stock units, or RSUs, performance shares, other incentive awards, LTIP units, SARs, and cash awards. Certain awards under the Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the Plan will be set forth in award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards and LTIP units generally will be settled in shares of our common stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

- *Stock Options.* Stock options provide for the purchase of shares of our common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions.

- *SARs.* SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance and/or other conditions.

- *Restricted Stock, RSUs and Performance Shares.* Restricted stock is an award of nontransferable shares of our common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral. Performance shares are contractual rights to receive a range of shares of our common stock in the future based on the attainment of specified performance goals, in addition to other conditions which may apply to these awards. Conditions applicable to restricted stock, RSUs and performance shares may be based on continuing service, the attainment of performance goals and/or such other conditions as the plan administrator may determine.

- *Stock Payments, Other Incentive Awards, LTIP Units and Cash Awards.* Stock payments are awards of fully vested shares of our common stock that may, but need not, be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. Other incentive awards are awards other than those enumerated in this summary that are denominated in, linked to or derived from shares of our common stock or value metrics related to our shares, and may remain forfeitable unless and until specified conditions are met. LTIP units are awards of units of limited partnership interest in our operating partnership intended to constitute "profits interests" within the meaning of the relevant IRS guidance, which may be convertible into shares of our common stock. Cash awards are cash incentive bonuses subject to performance goals.

- *Dividend Equivalents*. Dividend equivalents represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator. Dividend equivalents may not be paid on performance awards granted under the Plan unless and until such performance awards have vested.

***Performance Awards.*** Performance awards include any of the foregoing awards that are granted subject to vesting and/or payment based on the attainment of specified performance goals. The plan administrator will determine whether performance awards are intended to constitute "qualified performance-based compensation," or QPBC, within the meaning of Section 162(m) of the Code, in which case the applicable performance criteria will be selected from the list below in accordance with the requirements of Section 162(m) of the Code.

Section 162(m) of the Code imposes a $1,000,000 cap on the compensation deduction that a public company may take in respect of compensation paid to its "covered employees" (which should include its chief executive officer and its next three most highly compensated employees other than its chief financial officer), but excludes from the calculation of amounts subject to this limitation any amounts that constitute QPBC. Under current tax law, we do not expect Section 162(m) of the Code to apply to certain awards under the Plan until the earliest to occur of (1) our annual stockholders' meeting at which members of our board of directors are to be elected that occurs in 2017; (2) a material modification of the Plan; (3) an exhaustion of the share/unit supply under the Plan; or (4) the expiration of the Plan. However, QPBC performance criteria may be used with respect to performance awards that are not intended to constitute QPBC. In addition, our company may issue awards that are not intended to constitute QPBC even if such awards might be non-deductible as a result of Section 162(m) of the Code.

In order to constitute QPBC under Section 162(m) of the Code, in addition to certain other requirements, the relevant amounts must be payable only upon the attainment of pre-established, objective performance goals set by our compensation committee and linked to stockholder-approved performance criteria. For purposes of the Plan, one or more of the following performance criteria will be used in setting performance goals applicable to QPBC, and may be used in setting performance goals applicable to other performance awards: (1) net earnings (either before or after one or more of the following: (a) interest, (b) taxes, (c) depreciation, (d) amortization and (e) non-cash equity-based compensation expense); (2) gross or net sales or revenue; (3) net income (either before or after taxes); (4) adjusted net income; (5) operating earnings or profit; (6) cash flow (including, but not limited to, operating cash flow and free cash flow); (7) return on assets; (8) return on capital; (9) return on stockholders' equity; (10) total stockholder return; (11) return on sales; (12) gross or net profit or operating margin; (13) costs; (14) funds from operations; (15) expenses; (16) working capital; (17) earnings per share; (18) adjusted earnings per share; (19) price per share of common stock; (20) leasing activity; (21) implementation or completion of critical projects; (22) market share; (23) economic value; (24) debt levels or reduction; (25) sales-related goals; (26) comparisons with other stock market indices; (27) operating efficiency; (28) financing and other capital raising transactions; (29) recruiting and maintaining personnel;

(30) year-end cash; (31) acquisition activity; (32) investment sourcing activity; (33) customer service; and (34) marketing initiatives, any of which may be measured either in absolute terms for us or any operating unit of our company or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices. The Plan also permits the plan administrator to provide for objectively determinable adjustments to the applicable performance criteria in setting performance goals for QPBC awards.

***Certain Transactions.*** The plan administrator has broad discretion to take action under the Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our common stock and/or LTIP units, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," our board of directors will make equitable adjustments to the Plan and outstanding awards. In the event of a change in control of our company (as defined in the Plan), to the extent that the surviving entity declines to continue, convert, assume or replace outstanding awards, then all such awards will become fully vested and exercisable in connection with the transaction. Upon or in anticipation of a change of control, the plan administrator may cause any outstanding awards to terminate at a specified time in the future and give the participant the right to exercise such awards during a period of time determined by the plan administrator in its sole discretion. Individual award agreements may provide for additional accelerated vesting and payment provisions.

***Foreign Participants, Claw-Back Provisions, Transferability, and Participant Payments.*** The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share/unit limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any claw-back policy implemented by our company to the extent set forth in such claw-back policy and/or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the Plan are generally non-transferable prior to vesting, and are exercisable only by the participant. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the Plan, the plan administrator may, in its discretion, accept cash or check, shares of our common stock that meet specified conditions, a "market sell order" or such other consideration as it deems suitable.

***Plan Amendment and Termination.*** Our board of directors may amend or terminate the Plan at any time; however, except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that increases the number of shares/units available under the Plan, "reprices" any stock option or SAR, or cancels any stock option or SAR in exchange for cash or another award when the option or SAR price per share exceeds the fair market value of the underlying shares. After the tenth anniversary of the date on which we adopt the Plan, no automatic annual increases to the Plan's share limit will occur and no incentive stock options may be granted; however, the Plan does not have a specified expiration and will otherwise continue in effect until terminated by our company.

***Additional REIT Restrictions.*** The Plan provides that no participant will be granted, become vested in the right to receive or acquire or be permitted to acquire, or will have any right to acquire, shares under an award if such acquisition would be prohibited by the restrictions on ownership and transfer of our stock contained in our charter or would impair our status as a REIT.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### Formation Transactions

Each property that will be owned by us through our operating partnership upon the completion of our formation transactions and this offering is currently owned indirectly by the Rexford Funds through property owning subsidiaries. We refer to these property owning subsidiaries, and the Rexford Funds collectively as the "ownership entities." The Rexford Funds have (1) entered into contribution agreements with our operating partnership, pursuant to which they will contribute their interests in their property owning subsidiaries to our operating partnership, (2) entered into merger agreements pursuant to which they will merge with and into our operating partnership or (3) in the case of Fund V REIT, entered into a merger agreement pursuant to which it will merge with and into us, in each case substantially concurrently with the completion of this offering. In addition, in connection with such transactions, the management companies will merge with and into us. The prior investors of the Rexford Funds and the management companies will receive cash, shares of our common stock and/or common units in respect of their interests. See "Structure and Formation of Our Company—Our Formation Transactions and Structure—Formation Transactions."

The consideration to be paid in the formation transactions is based upon the terms of the applicable merger or contribution agreement. A relative equity valuation analysis was performed by an independent third-party valuation specialist to determine the relative percentages of pre-offering equity allocable to the respective Rexford Funds and the management companies based on the valuations of the properties owned by the Rexford Funds and the value of the management companies. The aggregate value of consideration to be paid to each prior investor will be determined based upon his, her or its allocated share of ownership in each ownership entity and the pricing of this offering. This calculation is subject to adjustment to account for the existence of certain unsecured indebtedness related to the applicable properties and for any changes in indebtedness related to the applicable properties. As part of the formation transactions, intercompany indebtedness obligations between or among ownership entities and the prior investors will be settled as an adjustment to the formation transaction consideration otherwise receivable by or payable to prior investors who were debtors or lenders or who held interests in ownership entities that were debtors or lenders, with respect to such debt obligations. The value of the consideration issuable to each prior investor will be equal to (1) the number of shares of common stock and common units to be received by such prior investor in the formation transactions, multiplied by (2) the initial public offering price of our common stock.

In the event that the formation transactions are completed, we and our operating partnership will be solely responsible for all transaction costs incurred by the Rexford Funds and the management companies in connection with the formation transactions and this offering.

In connection with the formation transactions, Messrs. Ziman, Schwimmer and Frankel have entered into a representation, warranty and indemnity agreement with us, pursuant to which they made certain representations and warranties to us regarding the entities and assets being acquired in the formation transactions and agreed to indemnify us and our operating partnership for breaches of such representations and warranties for one year after the completion of this offering, the formation transactions and the concurrent private placement. For purposes of satisfying any indemnification claims, Messrs. Ziman, Schwimmer and Frankel will deposit into escrow shares of our common stock and common units with an aggregate value equal to ten percent of the consideration payable to Messrs. Ziman, Schwimmer and Frankel in the formation transactions. Messrs. Ziman, Schwimmer and Frankel have no obligation to increase the amount of common stock and/or common units in the escrow in the event the trading price of our common stock declines below the initial public offering price. Any and all amounts remaining in the escrow one year from the completion of the formation transactions will be distributed to Messrs. Ziman, Schwimmer and Frankel to the extent that indemnity claims have not been made against such amounts. This indemnification is subject to a one-time aggregate deductible equal to one percent of the consideration payable to Messrs. Ziman, Schwimmer and Frankel in the formation transactions and a cap equal to the value of the consideration deposited in the escrow. Other than Messrs. Ziman, Schwimmer and Frankel, none of the prior investors or the entities that we are acquiring in the formation transactions will provide us with any indemnification.

The following table sets forth the consideration to be received by our directors, officers and affiliates in connection with the formation transactions, assuming a $14.00 price per share of our common stock equal to the mid-point of the price range set forth on the cover of this prospectus. For a discussion of amounts based on other prices within the range, see "Pricing Sensitivity Analysis."

| Prior Investors | Relationship with Us | Number of Shares Received in Formation Transactions | Number of Units Received in Formation Transactions | Total Value of Formation Transactions Consideration |
|---|---|---|---|---|
| Richard Ziman | Chairman | 51,650 | 643,446 | $ 9,731,344 |
| Howard Schwimmer | Co-CEO, Director | 10,530 | 852,890 | $ 12,087,880 |
| Michael S. Frankel | Co-CEO, Director | 2,104 | 670,923 | $ 9,422,378 |

We have not obtained independent third-party appraisals of the properties in our initial portfolio. Accordingly, there can be no assurance that the fair market value of the cash and equity securities that we pay or issue to the prior investors will not exceed the fair market value of the properties and other assets acquired by us in the formation transactions. See "Risk Factors—Risks Related to this Offering—Differences between the book value of the assets to be acquired in the formation transactions and the price paid for our common stock will result in an immediate and material dilution of the book value of our common stock."

**Excluded Assets**

To the extent that an ownership entity has an excess of net working capital over "target net working capital" (as set forth below) as determined by us within 45 days prior to the date of the preliminary prospectus in connection with this offering, the amount of such excess shall be due to the prior owners of such ownership entity immediately prior to the completion of the offering. To the extent not distributed or paid by such ownership entity prior to the completion of this offering, our operating partnership shall pay such amounts on behalf of each such ownership entity promptly after the completion of this offering. For purposes of this calculation, the target net working capital of each ownership entity will be zero. Messrs. Ziman, Schwimmer and Frankel will receive their pro-rata shares of any such amounts.

**Concurrent Private Placement**

In connection with the formation transactions, we made available to accredited investors in the Rexford Funds and the Rexford management team the opportunity to acquire for cash additional shares of our common stock at the public offering price per share in this offering concurrently with the completion of the formation transactions and this offering. We refer to the shares issued pursuant to this opportunity as the concurrent private placement. No fees, discounts or selling commissions will be paid to the underwriters in connection with any sale of our common stock through the concurrent private placement. Rexford Fund investors and the Rexford management team have irrevocably committed to invest approximately $47 million in the concurrent private placement at a price per share equal to the public offering price in this offering. The shares that will be issued in the concurrent private placement will be in addition to the shares sold in this offering. See "Structure and Formation of Our Company—Our Formation Transactions and Structure—Concurrent Private Placement."

The following table sets forth the amounts that our directors, officers and affiliates have elected to purchase in the concurrent private placement, assuming a $14.00 price per share of our common stock. For a discussion of amounts based on other prices within the range, see "Pricing Sensitivity Analysis."

| Prior Investors | Relationship with Us | Number of Shares | Total Cash Consideration |
|---|---|---|---|
| Richard Ziman | Chairman | 40,690 | $ 569,660 |
| Howard Schwimmer | Co-CEO, Director | 24,209 | $ 338,926 |
| Michael S. Frankel | Co-CEO, Director | 14,754 | $ 206,556 |

Upon completion of this offering, our directors and executive officers will own 3.9% of our outstanding common stock, or 10.8% on a fully diluted basis (3.5% of our outstanding common stock, or 10.0% on a fully diluted basis, if the underwriters' over-allotment option is exercised in full) based upon the mid-point of the price range shown on the cover of this prospectus. For a discussion of amounts based on other prices within the range, see "Pricing Sensitivity Analysis."

**Partnership Agreement**

In connection with the completion of this offering, we will enter into an amended and restated partnership agreement with the various persons receiving common units in the formation transactions, including certain executive officers of our company. As a result, these persons will become limited partners of our operating partnership. See "Description of the Partnership Agreement of Rexford Industrial Realty, L.P." Upon completion of this offering, our directors and executive officers will own 58.3% of the outstanding common units held by limited partners and 3.9% of our outstanding common stock (3.5% if the underwriters' over-allotment option is exercised in full).

Pursuant to the partnership agreement, limited partners of our operating partnership and some assignees of limited partners will have the right, beginning 14 months after the later of the completion of this offering or the date on which a person first became a holder of common units, to require our operating partnership to redeem part or all of their common units for cash equal to the then-current market value of an equal number of shares of our common stock (determined in accordance with and subject to adjustment under the partnership agreement), or, at our election, to exchange their common units for shares of our common stock on a one-for-one basis, subject to certain adjustments and the restrictions on ownership and transfer of our stock set forth in our charter and described under the section entitled "Description of Stock—Restrictions on Ownership and Transfer."

**Registration Rights**

In connection with the completion of this offering, we will enter into a registration rights agreement with the various persons receiving shares of our common stock and/or common units in the formation transactions and concurrent private placement, including certain of our executive officers. Under the registration rights agreement, subject to certain limitations, commencing not later than 14 months after the date of the completion of this offering, we will file one or more registration statements covering the resale of the shares of our common stock issued in the formation transactions, the concurrent private placement and the resale of the shares of our common stock issued or issuable, at our option, in exchange for common units issued in the formation transactions. We may, at our option, satisfy our obligation to prepare and file a resale registration statement by filing a registration statement registering the issuance by us of shares of our common stock registered under the Securities Act in lieu of our operating partnership's obligation to pay cash for such units. We will agree to pay all of the expenses relating to the securities registrations described above. See "Shares Eligible for Future Sale—Registration Rights."

**Tax Matters Agreement**

In connection with our formation transactions, this offering and the concurrent private placement, we will enter into a Tax Matters Agreement with certain limited partners of our Operating Partnership, including Messrs. Ziman, Schwimmer and Frankel (collectively, the "Tax Matters Representatives"). Under this agreement, our operating partnership will indemnify such limited partners for their tax liabilities (plus an additional amount equal to the taxes incurred as a result of such indemnity payment) attributable to their share of the built-in gain, as of the completion of the formation transactions, with respect to their interest in certain properties in our initial portfolio if the operating partnership, without the consent of at least two of the Tax Matters Representatives, disposes of any interest with respect to such properties in a taxable transaction during the shorter of the seven-year period after the completion of our formation transactions and the date on which more than 50% of the common units originally received by any such limited partner in our formation transactions

have been sold, exchanged or otherwise disposed of by the limited partner, subject to certain exceptions and limitations. It is anticipated that the total amount of protected built-in gain on the protected properties will be approximately $38.9 million, of which $4.0 million, $8.8 million, and $4.7 million is attributable to Messrs. Ziman, Schwimmer and Frankel, respectively. In addition, if during the period ending on the twelfth anniversary of the completion of the formation transactions we fail to offer certain limited partners an opportunity to guarantee, in the aggregate, up to approximately $19 million of our outstanding indebtedness, or if we fail to make commercially reasonable efforts to provide such partners who continue to own at least 50% of the common units originally received by such partners in the formation transactions with an opportunity to guarantee debt after this period, our operating partnership will be required to indemnify such limited partners against their resulting tax liabilities (plus an additional amount equal to the taxes they incur as a result of such indemnity payment). Messrs. Ziman, Schwimmer and Frankel will have the opportunity to guarantee up to approximately $2.4 million, $6.5 million and $3.5 million respectively, of our outstanding indebtedness pursuant to the Tax Matters Agreement. Among other things, this opportunity to guarantee debt is intended to allow the participating limited partners to defer the recognition of gain in connection with our formation transactions. The sole and exclusive rights and remedies of any limited partner under the Tax Matters Agreement shall be a claim against our operating partnership for such limited partner's tax liabilities as calculated in the Tax Matters Agreement, and no limited partner shall be entitled to pursue a claim for specific performance or bring a claim against any person that acquires a property from our operating partnership in violation of the Tax Matters Agreement.

**Employment Agreements**

We intend to enter into employment agreements with certain of our executive officers that would take effect upon completion of this offering, which will provide for salary, bonus and other benefits, including severance upon a termination of employment under certain circumstances. The material terms of the agreements are described under "Executive Compensation—Executive Compensation Arrangements."

**2013 Incentive Award Plan**

In connection with the formation transactions, we expect to adopt a cash and equity-based incentive award plan for our directors, officers, employees and consultants. We expect that an aggregate of 2,272,689 shares of our common stock and LTIP units will be available for issuance under awards granted pursuant to the Plan. We expect that the aggregated denominated dollar value of all restricted stock awards granted under the Plan to executive officers, other employees and non-employee directors in connection with this offering will be approximately $12.9 million. See "Executive Compensation."

**Indemnification of Officers and Directors**

Effective upon completion of this offering, our charter and bylaws will provide for certain indemnification rights for our directors and officers and we will enter into an indemnification agreement with each of our executive officers and directors, providing for procedures for indemnification and advancements by us of certain expenses and costs relating to claims, suits or proceedings arising from their service to us or, at our request, service to other entities, as officers, directors, partners, trustees, managers or members to the maximum extent permitted by Maryland law. See "Management—Limitation of Liability and Indemnification."

**Property Management Agreements**

Prior to the formation transactions, the services company and RI, LLC provided management services to the Rexford Funds. As part of the formation transactions, the services company and RI, LLC will become wholly owned subsidiaries of our operating partnership. Mr. Schwimmer owns interests in 19 properties representing approximately 1.0 million square feet that are not part of the Rexford Funds portfolio. Mr. Schwimmer's investments in these properties are more than a decade old and pre-date the formation of the Rexford Funds.

Mr. Schwimmer is the general partner, or co-general partner, of each of the entities that owns these properties. These properties are currently managed by RI, LLC, and will be managed by our services company after completion of this offering. In 2013, these property management agreements are expected to generate revenues of approximately $117,000 for the services company. In addition, three of these properties are held as tenancies-in-common with other parties, and are subject to tenancy-in-common agreements, which appoint RI, LLC as manager of the properties, in charge of providing day-to-day business operations and leasing services, in return for a property management fee. Following the completion of this offering, the services company and RI, LLC will continue to provide management services to these properties. Conflicts of interest may exist or could arise in the future as a result of considering whether to extend, terminate or re-negotiate these property management agreements.

**Notes Payable**

Fund V is party to a promissory note issued to Sponsor. The proceeds from the promissory note were used to pay unpaid management fees. As of June 30, 2013, the outstanding balance on the promissory note was approximately $0.9 million. The outstanding balance on the promissory note will continue to increase on a daily basis until it is repaid due to the accrual of management fees on a per diem basis. The promissory note will be repaid at the completion of this offering using a portion of the proceeds from the working capital distribution. For more information, see “Use of Proceeds.”

**Review and Approval of Future Transactions with Related Persons**

Upon completion of this offering, we will adopt a written policy for the review and approval of related person transactions requiring disclosure under Rule 404(a) of Regulation S-K. We expect this policy to provide that the nominating and corporate governance committee will be responsible for reviewing and approving or disapproving all interested transactions, meaning any transaction, arrangement or relationship in which (a) the amount involved may be expected to exceed $120,000 in any fiscal year, (b) our company will be a participant, and (c) a related person has a direct or indirect material interest. A related person will be defined as an executive officer, director or nominee for election as director, or a greater than 5% beneficial owner of our common stock, or an immediate family member of the foregoing. The policy may deem certain interested transactions to be preapproved.

## STRUCTURE AND FORMATION OF OUR COMPANY

### Our Formation Transactions and Structure

***Our Operating Partnership***

Following the completion of this offering, the formation transactions and the concurrent private placement, substantially all of our assets will be held by, and our operations will be conducted through, our operating partnership. We will contribute the net proceeds from this offering and the concurrent private placement to our operating partnership in exchange for common units therein. Our interest in our operating partnership will generally entitle us to share in cash distributions from, and in the profits and losses of, our operating partnership in proportion to our percentage ownership. As the sole general partner of our operating partnership, we will generally have the exclusive power under the partnership agreement to manage and conduct its business and affairs, subject to certain limited approval and voting rights of the limited partners, which are described more fully below in "Description of the Partnership Agreement of Rexford Industrial Realty, L.P." Our board of directors will manage our business and affairs.

Beginning on or after the date which is 14 months after the later of the completion of this offering or the date on which a person first became a holder of common units, each limited partner of our operating partnership will have the right to require our operating partnership to redeem part or all of its common units for cash, based upon the value of an equivalent number of shares of our common stock at the time of the redemption, or, at our election, shares of our common stock on a one-for-one basis, subject to certain adjustments and the restrictions on ownership and transfer of our stock set forth in our charter and described under the section entitled "Description of Stock—Restrictions on Ownership and Transfer." With each redemption of common units, our percentage ownership interest in our operating partnership and our share of our operating partnership's cash distributions and profits and losses will increase. See "Description of the Partnership Agreement of Rexford Industrial Realty, L.P."

***Our Services Company***

As part of our formation transactions, we will acquire Rexford Industrial Realty and Management, Inc., which we refer to as the services company, and, as a result, the services company will be wholly owned, indirectly, by our operating partnership. We will elect with our services company to treat it as a taxable REIT subsidiary for federal income tax purposes. A taxable REIT subsidiary generally may provide non-customary and other services to our tenants and engage in activities that we may not engage in directly without adversely affecting our qualification as a REIT, provided a taxable REIT subsidiary may not operate or manage a lodging facility or health care facility or provide rights to any brand name under which any lodging facility or health care facility is operated. See "U.S. Federal Income Tax Considerations—Taxation of Our Company—Ownership of Interests in Taxable REIT Subsidiaries." We may form additional taxable REIT subsidiaries in the future, and our operating partnership may contribute some or all of its interests in certain wholly owned subsidiaries or their assets to our services company. Any income earned by our taxable REIT subsidiaries will not be included in our taxable income for purposes of the 75% or 95% gross income tests, except to the extent such income is distributed to us as a dividend, in which case such dividend income will qualify under the 95%, but not the 75%, gross income test. See "U.S. Federal Income Tax Considerations—Taxation of Our Company—Income Tests." Because a taxable REIT subsidiary is subject to federal income tax, and state and local income tax (where applicable) as a corporation, the income earned by our taxable REIT subsidiaries generally will be subject to an additional level of tax as compared to the income earned by our other subsidiaries.

***Formation Transactions***

Each property that will be owned by us through our operating partnership upon the completion of our formation transactions, the concurrent private placement and this offering is currently owned indirectly by the

Rexford Funds through property owning subsidiaries. We refer to these property owning subsidiaries and the Rexford Funds collectively as the "ownership entities." The Rexford Funds have (1) entered into contribution agreements with our operating partnership, pursuant to which they will contribute their interests in their property owning subsidiaries to our operating partnership, (2) entered into merger agreements pursuant to which they will merge with and into our operating partnership, or (3) in the case of Fund V REIT, entered into a merger agreement pursuant to which it will merge with and into us, in each case substantially concurrently with the completion of this offering. In addition, each management company will merge with and into a subsidiary of our operating partnership, with such management company as the surviving entity.

Investors in the Rexford Funds and the management companies will receive cash, shares of our common stock and/or common units in exchange for their interests in the Rexford Funds and the management companies. See "Certain Relationships and Related Transactions." These formation transactions are designed to:

- consolidate the ownership of our initial portfolio under our company and our operating partnership;
- cause us to succeed to the property management businesses of the management companies;
- facilitate this offering;
- enable us to raise capital to repay existing indebtedness related to certain properties in our initial portfolio;
- enable us to qualify as a REIT for federal income tax purposes commencing with the taxable year ending December 31, 2013;
- defer the recognition of taxable gain by certain prior investors; and
- enable prior investors to obtain liquidity for their investments.

Pursuant to the formation transactions, the concurrent private placement and this offering, the following have occurred or will occur substantially concurrently with the completion of this offering.

- We were formed as a Maryland corporation on January 18, 2013.
- Rexford Industrial Realty, L.P., our operating partnership, was formed as a Maryland limited partnership on January 18, 2013.
- We will sell 16,000,000 shares of our common stock in this offering and an additional 2,400,000 shares if the underwriters exercise their over-allotment option in full, and we will sell an additional 3,358,311 shares pursuant to the concurrent private placement; we will contribute the net proceeds from this offering and the concurrent private placement to our operating partnership in exchange for 19,358,311 common units.
- We will succeed the property management business currently housed in the management companies as a result of the mergers between subsidiaries of our operating partnership and the management companies.
- We and our operating partnership will consolidate the ownership of our initial portfolio of properties by acquiring the entities that directly or indirectly own such properties or by acquiring interests in such entities through a series of merger transactions and contributions pursuant to merger agreements and contribution agreements. The value of the consideration to be paid to each of the owners of such entities in the formation transactions will be determined according to the terms of such merger agreements and contribution agreements.

- Prior investors in the Rexford Funds and the management companies will receive as consideration for such mergers and contributions an aggregate of 4,957,099 shares of our common stock, 3,714,419 common units (based on the mid-point of the price range set forth on the cover page of this prospectus), and, in the case of non-accredited investors in such entities, $663,748 in cash in accordance with the terms of the relevant merger and/or contribution agreements. The aggregate value of common stock and common units to be paid to prior investors in the Rexford Funds and the management companies is $14.00 (based on the mid-point of the price range set forth on the cover page of this prospectus).

- Messrs. Ziman, Schwimmer and Frankel have entered into a representation, warranty and indemnity agreement with us, pursuant to which they made certain representations and warranties to us regarding the entities and assets being acquired in the formation transactions and agreed to indemnify us and our operating partnership for breaches of such representations and warranties for one year after the completion of this offering. For purposes of satisfying any indemnification claims, Messrs. Ziman, Schwimmer and Frankel will deposit into escrow shares of our common stock and common units with an aggregate value equal to ten percent of the consideration payable to Messrs. Ziman, Schwimmer and Frankel in the formation transactions. Messrs. Ziman, Schwimmer and Frankel have no obligation to increase the amount of common stock and common units in the escrow in the event the trading price of our common stock declines below the initial public offering price. Any and all amounts remaining in the escrow one year after the completion of the formation transactions will be distributed to Messrs. Ziman, Schwimmer and Frankel to the extent that indemnity claims have not been made against such amounts. This indemnification is subject to a one-time aggregate deductible equal to one percent of the consideration payable to Messrs. Ziman, Schwimmer and Frankel in the formation transactions and a cap equal to the value of the consideration deposited in the escrow. Other than Messrs. Ziman, Schwimmer and Frankel, none of the prior investors or the entities that we are acquiring in the formation transactions will provide us with any indemnification.

- The current management team of the Rexford Funds will become our senior management team, and the current real estate professionals employed by the management companies will become our employees.

- Our operating partnership intends to use a portion of the net proceeds of this offering, the concurrent private placement and our new term loan that we expect to have in place at the completion of this offering to repay approximately $301.6 million of outstanding indebtedness, and we expect to pay approximately $2.8 million in related prepayment costs, exit fees and assumption fees. As a result of the foregoing uses of proceeds, we expect to have approximately $129.3 million of total consolidated debt outstanding upon completion of our formation transactions, the concurrent private placement and this offering. Additionally, we expect to have approximately $6.2 million of secured indebtedness allocable to our 15% joint venture interest in the three properties owned indirectly by the JV.

- In connection with the foregoing transactions, we expect to adopt a cash and equity-based incentive award plan and other incentive plans for our directors, officers, employees and consultants. We expect that an aggregate of 2,272,689 shares of our common stock and LTIP units will be available for issuance under awards granted pursuant to the Plan. See “Executive Compensation—2013 Incentive Award Plan.”

- In connection with the foregoing transactions, we will enter into employment agreements with certain of our executive officers that will become effective as of the completion of this offering, which will provide for salary, bonus and other benefits, including severance upon a termination of employment under certain circumstances. The material terms of these agreements are described under “Executive Compensation—Executive Compensation Arrangements.”

***Concurrent Private Placement***

In connection with the formation transactions, we made available to accredited investors in the Rexford Funds and the Rexford management team the opportunity to acquire for cash additional shares of our common stock at the public offering price per share in this offering concurrently with the completion of the formation transactions and this offering. We refer to the shares issued pursuant to this opportunity as the concurrent private placement. No fees, discounts or selling commissions will be paid to the underwriters in connection with any sale of our common stock through the concurrent private placement. Rexford Fund investors and the Rexford management team have irrevocably committed to invest approximately $47 million in the concurrent private placement, at a price per share equal to the public offering price in this offering. The shares that will be issued in the concurrent private placement will be in addition to the shares sold in this offering.

***Consequences of our Formation Transactions, Concurrent Private Placement and this Offering***

The completion of our formation transactions, concurrent private placement and this offering, and the application of the net proceeds thereof in accordance with the description under "Use of Proceeds," will have the following consequences:

- Through our interest in our operating partnership and its wholly owned subsidiaries, we will indirectly own a 100% fee simple interest in 58 of the properties in our initial portfolio and will own a 15% joint venture interest in the JV that indirectly owns the remaining three properties.
- We will indirectly own our services company through our operating partnership, which will indirectly own 100% of the common stock of the services company.
- Purchasers of shares of our common stock in this offering will own 63.4% of our outstanding common stock, or 55.3% on a fully diluted basis (66.6% of our outstanding common stock, or 58.7% on a fully diluted basis, if the underwriters' over-allotment option is exercised in full).
- The prior investors in the Rexford Funds and the management companies will own 36.6% of our outstanding common stock, or 44.7% on a fully diluted basis (33.4% of our outstanding common stock, or 41.3% on a fully diluted basis, if the underwriters' over-allotment option is exercised in full).
- We will be the sole general partner of our operating partnership. We will own 86.8% of the outstanding common units of partnership interest in our operating partnership, and the prior investors in the Rexford Funds and the management companies (including certain members of our board of directors and senior management team) will own 13.2% of the outstanding common units. If the underwriters' over-allotment option is exercised in full, we will own 87.8% of the outstanding common units and the prior investors in the Rexford Funds and the management companies will own 12.2% of the outstanding common units.
- We expect to have total consolidated indebtedness of approximately $129.3 million, including approximately $21.2 million outstanding under our proposed revolving credit facility,(1) $60.0 million of secured indebtedness under our new term loan and approximately $48.1 million of secured indebtedness that we expect to assume as part of the formation transactions.

(1) Assumes borrowings of approximately $7.0 million we expect to borrow under our proposed revolving credit facility at the completion of this offering and an additional $14.2 million, which we expect to borrow under our proposed revolving credit facility to acquire 8101-8117 Orion Avenue and 18310-18330 Oxnard Street shortly following the completion of this offering.

**Corporate Structure**

The chart below reflects our organization immediately following completion of our formation transactions, the concurrent private placement and this offering.


(1) On a fully diluted basis, our public stockholders will own 55.3% of our outstanding common stock, our directors and executive officers and their affiliates will own 10.8% of our outstanding common stock and the other prior investors in the Rexford Funds and the management companies as a group will own 33.9% of our outstanding common stock.

(2) If the underwriters exercise their over-allotment option in full, on a fully diluted basis, our public stockholders will own 58.7% of our outstanding common stock, our directors and executive officers and their affiliates will own 10.0% of our outstanding common stock and the other prior investors in the entities that own properties in our initial portfolio as a group will own 31.3% of our outstanding common stock.

(3) If the underwriters exercise their over-allotment option in full, our public stockholders, our directors and executive officers and their affiliates and the other prior investors in the entities that own the properties in our initial portfolio will own 66.6%, 3.5% and 29.9%, respectively, of our outstanding common stock, and we, our directors and executive officers and their affiliates and other prior investors in the entities that own the properties in our initial portfolio will own 87.8%, 7.1% , and 5.1%, respectively, of the outstanding common units.

**Benefits of the Formation Transactions to Related Parties**

In connection with our formation transactions, the concurrent private placement and this offering, certain of our directors and executive officers will receive material benefits described in "Certain Relationships and Related Transactions," including the following. All amounts are based on the mid-point of the price range set forth on the cover page of this prospectus. For a discussion of amounts based on other prices within the range, see "Pricing Sensitivity Analysis."

- Mr. Ziman, our Chairman, and his affiliates will receive 265,936 shares of our common stock and 643,446 common units in connection with the formation transactions and will purchase 40,690 shares of our common stock in the concurrent private placement, which together have an aggregate value of approximately $13.3 million. As a result, Mr. Ziman and his affiliates will own approximately 3.3% of our outstanding common stock on a fully diluted basis (or 3.0% if the underwriters' over-allotment option is exercised in full).

- Mr. Schwimmer, our Co-Chief Executive Officer and director, and his affiliates will receive 296,244 shares of our common stock and 852,890 common units in connection with the formation transactions and will purchase 24,209 shares of our common stock in the concurrent private placement, which together have an aggregate value of approximately $16.4 million. As a result, Mr. Schwimmer and his affiliates will own approximately 4.1% of our outstanding common stock on a fully diluted basis (or 3.7% if the underwriters' over-allotment option is exercised in full).

- Mr. Frankel, our Co-Chief Executive Officer and director, and his affiliates will receive 287,818 shares of our common stock and 670,923 common units in connection with the formation transactions and will purchase 14,754 shares of our common stock in the concurrent private placement, which together have an aggregate value of approximately $13.6 million. As a result, Mr. Frankel and his affiliates will own approximately 3.4% of our outstanding common stock on a fully diluted basis (or 3.1% if the underwriters' over-allotment option is exercised in full).

- To the extent that an ownership entity or any of the management companies has excess net working capital as determined by us within 45 days prior to the date of the preliminary prospectus in connection with this offering, the amount of such excess shall be due to the prior owners of such ownership entity or management company, as applicable, immediately prior to the completion of the offering, including our directors and executive officers who are prior investors. To the extent not distributed or paid by such ownership entity or management company prior to the completion of this offering, our operating partnership shall pay such amounts on behalf of each such ownership entity or management company, as applicable, promptly after the completion of this offering. The Rexford Funds and the management companies, in the aggregate, are expected to contribute approximately $2.0 million of cash to us and our operating partnership in connection with the formation transactions.

- We will enter into a Tax Matters Agreement with certain limited partners of our operating partnership, pursuant to which we agree to indemnify such limited partners against adverse tax consequences in connection with: (1) our sale of specified properties in a taxable transaction prior to the seventh anniversary of the completion of the formation transactions; and (2) our failure to provide certain limited partners the opportunity to guarantee certain debt of our operating

partnership during the period ending on the twelfth anniversary of the completion of the formation transactions, or following such period, our failure to use commercially reasonable efforts to provide such opportunities; provided that, subject to certain exceptions and limitations, such indemnification rights will terminate for any such protected partner that sells, exchanges or otherwise disposes of more than 50% of his or her common units during such period. It is anticipated that the total amount of protected built-in gain on the protected properties will be approximately $38.9 million, of which $4.0 million, $8.8 million, and $4.7 million is attributable to Messrs. Ziman, Schwimmer and Frankel, respectively. In addition, our operating partnership will be required to offer certain limited partners the opportunity to guarantee, in the aggregate, up to approximately $19 million of our debt, of which Messrs. Ziman, Schwimmer and Frankel will have the opportunity to guarantee up to approximately $2.4 million, $6.5 million and $3.5 million, respectively, of our outstanding indebtedness respectively pursuant to the Tax Matters Agreement.

- In connection with the completion of this offering, we will enter into a registration rights agreement with the various persons receiving shares of our common stock and/or common units in the formation transactions and the concurrent private placement, including certain of our directors and executive officers and their affiliates. Under the registration rights agreement, subject to certain limitations, commencing not later than 14 months after the date of this offering, we will file one or more registration statements covering the resale of the shares of our common stock issued in the formation transactions and the concurrent private placement and the resale of the shares of our common stock issued or issuable, at our option, in exchange for common units issued in the formation transactions. We may, at our option, satisfy our obligation to prepare and file a resale registration statement by filing a registration statement registering the issuance by us of shares of our common stock under the Securities Act in lieu of our operating partnership's obligation to pay cash for such units. We will agree to pay all of the expenses relating to the securities registrations described above. See "Certain Relationships and Related Transactions—Registration Rights" and "Shares Eligible for Future Sale—Registration Rights."

- We intend to enter into employment agreements with certain of our executive officers that would become effective as of the completion of this offering, which would be expected to provide for salary, bonus and other benefits, including severance upon a termination of employment under certain circumstances. The terms of these employment agreements have not yet been finalized and therefore remain subject to change, however the material terms of the agreements, as currently contemplated, are described under "Executive Compensation—Executive Compensation Arrangements."

- We intend to enter into indemnification agreements with directors and executive officers at the completion of this offering, providing for procedures for indemnification by us to the fullest extent permitted by law and advancements by us of certain expenses and costs relating to claims, suits or proceedings arising from their service to us or, at our request, service to other entities, as officers or directors.

- We intend to adopt the Plan, under which we may grant cash or equity incentive awards to our directors, officers, employees and consultants. See "Executive Compensation—2013 Incentive Award Plan."

**Determination of Offering Price**

Prior to this offering, there has been no public market for our common stock. The initial public offering price was negotiated between the underwriters and us. In determining the initial public offering price of our common stock, the underwriters considered, among other factors, the history and prospects for the industry in which we compete, our financial information, the ability of our management and our business potential and

earning prospects, the prevailing securities markets at the time of this offering, and the recent market prices of, and the demand for, publicly-traded shares of companies the underwriters deemed generally comparable. The initial public offering price does not necessarily bear any relationship to the book value of our assets or the assets to be acquired in our formation transactions, our financial condition or any other established criteria of value and may not be indicative of the market price for our common stock after this offering. We have not obtained any third-party appraisals of the properties and other assets to be acquired by us in our formation transactions for purposes of determining how much we should pay for such properties and assets. The consideration to be given by us for our properties and other assets in our formation transactions may exceed their fair market value. See "Risk Factors—Risks Related to this Offering—Differences between the book value of the assets to be acquired in the formation transactions and the price paid for our common stock will result in an immediate and material dilution of the book value of our common stock."

## POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

The following is a discussion of our investment policies and our policies with respect to certain other activities, including financing matters and conflicts of interest. These policies may be amended or revised from time to time at the discretion of our board of directors, without a vote of our stockholders. Any change to any of these policies by our board of directors, however, would be made only after a thorough review and analysis of that change, in light of then-existing business and other circumstances, and then only if, in the exercise of its business judgment, our board of directors believes that it is advisable to do so in our and our stockholders' best interests. We cannot assure you that our investment objectives will be attained.

**Investments in Real Estate or Interests in Real Estate**

We plan to invest principally in industrial properties in Southern California. Upon completion of this offering, our portfolio will consist of 61 industrial properties with approximately 6.7 million rentable square feet. In addition, our executive officers will seek to identify and negotiate future acquisition opportunities. For information concerning the investing experience of these individuals, please see the section entitled "Management."

We intend to conduct substantially all of our investment activities through our operating partnership and its subsidiaries. Our goal is to generate attractive risk-adjusted returns for our stockholders by providing superior access to industrial property investments in Southern California infill markets.

We do not have a specific policy to acquire assets primarily for capital gain or primarily for income. From time to time, we may make investments that support our objectives but do not provide current cash flow. We believe investments that do not generate current cash flow may be, in certain instances, consistent with our objective to achieve sustainable long-term growth in earnings and FFO.

There are no limitations on the amount or percentage of our total assets that may be invested in any one property. Additionally, no limits have been set on the concentration of investments in any one location or facility type.

Additional criteria with respect to our properties are described in "Business."

**Investments in Mortgages, Structured Financings and Other Lending Policies**

While our initial portfolio consists primarily of, and our business objectives emphasize, equity investments in industrial real estate, we may, at the discretion of our board of directors, invest in mortgages and other types of real estate interests consistent with our qualifications as a REIT. Except for one mortgage, as described in more detail below, we do not presently invest, or intend to invest in mortgages or deeds of trust, but may acquire such interests as a strategy for acquiring ownership of a property or the economic equivalent thereof and/or invest in participating or convertible mortgages if we conclude that we may benefit from the gross revenues or any appreciation in value of the property. These mortgages may or may not be guaranteed or insured as to principal or interest by any government agency or otherwise. Investments in real estate mortgages run the risk that one or more borrowers may default under the mortgages and that the collateral securing those mortgages may not be sufficient to enable us to recoup our full investment.

We currently own one non-recourse mortgage loan with an estimated outstanding balance of approximately $14.3 million as of March 31, 2013, secured by a first mortgage on a property located in San Juan Capistrano, California, and scheduled to mature on May 1, 2017. We currently receive fixed monthly payments of principal and interest in the amount of approximately $93,000 pursuant to the loan agreement, and the loan is currently prepayable by the borrower without penalty, upon 30 days prior written notice to us. In the event of a default by the borrower, we have the standard rights and remedies available to a lender, including acceleration and foreclosure.

**Investments in Securities of or Interests in Persons Primarily Engaged in Real Estate Activities and Other Issuers**

Generally speaking, we do not expect to engage in any significant investment activities with other entities, although we may consider joint venture investments with other investors. We may also invest in the securities of other issuers in connection with acquisitions of indirect interests in properties (normally general or limited partnership interests in special purpose partnerships owning properties). We may in the future acquire some, all or substantially all of the securities or assets of other REITs or similar entities where that investment would be consistent with our investment policies and the REIT qualification requirements. There are no limitations on the amount or percentage of our total assets that may be invested in any one issuer, other than those imposed by the gross income and asset tests that we must satisfy to qualify as a REIT. However, we do not anticipate investing in other issuers of securities for the purpose of exercising control or acquiring any investments primarily for sale in the ordinary course of business or holding any investments with a view to making short-term profits from their sale. In any event, we do not intend that our investments in securities will require us to register as an "investment company" under the Investment Company Act of 1940, as amended, or the "1940 Act," and we intend to divest securities before any registration would be required.

We do not intend to engage in trading, underwriting, agency distribution or sales of securities of other issuers.

**Disposition Policy**

We may from time to time dispose of certain properties, based upon management's periodic review of our portfolio, if our board of directors determines that such action would be in our best interests. The tax consequences to our directors and executive officers who hold units resulting from a proposed disposition of a property may influence their decision as to the desirability of such proposed disposition. See "Risk Factors—Risks Related to Our Organizational Structure and Our Formation Transactions—Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of common units, which may impede business decisions that could benefit our stockholders."

**Financing and Leverage Policies**

Upon completion of this offering, we will use significant amounts of cash to repay mortgage indebtedness on certain of the properties in our initial portfolio. Other uses of proceeds from this offering are described in greater detail under "Use of Proceeds" elsewhere in this prospectus. In the future, however, we anticipate using a number of different sources to finance our acquisitions and operations, including cash flows from operations, asset sales, seller financing, issuance of debt securities, private financings (such as additional bank credit facilities, which may or may not be secured by our assets), property-level mortgage debt, common or preferred equity issuances or any combination of these sources, to the extent available to us, or other sources that may become available from time to time. Any debt that we incur may be recourse or non-recourse and may be secured or unsecured. We also may take advantage of joint venture or other partnering opportunities as such opportunities arise in order to acquire properties that would otherwise be unavailable to us. We may use the proceeds of our borrowings to acquire assets, to refinance existing debt or for general corporate purposes.

Although we are not required to maintain any particular leverage ratio, we intend, when appropriate, to employ prudent amounts of leverage and to use debt as a means of providing additional funds for the acquisition of assets, to refinance existing debt or for general corporate purposes. We expect to use leverage conservatively, assessing the appropriateness of new equity or debt capital based on market conditions, including prudent assumptions regarding future cash flow, the creditworthiness of tenants and future rental rates. Our charter and bylaws do not limit the amount of debt that we may incur. Our board of directors has not adopted a policy limiting the total amount of debt that we may incur.

Our board of directors will consider a number of factors in evaluating the amount of debt that we may incur. If we adopt a debt policy, our board of directors may from time to time modify such policy in light of then-current economic conditions, relative costs of debt and equity capital, market values of our properties, general conditions in the market for debt and equity securities, fluctuations in the market price of our common stock, growth and acquisition opportunities and other factors. Our decision to use leverage in the future to finance our assets will be at our discretion and will not be subject to the approval of our stockholders, and we are not restricted by our governing documents or otherwise in the amount of leverage that we may use.

**Lending Policies**

We may consider offering purchase money financing in connection with the sale of properties where the provision of that financing will increase the value to be received by us for the property sold. We also may make loans to joint ventures in which we participate. However, we do not intend to engage in significant lending activities. Any loan we make will be consistent with maintaining our status as a REIT.

**Equity Capital Policies**

To the extent that our board of directors determines to obtain additional capital, we may issue debt or equity securities, including additional units or senior securities of our operating partnership, retain earnings (subject to provisions in the Code requiring distributions of income to maintain REIT qualification) or pursue a combination of these methods. As long as our operating partnership is in existence, we will generally contribute the proceeds of all equity capital raised by us to our operating partnership in exchange for partnership interests in our operating partnership, which will dilute the ownership interests of the limited partners in our operating partnership.

Existing stockholders will have no preemptive rights to common or preferred stock or units issued in any securities offering by us, and any such offering might cause a dilution of a stockholder's investment in us. Although we have no current plans to do so, we may in the future issue shares of common stock or cause our operating partnership to issue common units in connection with acquisitions of property.

We may, under certain circumstances, purchase shares of our common stock or other securities in the open market or in private transactions with our stockholders, provided that those purchases are approved by our board of directors. Our board of directors has no present intention of causing us to repurchase any shares of our common stock or other securities, and any such action would only be taken in conformity with applicable federal and state laws and the applicable requirements for qualification as a REIT.

**Conflict of Interest Policy**

*Overview.* Conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof, on the other. Our directors and officers have duties to our company under applicable Maryland law in connection with their management of our company. At the same time, we, as the general partner of our operating partnership, have fiduciary duties and obligations to our operating partnership and its other partners under Maryland law and the partnership agreement in connection with the management of our operating partnership. Our fiduciary duties and obligations, as the general partner of our operating partnership, may come into conflict with the duties of our directors and officers to our company.

Under Maryland law, a general partner of a Maryland limited partnership has fiduciary duties of loyalty and care to the partnership and its partners and must discharge its duties and exercise its rights as general partner under the partnership agreement or Maryland law consistently with the obligation of good faith and fair dealing. The duty of loyalty requires a general partner of a Maryland limited partnership to account to the partnership and hold as trustee for it any property, profit, or benefit derived by the general partner in the conduct of the partnership business or derived from a use by the general partner of partnership property, including the

appropriation of a partnership opportunity, to refrain from dealing with the partnership in the conduct of the partnership's business as or on behalf of a party having an interest adverse to the partnership and to refrain from competing with the partnership in the conduct of the partnership business, although the partnership agreement may identify specific types or categories of activities that do not violate the duty of loyalty. The partnership agreement provides that, in the event of a conflict between the interests of our operating partnership or any partner, on the one hand, and the separate interests of our company or our stockholders, on the other hand, we, in our capacity as the general partner of our operating partnership, may give priority to the separate interests of our company or our stockholders (including with respect to tax consequences to limited partners, assignees or our stockholders), and, in the event of such a conflict, any action or failure to act on our part or on the part of our directors that gives priority to the separate interests of our company or our stockholders that does not result in a violation of the contract rights of the limited partners of our operating partnership under its partnership agreement does not violate the duty of loyalty or any other duty that we, in our capacity as the general partner of our operating partnership, owe to our operating partnership and its partners, or violate the obligation of good faith and fair dealing. We, in our capacity as the general partner of our operating partnership, may, but are not obligated to, take into account the tax consequences to any partner of our operating partnership of any action we take or fail to take, and any such action or failure to act that does not take into account any such tax consequences that does not violate the contract rights of the limited partners of our operating partnership under the partnership agreement does not violate the duty of loyalty or any other duty that we, in our capacity as the general partner of our operating partnership, owe to our operating partnership or its partners, or violate the obligation of good faith and fair dealing. Further, any action that we undertake or fail to take in the good faith belief that the action or inaction is necessary or advisable to protect our ability to continue to qualify as a REIT, for us to otherwise satisfy the requirements for qualifying as a REIT under the Code, for us to avoid incurring income taxes under the Code or for any of our affiliates to continue to qualify as a "qualified REIT subsidiary" under the Code or a "taxable REIT subsidiary" under the Code does not violate the duty of loyalty or any other duty or obligation, fiduciary or otherwise, that we, in our capacity as the general partner of our operating partnership, owe to our operating partnership or any other partner. The duty of care requires a general partner to refrain from engaging in grossly negligent or reckless conduct, intentional misconduct or a knowing violation of law, and this duty may not be unreasonably reduced by the partnership agreement.

The partnership agreement provides that we will not be liable to our operating partnership or any partner for any action or omission taken in our capacity as general partner, for the debts or liabilities of our operating partnership or for the obligations of the operating partnership under the partnership agreement, except for liability for our fraud, willful misconduct or gross negligence, pursuant to any express indemnity we may give to our operating partnership or in connection with a redemption as described in "Description of the Partnership Agreement of Rexford Industrial Realty, L.P.—Redemption Rights of Qualifying Parties." The partnership agreement also provides that any obligation or liability in our capacity as the general partner of our operating partnership that may arise at any time under the partnership agreement or any other instrument, transaction or undertaking contemplated by the partnership agreement will be satisfied, if at all, out of our assets or the assets of our operating partnership only, and no obligation or liability of the general partner will be personally binding upon any of our directors, stockholders, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise, and none of our directors or officers will be directly liable or accountable in damages or otherwise to the partnership, any partner or any assignee of a partner for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or any act or omission or by reason of their service as such. Our operating partnership must indemnify us, our directors and officers, officers of our operating partnership and any other person designated by us against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, that relate to the operations of our operating partnership, unless (1) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) for any transaction for which such person actually received an improper personal benefit in violation or breach of any provision of the partnership agreement or (3) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful.

Our operating partnership must also pay or reimburse the reasonable expenses of any such person in advance of a final disposition of the proceeding upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our operating partnership is not required to indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the partnership agreement) or if the person is found to be liable to our operating partnership on any portion of any claim in the action.

No reported decision of a Maryland appellate court has interpreted provisions similar to the provisions of the partnership agreement of our operating partnership that modify or reduce the fiduciary duties and obligations of a general partner or reduce or eliminate our liability for money damages to our operating partnership and its partners, and we have not obtained an opinion of counsel as to the enforceability of the provisions set forth in the partnership agreement that purport to modify or reduce our fiduciary duties and obligations that would be in effect were it not for the partnership agreement.

*Sale or Refinancing of Properties.* Upon the sale of certain of the properties to be owned by us at the completion of the formation transactions, certain unitholders could incur adverse tax consequences which are different from the tax consequences to us and to holders of our common stock. Consequently, unitholders may have differing objectives regarding the appropriate pricing and timing of any such sale or repayment of indebtedness. While we will have the exclusive authority under the partnership agreement to determine whether, when, and on what terms to sell a property or when to refinance or repay indebtedness, any such decision would require the approval of our board of directors.

*Policies Applicable to All Directors and Officers.* Our charter and bylaws do not restrict any of our directors, officers, stockholders or affiliates from having a pecuniary interest in an investment or transaction that we have an interest in or from conducting, for their own account, business activities of the type we conduct. We intend, however, to adopt policies that are designed to eliminate or minimize potential conflicts of interest, including a policy for the review, approval or ratification of any related party transactions. This policy will provide that the audit committee of our board of directors will review the relevant facts and circumstances of each related party transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party before approving such transaction. We will also adopt a code of business conduct and ethics, which will provide that all of our directors, officers and employees are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without our consent. See "Management—Code of Business Conduct and Ethics." However, we cannot assure you that these policies or provisions of law will always be successful in eliminating the influence of such conflicts, and if they are not successful, decisions could be made that might fail to reflect fully the interests of all stockholders.

**Interested Director and Officer Transactions**

Pursuant to the MGCL, a contract or other transaction between us and a director or between us and any other corporation or other entity in which any of our directors is a director or has a material financial interest is not void or voidable solely on the grounds of such common directorship or interest, the presence of such director at the meeting at which the contract or transaction is authorized, approved or ratified or the counting of the director's vote in favor thereof, provided that:

- the fact of the common directorship or interest is disclosed or known to our board of directors or a committee of our board, and our board or such committee authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum;

- the fact of the common directorship or interest is disclosed or known to our stockholders entitled to vote thereon, and the transaction or contract is authorized, approved or ratified by a majority of the votes cast by the stockholders entitled to vote other than the votes of shares owned of record or beneficially by the interested director or corporation, firm or other entity; or

- the transaction or contract is fair and reasonable to us at the time it is authorized, ratified or approved.

Furthermore, under Maryland law (where our operating partnership is formed), we, as general partner, have a fiduciary duty of loyalty to our operating partnership and its partners and, consequently, such transactions also are subject to the duties that we, as general partner, owe to our operating partnership and its limited partners (as such duties have been modified by the partnership agreement). We will also adopt a policy that requires that all contracts and transactions between us, our operating partnership or any of our subsidiaries, on the one hand, and any of our directors or executive officers or any entity in which such director or executive officer is a director or has a material financial interest, on the other hand, must be approved by the affirmative vote of a majority of our disinterested directors even if less than a quorum. Where appropriate, in the judgment of the disinterested directors, our board of directors may obtain a fairness opinion or engage independent counsel to represent the interests of non-affiliated security holders, although our board of directors will have no obligation to do so.

**Policies With Respect To Other Activities**

We will have authority to offer common stock, preferred stock or options to purchase stock in exchange for property and to repurchase or otherwise acquire our common stock or other securities in the open market or otherwise, and we may engage in such activities in the future. As described in "Description of the Partnership Agreement of Rexford Industrial Realty, L.P.," we expect, but are not obligated, to issue common stock to holders of common units upon exercise of their redemption rights. Except in connection with the initial capitalization of our company and our operating partnership, the formation transactions, the concurrent private placement or employment agreements, we have not issued common stock, units or any other securities in exchange for property or any other purpose, and our board of directors has no present intention of causing us to repurchase any common stock other than the redemption of 100 shares of common stock issued to Michael S. Frankel in connection with the initial capitalization of our company. Our board of directors has the authority, without further stockholder approval, to amend our charter to increase or decrease the number of authorized shares of common stock or preferred stock and to authorize us to issue additional shares of common stock or preferred stock, in one or more series, including senior securities, in any manner, and on the terms and for the consideration, it deems appropriate. See "Description of Stock." We have not engaged in trading, underwriting or agency distribution or sale of securities of other issuers other than our operating partnership and do not intend to do so. At all times, we intend to make investments in such a manner as to qualify as a REIT, unless because of circumstances or changes in the Code, or the Treasury regulations, our board of directors determines that it is no longer in our best interest to qualify as a REIT. In addition, we intend to make investments in such a way that we will not be treated as an investment company under the 1940 Act.

**Reporting Policies**

Generally speaking, we intend to make available to our stockholders audited annual financial statements and annual reports. After this offering, we will become subject to the information reporting requirements of the Exchange Act. Pursuant to these requirements, we will file periodic reports, proxy statements and other information, including audited financial statements, with the SEC.

## PRICING SENSITIVITY ANALYSIS

Throughout this prospectus, we provide certain information based on the assumption that our shares are sold in this offering at the mid-point of the pricing range set forth on the cover page of this prospectus. However, certain of this information will be affected if the actual price per share in this offering is different from that mid-point. In particular, where the prior investors and purchasers in the concurrent private placement will receive a number of common units or shares of common stock based on a fixed dollar value, the number of common units or shares of common stock they will receive will vary inversely with the public offering price. In contrast, where the prior investors will receive a fixed number of common units or shares of common stock, the value of such common units and shares of common stock will increase or decrease, respectively, as the initial public offering price increases or decreases above or below the mid-point of the range. The following table sets forth this information at low-, mid- and high-points of the range of prices set forth on the cover page of this prospectus (dollar amounts in thousands):

| | Price per Share | | |
|---|---|---|---|
| | $13.00 | $14.00 | $15.00 |
| **Formation Transactions** | | | |
| Number of shares of common stock to be issued to Richard Ziman in the formation transactions | 54,921 | 51,650 | 48,815 |
| Value of shares of common stock to be issued to Richard Ziman in the formation transactions | $ 713,973 | $ 723,100 | $ 732,225 |
| Number of shares of common stock to be issued to Howard Schwimmer in the formation transactions | 11,198 | 10,530 | 9,952 |
| Value of shares of common stock to be issued to Howard Schwimmer in the formation transactions | $ 145,574 | $ 147,420 | $ 149,280 |
| Number of shares of common stock to be issued to Michael S. Frankel in the formation transactions | 2,238 | 2,104 | 1,988 |
| Value of shares of common stock to be issued to Michael S. Frankel in the formation transactions | $ 29,094 | $ 29,456 | $ 29,820 |
| Number of common units to be issued to Richard Ziman in the formation transactions | 644,769 | 643,446 | 642,299 |
| Value of common units to be issued to Richard Ziman in the formation transactions | $ 8,381,997 | $ 9,008,244 | $ 9,634,485 |
| Number of common units to be issued to Howard Schwimmer in the formation transactions | 854,058 | 852,890 | 851,879 |
| Value of common units to be issued to Howard Schwimmer in the formation transactions | $ 11,102,754 | $ 11,940,460 | $ 12,778,185 |
| Number of common units to be issued to Michael S. Frankel in the formation transactions | 679,483 | 670,923 | 663,504 |
| Value of common units to be issued to Michael S. Frankel in the formation transactions | $ 8,833,279 | $ 9,392,922 | $ 9,952,560 |
| **Concurrent Private Placement** | | | |
| Number of shares of common stock to be purchased by Richard Ziman in the concurrent private placement | 43,820 | 40,690 | 37,978 |
| Number of shares of common stock to be purchased by Howard Schwimmer in the concurrent private placement | 26,071 | 24,209 | 22,595 |
| Number of shares of common stock to be purchased by Michael S. Frankel in the concurrent private placement | 15,888 | 14,754 | 13,770 |

| | Price per Share | | |
|---|---|---|---|
| | $13.00 | $14.00 | $15.00 |
| **Grants of Restricted Stock** | | | |
| Number of shares of restricted stock to be granted to Richard Ziman | 230,769 | 214,286 | 200,000 |
| Number of shares of restricted stock to be granted to Howard Schwimmer | 307,692 | 285,714 | 266,667 |
| Number of shares of restricted stock to be granted to Michael S. Frankel | 307,692 | 285,714 | 266,667 |
| Number of shares of restricted stock to be granted to other officers and directors | 33,462 | 31,071 | 29,000 |
| Number of shares remaining under the equity incentive plan | 1,293,324 | 1,348,760 | 1,396,805 |
| **Number of Shares and Units after the Offering, Concurrent Private Placement and the Formation Transactions** | | | |
| Number of shares of common stock to be issued and outstanding upon completion of the offering, the concurrent private placement and the formation transaction(1) | 28,154,741 | 25,239,339 | 24,845,983 |
| Number of common units of partnership interest in our operating partnership to be issued and outstanding and held by limited partners upon completion of the offering, the concurrent private placement and the formation transaction(1) | 3,524,455 | 3,714,419 | 3,879,055 |
| **Equity Ownership Percentages after the Offering, Concurrent Private Placement and the Formation Transactions (Fully Diluted)(1)** | | | |
| Percentage owned by public | 54.8% | 55.3% | 55.7% |
| Percentage owned by prior investors other than executive officers and directors | 34.2% | 33.9% | 33.7% |
| Percentage owned by executive officers and directors | 11.0% | 10.8% | 10.6% |
| | 100.0% | 100.0% | 100.0% |

(1) Assumes no exercise of the underwriters' over-allotment option.

## PRINCIPAL STOCKHOLDERS

The following table sets forth certain information, upon completion of this offering, the concurrent private placement and the formation transactions, regarding the ownership of shares of our common stock by:

- each of the persons who will be a director upon completion of this offering;
- each of our executive officers;
- each person who will be the beneficial owner of more than 5% of our outstanding common stock; and
- all directors and executive officers as a group.

In accordance with SEC rules, each listed person's beneficial ownership includes:

- all shares the person actually owns beneficially or of record;
- all shares over which the person has or shares voting or dispositive control (such as in the capacity as a general partner of an investment fund); and
- all shares the person has the right to acquire within 60 days (such as restricted shares of common stock that are currently vested or which are scheduled to vest within 60 days).

Unless otherwise indicated, all shares are owned directly, and the indicated person has sole voting and investment power. Except as indicated in the footnotes to the table below, the business address of the stockholders listed below is the address of our principal executive office, 11620 Wilshire Boulevard, Suite 300, Los Angeles, CA 90025.

| Name | Number of Shares and/or Common Units Beneficially Owned[1] | Percent of All Shares[2] | Percent of All Shares and Common Units[3] |
|---|---|---|---|
| Richard Ziman[4] | 950,072 | 3.7 | 3.3 |
| Howard Schwimmer[5] | 1,173,343 | 4.5 | 4.1 |
| Michael S. Frankel | 973,495 | 3.8 | 3.4 |
| Adeel Khan | 32,779 | * | * |
| Robert L. Antin | 2,857 | * | * |
| Leslie E. Bider | 2,857 | * | * |
| Steven C. Good | 2,857 | * | * |
| Joel S. Marcus | 2,857 | * | * |
| **Total Held By Officers and Directors as a Group** | 3,141,117 | 11.5% | 10.8% |

* Less than 1.0%.

(1) As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares.

(2) Assumes 25,239,339 shares of common stock will be outstanding immediately upon the completion of the completion of our formation transactions, the concurrent private placement and this offering. In computing the percentage ownership of a person or group, we have assumed that the common units held by that person or the persons in the group have been redeemed in exchange for shares of common stock and that those shares are outstanding but that no common units held by other persons have been redeemed in exchange for shares of common stock.

(3) Assumes 28,953,758 shares of common stock and common units (other than common units held by us) will be outstanding immediately upon the completion of our formation transactions, the concurrent private placement and this offering on a fully diluted basis, comprised of 25,239,339 shares of common stock and 3,714,419 common units held by limited partners.

(4) Includes 62,895 common units held by RSZ Trust for which Mr. Ziman is the trustee.

(5) Includes 28,386 common units held by the Schwimmer Family Irrevocable Trust for which Mr. Schwimmer is a trustee and 3,499 common units held by the Howard Schwimmer Living Trust for which Mr. Schwimmer is the trustee.

## DESCRIPTION OF STOCK

*The following summary of the material terms of our shares of capital stock does not purport to be complete and is subject to and qualified in its entirety by reference to the MGCL, and to our charter and bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus is part. See "Where You Can Find More Information."*

### General

Our charter provides that we may issue up to 490,000,000 shares of common stock, $0.01 par value per share, or common stock, and up to 10,000,000 shares of preferred stock, $ 0.01 par value per share, or preferred stock. Our charter authorizes our board of directors, with the approval of a majority of the entire board of directors and without any action by our common stockholders, to amend our charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of any class or series of our stock. Upon completion of our formation transactions, the concurrent private placement and this offering, 25,239,339 shares of our common stock will be issued and outstanding, and no shares of preferred stock will be issued and outstanding.

Under Maryland law, stockholders generally are not personally liable for our debts or obligations solely as a result of their status as stockholders.

### Common Stock

All of the shares of our common stock offered in this offering will be duly authorized, validly issued, fully paid and nonassessable. Subject to the preferential rights of any other class or series of our stock and to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, holders of shares of our common stock are entitled to receive dividends and other distributions on such shares if, as and when authorized by our board of directors out of assets legally available therefor and declared by us and to share ratably in the assets of our company legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up after payment or establishment of reserves for all known debts and liabilities of our company.

Subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock and except as may otherwise be specified in the terms of any class or series of our common stock, each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors, and, except as provided with respect to any other class or series of stock, the holders of shares of common stock will possess the exclusive voting power. There is no cumulative voting in the election of our directors. Directors are elected by a plurality of all of the votes cast in the election of directors.

Holders of shares of our common stock have no preference, conversion, exchange, sinking fund or redemption rights and have no preemptive rights to subscribe for any securities of our company. Our charter provides that our common stockholders generally have no appraisal rights unless our board of directors determines prospectively that appraisal rights will apply to one or more transactions in which holders of our common stock would otherwise be entitled to exercise appraisal rights. Subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, holders of our common stock will have equal dividend, liquidation and other rights.

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, consolidate, sell all or substantially all of its assets or engage in a statutory share exchange unless declared advisable by its board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of all of the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. Our charter provides for approval of any of these matters by the affirmative vote of stockholders entitled to cast a majority of

the votes entitled to be cast on such matters, except that the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast generally in the election of directors is required to remove a director (and such removal must be for cause) and the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on such matter is required to amend the provisions of our charter relating to the removal of directors or the vote required to amend such provisions. Maryland law also permits a Maryland corporation to transfer all or substantially all of its assets without the approval of the stockholders of the corporation to an entity if all of the equity interests of the entity are owned, directly or indirectly, by the corporation. Because our operating assets may be held by our operating partnership or its subsidiaries, these subsidiaries may be able to merge or transfer all or substantially all of their assets without the approval of our stockholders.

Our charter authorizes our board of directors to reclassify any unissued shares of our common stock into other classes or series of stock, to establish the designation and number of shares of each class or series and to set, subject to the provisions of our charter relating to the restrictions on ownership and transfer of our stock, the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of each such class or series.

**Preferred Stock**

Our charter authorizes our board of directors to classify any unissued shares of preferred stock and to reclassify any previously classified but unissued shares into one or more classes or series of preferred stock. Prior to issuance of shares of each new class or series, our board of directors is required by the MGCL and our charter to set, subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of each such class or series. As a result, our board of directors could authorize the issuance of shares of preferred stock that have priority over shares of our common stock with respect to dividends or other distributions or rights upon liquidation, exclusive or class voting rights or with other terms and conditions that could have the effect of delaying, deferring or preventing a transaction or a change of control of our company that might involve a premium price for holders of our common stock or that our common stockholders otherwise believe to be in their best interests. As of the date hereof, no shares of preferred stock are outstanding and we have no present plans to issue any preferred stock.

**Power to Increase or Decrease Authorized Shares of Common Stock and Issue Additional Shares of Common and Preferred Stock**

We believe that the power of our board of directors to amend our charter to increase or decrease the aggregate number of authorized shares of stock, to authorize us to issue additional authorized but unissued shares of our common stock or preferred stock and to classify or reclassify unissued shares of our common stock or preferred stock and thereafter to authorize us to issue such classified or reclassified shares of stock will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise. The additional classes or series, as well as the additional authorized shares of common stock, will be available for issuance without further action by our stockholders, unless such action is required by applicable law, the terms of any class or series of preferred stock we may issue in the future or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although our board of directors does not currently intend to do so, it could authorize us to issue a class or series of stock that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change of control of our company that might involve a premium price for holders of our common stock or that our common stockholders otherwise believe to be in their best interests. See “Material Provisions of Maryland Law and of Our Charter and Bylaws—Anti-takeover Effect of Certain Provisions of Maryland Law and of Our Charter and Bylaws.”

**Restrictions on Ownership and Transfer**

In order for us to qualify as a REIT under the Code, our stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to be a REIT has been made) or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of the outstanding shares of stock (after taking into account options to acquire shares of stock) may be owned, directly, indirectly or through application of certain attribution rules by five or fewer individuals (as defined in the Code to include certain entities such as qualified pension plans) at any time during the last half of a taxable year (other than the first year for which an election to be a REIT has been made).

Our charter contains restrictions on the ownership and transfer of our stock that are intended to assist us in complying with these requirements and continuing to qualify as a REIT. The relevant sections of our charter provide that, subject to the exceptions described below, no person or entity may actually or beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% (in value or in number of shares, whichever is more restrictive) of the outstanding shares of our common stock, excluding any shares of common stock that are not treated as outstanding for federal income tax purposes, or 9.8% in value of the aggregate of the outstanding shares of all classes and series of our stock, excluding any shares of our common stock that are not treated as outstanding for federal income tax purposes. We refer to each of these restrictions as an "ownership limit" and collectively as the "ownership limits." A person or entity that would have acquired actual, beneficial or constructive ownership of our stock but for the application of the ownership limits or any of the other restrictions on ownership and transfer of our stock discussed below is referred to as a "prohibited owner."

The constructive ownership rules under the Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% of our common stock (or the acquisition of an interest in an entity that owns, actually or constructively, our common stock) by an individual or entity, could, nevertheless cause that individual or entity, or another individual or entity, to own constructively in excess of 9.8% of our outstanding common stock and thereby violate the applicable ownership limit.

Our board of directors, in its sole and absolute discretion, prospectively or retroactively, may exempt a person from either or both of the ownership limits if doing so would not result in us being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify as a REIT and our board of directors determines that:

- such exemption will not cause any individual to actually or beneficially own more than 9.8% in value of the aggregate of the outstanding shares of all classes and series of our stock; and
- subject to certain exceptions, the person does not and will not own, actually or constructively, an interest in a tenant of ours (or a tenant of any entity owned in whole or in part by us) that would cause us to own, actually or constructively, more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant.

As a condition of the exception, our board of directors may require an opinion of counsel or IRS ruling, in either case in form and substance satisfactory to our board of directors, in its sole and absolute discretion, in order to determine or ensure our status as a REIT and representations and undertakings from the person seeking the exemption or excepted holder limit in order to make the determinations above. Our board of directors may impose such conditions or restrictions as it deems appropriate in connection with such an exception.

Our board of directors may, in its sole and absolute discretion, increase or decrease one or both of the ownership limits for one or more persons, except that a decreased ownership limit will not be effective for any person whose actual, beneficial or constructive ownership of our stock exceeds the decreased ownership limit at the time of the decrease until the person's actual, beneficial or constructive ownership of our stock equals or falls

below the decreased ownership limit, although any further acquisition of shares of our stock or beneficial or constructive ownership of our stock will violate the decreased ownership limit. Our board of directors may not increase or decrease any ownership limit if, among other limitations, the new ownership limit would allow five or fewer persons to actually or beneficially own more than 49% in value of our outstanding stock, could cause us to be "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or could otherwise cause us to fail to qualify as a REIT.

Our charter further prohibits:

- any person from actually, beneficially or constructively owning shares of our stock that could result in us being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise cause us to fail to qualify as a REIT (including, but not limited to, actual, beneficial or constructive ownership of shares of our stock that could result in us owning (actually or constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income we derive from such tenant, taking into account our other income that would not qualify under the gross income requirements of Section 856(c) of the Code, would cause us to fail to satisfy any such gross income requirements imposed on REITs); and

- any person from transferring shares of our stock if such transfer would result in shares of our stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution).

Any person who acquires or attempts or intends to acquire actual, beneficial or constructive ownership of shares of our stock that will or may violate the ownership limits or any of the other restrictions on ownership and transfer of our stock described above must give written notice immediately to us or, in the case of a proposed or attempted transaction, provide us at least 15 days prior written notice, and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT.

The ownership limits and other restrictions on ownership and transfer of our stock described above will not apply until the completion of this offering and will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT or that compliance is no longer required in order for us to qualify as a REIT.

Pursuant to our charter, if any purported transfer of our stock or any other event would otherwise result in any person violating the ownership limits or such other limit established by our board of directors, or could result in us being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify as a REIT, then that number of shares causing the violation (rounded up to the nearest whole share) will be automatically transferred to, and held by, a trust for the exclusive benefit of one or more charitable organizations selected by us. The prohibited owner will have no rights in shares of our stock held by the trustee. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in the transfer to the trust. Any dividend or other distribution paid to the prohibited owner, prior to our discovery that the shares had been automatically transferred to a trust as described above, must be repaid to the trustee upon demand. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the applicable restriction on ownership and transfer of our stock, then that transfer of the number of shares that otherwise would cause any person to violate the above restrictions will be void. If any transfer of our stock would result in shares of our stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution), then any such purported transfer will be void and of no force or effect and the intended transferee will acquire no rights in the shares.

Shares of our stock transferred to the trustee are deemed offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in the transfer of the shares to

the trust (or, in the event of a gift, devise or other such transaction, the last reported sale price on the day of the transfer or other event that resulted in the transfer of such shares to the trust) and (ii) the last reported sale price on the date we accept, or our designee accepts, such offer. We must reduce the amount payable to the prohibited owner by the amount of dividends and distributions paid to the prohibited owner and owed by the prohibited owner to the trustee and pay the amount of such reduction to the trustee for the benefit of the charitable beneficiary. We have the right to accept such offer until the trustee has sold the shares of our stock held in the trust. Upon a sale to us, the interest of the charitable beneficiary in the shares sold terminates and the trustee must distribute the net proceeds of the sale to the prohibited owner and any dividends or other distributions held by the trustee with respect to such stock will be paid to the charitable beneficiary.

If we do not buy the shares, the trustee must, within 20 days of receiving notice from us of the transfer of shares to the trust, sell the shares to a person or persons designated by the trustee who could own the shares without violating the ownership limits or other restrictions on ownership and transfer of our stock. Upon such sale, the trustee must distribute to the prohibited owner an amount equal to the lesser of (i) the price paid by the prohibited owner for the shares (or, if the prohibited owner did not give value in connection with the transfer or other event that resulted in the transfer to the trust (e.g., a gift, devise or other such transaction), the last reported sale price on the day of the transfer or other event that resulted in the transfer of such shares to the trust) and (ii) the sales proceeds (net of commissions and other expenses of sale) received by the trustee for the shares. The trustee will reduce the amount payable to the prohibited owner by the amount of dividends and other distributions paid to the prohibited owner and owed by the prohibited owner to the trustee. Any net sales proceeds in excess of the amount payable to the prohibited owner will be immediately paid to the charitable beneficiary, together with any dividends or other distributions thereon. In addition, if prior to our discovery that shares of our stock have been transferred to the trustee, such shares of stock are sold by a prohibited owner, then such shares shall be deemed to have been sold on behalf of the trust and, to the extent that the prohibited owner received an amount for or in respect of such shares that exceeds the amount that such prohibited owner was entitled to receive, such excess amount shall be paid to the trustee upon demand.

The trustee will be designated by us and will be unaffiliated with us and with any prohibited owner. Prior to the sale of any shares by the trust, the trustee will receive, in trust for the charitable beneficiary, all dividends and other distributions paid by us with respect to such shares, and may exercise all voting rights with respect to such shares for the exclusive benefit of the charitable beneficiary.

Subject to Maryland law, effective as of the date that the shares have been transferred to the trust, the trustee may, at the trustee's sole discretion:

- rescind as void any vote cast by a prohibited owner prior to our discovery that the shares have been transferred to the trust; and
- recast the vote in accordance with the desires of the trustee acting for the benefit of the beneficiary of the trust.

However, if we have already taken irreversible corporate action, then the trustee may not rescind and recast the vote.

If our board of directors or a committee thereof determines that a proposed transfer or other event has taken place that violates the restrictions on ownership and transfer of our stock set forth in our charter, our board of directors or such committee may take such action as it deems advisable in its sole and absolute discretion to refuse to give effect to or to prevent such transfer, including, but not limited to, causing us to redeem shares of stock, refusing to give effect to the transfer on our books or instituting proceedings to enjoin the transfer.

Every owner of 5% or more (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding shares of our stock, within 30 days after the end of each taxable year, must give written notice to us stating the name and address of such owner, the number of shares of

each class and series of our stock that the owner beneficially owns and a description of the manner in which the shares are held. Each such owner also must provide us with any additional information that we request in order to determine the effect, if any, of the person's actual or beneficial ownership on our status as a REIT and to ensure compliance with the ownership limits. In addition, any person that is an actual owner, beneficial owner or constructive owner of shares of our stock and any person (including the stockholder of record) who is holding shares of our stock for an actual owner, beneficial owner or constructive owner must, on request, disclose to us such information as we may request in good faith in order to determine our status as a REIT and comply with requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the ownership limits.

Any certificates representing shares of our stock will bear a legend referring to the restrictions on ownership and transfer of our stock described above.

These restrictions on ownership and transfer could delay, defer or prevent a transaction or a change of control of our company that might involve a premium price for our common stock that our stockholders believe to be in their best interest.

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

## MATERIAL PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

*The following summary of certain provisions of Maryland law and of our charter and bylaws does not purport to be complete and is subject to and qualified in its entirety by reference to Maryland law and our charter and bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus is part. See "Where You Can Find More Information."*

### Our Board of Directors

Our charter and bylaws provide that the number of directors of our company may be established, increased or decreased only by a majority of our entire board of directors but may not be fewer than the minimum number required under the MGCL nor, unless our bylaws are amended, more than 15. Upon completion of this offering, we expect to have seven directors.

Our charter also provides that, at such time as we become eligible to elect to be subject to certain elective provisions of the MGCL (which we expect will be upon completion of this offering) and except as may be provided by our board of directors in setting the terms of any class or series of stock, any vacancy may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any director so elected will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is duly elected and qualifies.

Each of our directors is elected by our stockholders to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies under the MGCL. Holders of shares of our common stock will have no right to cumulative voting in the election of directors. Directors are elected by a plurality of the votes cast.

### Removal of Directors

Our charter provides that, subject to the rights of holders of one or more classes or series of preferred stock to elect or remove one or more directors, a director may be removed only for cause (as defined in our charter) and only by the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of directors. This provision, when coupled with the exclusive power of our board of directors to fill vacant directorships, may preclude stockholders from removing incumbent directors except for cause and by a substantial affirmative vote and filling the vacancies created by such removal with their own nominees.

### Business Combinations

Under the MGCL, certain "business combinations" (including a merger, consolidation, share exchange or, in certain circumstances specified under the statute, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and any interested stockholder, or an affiliate of such an interested stockholder, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Maryland law defines an interested stockholder as:

- any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which the person otherwise would have become an interested stockholder. In approving a transaction, however, a board of directors may provide that its approval is subject to compliance, at or after the time of the approval, with any terms and conditions determined by it.

After such five-year period, any such business combination must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom (or with whose affiliate) the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These supermajority approval requirements do not apply if, among other conditions, the corporation's common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares.

These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by a corporation's board of directors prior to the time that the interested stockholder becomes an interested stockholder. Our board of directors has, by resolution, elected to opt out of the business combination provisions of the MGCL. We cannot provide you any assurance, however, that our board of directors will not opt to be subject to such business combination provision at any time in the future. Notwithstanding the foregoing, an alteration or repeal of this resolution will not have any effect on any business combinations that have been consummated or upon any agreements existing at the time of such modification or repeal.

**Control Share Acquisitions**

The MGCL provides that holders of "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights with respect to their control shares except to the extent approved by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors, generally, excluding shares of stock in a corporation in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of such shares in the election of directors: (1) the person who made or proposes to make a control share acquisition, (2) an officer of the corporation or (3) an employee of the corporation who is also a director of the corporation. "Control shares" are voting shares of stock that, if aggregated with all other such shares of stock previously acquired by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares that the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A "control share acquisition" means the acquisition, directly or indirectly, of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses and making an "acquiring person statement" as described in the MGCL), may compel the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the control shares. If no request for a special meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights of control shares are not approved at the meeting or if the acquiring person does not deliver an "acquiring person statement" as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The control share acquisition statute does not apply to: (1) shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (2) acquisitions approved or exempted by the charter or bylaws of the corporation.

Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of shares of our stock. We cannot provide you any assurance, however, that our board of directors will not amend or eliminate this provision at any time in the future.

**Subtitle 8**

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of the following five provisions:

- a classified board;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the directors;
- a requirement that a vacancy on the board be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred; or
- a majority requirement for the calling of a special meeting of stockholders.

Our charter provides that, at such time as we become eligible to make a Subtitle 8 election (which we expect will be upon the completion of this offering) and except as may be provided by our board of directors in setting the terms of any class or series of stock, we elect to be subject to the provisions of Subtitle 8 relating to the filling of vacancies on our board of directors. Through provisions in our charter and bylaws unrelated to Subtitle 8, we already (1) require a two-thirds vote for the removal of any director from the board, which removal will be allowed only for cause, (2) vest in the board the exclusive power to fix the number of directorships, subject to limitations set forth in our charter and bylaws, and (3) require, unless called by the chairman of our board of directors, either of our presidents, either of our chief executive officers or our board of directors, the request of stockholders entitled to cast not less than a majority of all votes entitled to be cast on a matter at such meeting to call a special meeting to consider and vote on any matter that may properly be considered at a meeting of stockholders. We have not elected to create a classified board. In the future, our board of directors may elect, without stockholder approval, to create a classified board or elect to be subject to one or more of the other provisions of Subtitle 8.

**Amendments to Our Charter and Bylaws**

Other than amendments to certain provisions of our charter described below and amendments permitted to be made without stockholder approval under Maryland law or by a specific provision in the charter, our charter may

be amended only if such amendment is declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. The provisions of our charter relating to the removal of directors or the vote required to amend such provisions may be amended only if such amendment is declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast not less than two-thirds of all of the votes entitled to be cast on the matter. Our board of directors has the exclusive power to adopt, alter or repeal any provision of our bylaws or to make new bylaws.

**Exclusive Forum**

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf, (b) any action asserting a claim of breach of any duty owed by us or by any director or officer or other employee to us or to our stockholders, (c) any action asserting a claim against us or any director or officer or other employee arising pursuant to any provision of the MGCL or our charter or bylaws or (d) any action asserting a claim against us or any director or officer or other employee that is governed by the internal affairs doctrine shall be the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland, Baltimore Division.

**Meetings of Stockholders**

Under our bylaws, annual meetings of stockholders must be held each year at a date, time and place determined by our board of directors. Special meetings of stockholders may be called by the chairman of our board of directors, either of our chief executive officers, either of our presidents and our board of directors. Subject to the provisions of our bylaws, a special meeting of stockholders to act on any matter that may properly be considered at a meeting of stockholders must be called by our secretary upon the written request of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter at such meeting who have requested the special meeting in accordance with the procedures specified in our bylaws and provided the information and certifications required by our bylaws. Only matters set forth in the notice of a special meeting of stockholders may be considered and acted upon at such a meeting.

**Advance Notice of Director Nominations and New Business**

Our bylaws provide that:

- with respect to an annual meeting of stockholders, nominations of individuals for election to the board of directors and the proposal of business to be considered by stockholders at the annual meeting may be made only:
  - pursuant to our notice of the meeting;
  - by or at the direction of our board of directors; or
  - by a stockholder who was a stockholder of record both at the time of giving of the notice required by our bylaws and at the time of the annual meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on such other business and who has provided the information and certifications required by the advance notice procedures set forth in our bylaws.
- with respect to special meetings of stockholders, only the business specified in our notice of meeting may be brought before the meeting of stockholders, and nominations of individuals for election to our board of directors may be made only:
  - by or at the direction of our board of directors; or

- provided that the meeting has been called for the purpose of electing directors, by a stockholder who is a stockholder of record both at the time of giving of the notice required by our bylaws and at the time of the meeting, who is entitled to vote at the meeting in the election of each individual so nominated and who has provided the information and certifications required by the advance notice procedures set forth in our bylaws.

The purpose of requiring stockholders to give advance notice of nominations and other proposals is to afford our board of directors the opportunity to consider the qualifications of the proposed nominees or the advisability of the other proposals and, to the extent considered necessary by our board of directors, to inform stockholders and make recommendations regarding the nominations or other proposals. The advance notice procedures also permit a more orderly procedure for conducting our stockholder meetings.

**Anti-takeover Effect of Certain Provisions of Maryland Law and of Our Charter and Bylaws**

The restrictions on ownership and transfer of our stock, the provisions of our charter regarding the removal of directors, the exclusive power of our board of directors to fill vacancies on the board and the advance notice provisions of the bylaws could delay, defer or prevent a transaction or a change of control of our company that might involve a premium price for holders of our common stock or otherwise be in their best interests. Likewise, if our board of directors were to opt in to the business combination provisions of the MGCL or the provisions of Subtitle 8 of Title 3 of the MGCL providing for a classified board of directors, or if the provision in our bylaws opting out of the control share acquisition provisions of the MGCL were amended or rescinded, these provisions of the MGCL could have similar anti-takeover effects.

**Indemnification and Limitation of Directors' and Officers' Liability**

Maryland law permits a Maryland corporation to include in its charter a provision eliminating the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our charter contains a provision that eliminates such liability to the maximum extent permitted by Maryland law.

The MGCL requires a Maryland corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made a party by reason of his or her service in that capacity. The MGCL permits a Maryland corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or are threatened to be made a party by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and:
  - was committed in bad faith; or
  - was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify a director or officer for an adverse judgment in a suit by or on behalf of the corporation or if the director or officer was adjudged liable on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, the MGCL permits a Maryland corporation to advance reasonable expenses

to a director or officer, without requiring a preliminary determination of the director's or officer's ultimate entitlement to indemnification, upon the corporation's receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and
- a written undertaking by the director or officer or on the director's or officer's behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

Our charter authorizes us to obligate our company and our bylaws obligate us, to the fullest extent permitted by Maryland law in effect from time to time, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding, without requiring a preliminary determination of the director's or officer's ultimate entitlement to indemnification, to:

- any present or former director or officer who is made or threatened to be made a party to or witness in the proceeding by reason of his or her service in that capacity; or
- any individual who, while serving as our director or officer and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to or witness in the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us, with the approval of our board of directors, to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and to any employee or agent of our company or a predecessor of our company.

The partnership agreement also provides that we, as general partner, and our directors, officers, employees, agents and designees are indemnified to the extent provided therein. See "Description of the Partnership Agreement of Rexford Industrial Realty, L.P.—Exculpation and Indemnification of General Partner."

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

**Indemnification Agreements**

We intend to enter into indemnification agreements with each of our executive officers and directors as described in "Management—Limitation of Liability and Indemnification."

**Restrictions on Ownership and Transfer**

Subject to certain exceptions, our charter provides that no person or entity may actually or beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% (in value or number of shares, whichever is more restrictive) of the outstanding shares of our common stock or more than 9.8% in value of the aggregate outstanding shares of our stock. For a fuller description of this and other restrictions on ownership and transfer of our stock, see "Description of Stock—Restrictions on Ownership and Transfer."

**REIT Qualification**

Our charter provides that our board of directors may revoke or otherwise terminate our REIT election, without approval of our stockholders, if it determines that it is no longer in our best interests to continue to be qualified as a REIT. Our charter also provides that our board of directors may determine that compliance with one or more of the restrictions on ownership and transfer of our stock is no longer required in order for us to qualify as a REIT.

## SHARES ELIGIBLE FOR FUTURE SALE

### General

Upon completion of this offering, the concurrent private placement and the formation transactions, we will have 25,239,339 shares of our common stock outstanding (27,639,339 shares if the underwriters' over-allotment option is exercised in full). In addition, upon completion of this offering and the formation transactions, 3,714,419 shares of our common stock will be reserved for issuance upon exchange of common units.

Of these shares, the 16,000,000 shares sold in this offering (18,400,000 shares if the underwriters' over-allotment option is exercised in full) will be freely transferable without restriction or further registration under the Securities Act, subject to the limitations on ownership set forth in our charter, except for any shares purchased in this offering by our "affiliates," as that term is defined by Rule 144 under the Securities Act. The 12,029,829 shares of our common stock issued in the formation transactions, issued in exchange for common units issued in the formation transactions or issued in the concurrent private placement will be "restricted shares" as defined in Rule 144. We intend to file one or more resale shelf registration statements to register the common stock issued in the formation transactions or issued in the concurrent private placement or issued in exchange for common units issued in the formation transactions. See "Certain Relationships and Related Transactions—Registration Rights."

Prior to this offering, there has been no public market for our common stock. Trading of our common stock on the NYSE is expected to commence immediately following the completion of this offering. No assurance can be given as to (1) the likelihood that an active market for our shares of common stock will develop, (2) the liquidity of any such market, (3) the ability of the stockholders to sell the shares or (4) the prices that stockholders may obtain for any of the shares. No prediction can be made as to the effect, if any, that future sales of shares, or the availability of shares for future sale, will have on the market price prevailing from time to time. Sales of substantial amounts of our common stock (including shares issued upon the exchange of units tendered for redemption or the exercise of stock options), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock. See "Risk Factors—Risks Related to this Offering." For a description of certain restrictions on ownership and transfer of our shares of common stock, see "Description of Stock—Restrictions on Ownership and Transfer."

### Rule 144

After giving effect to this offering, 12,029,829 shares of our outstanding shares of common stock on a fully diluted basis will be "restricted" securities under the meaning of Rule 144 under the Securities Act, and may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including the exemption provided by Rule 144.

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale and who has beneficially owned shares considered to be restricted securities under Rule 144 for at least six months would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned shares considered to be restricted securities under Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

An affiliate of ours who has beneficially owned shares of our common stock for at least six months would be entitled to sell, within any three-month period, a number of shares that does not exceed the greater of:

- 1.0% of the shares of our common stock then outstanding, which will equal approximately 252,393 shares immediately after this offering (276,393 shares if the underwriters exercise their over-allotment option in full); or

- the average weekly trading volume of our common stock on the NYSE during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to manner of sale provisions, notice requirements and the availability of current public information about us.

**Redemption/Exchange Rights**

In connection with the formation transactions, our operating partnership will issue an aggregate of 3,714,419 common units to prior investors in the Rexford Funds and the management companies. Beginning on or after the date which is 14 months after the later of the completion of this offering or the date on which such person first became a holder of common units, limited partners of our operating partnership and certain qualifying assignees of a limited partner will have the right to require our operating partnership to redeem part or all of their common units for cash, or, at our election, shares of our common stock, based upon the fair market value of an equivalent number of shares of our common stock at the time of the redemption, subject to certain adjustments and the restrictions on ownership and transfer of our stock set forth in our charter and described under the section entitled "Description of Stock—Restrictions on Ownership and Transfer." See "Description of the Partnership Agreement of Rexford Industrial Realty, L.P."

**Registration Rights**

In connection with the completion of this offering, we will enter into a registration rights agreement with the various persons receiving shares of our common stock and/or common units in the formation transactions and concurrent private placement, including certain of our executive officers. Under the registration rights agreement, subject to certain limitations, commencing not later than 14 months after the date of this offering, we will file one or more registration statements covering the resale of the shares of our common stock issued in the formation transactions, the concurrent private placement and the resale of the shares of our common stock issued or issuable, at our option, in exchange for common units issued in the formation transactions. We may, at our option, satisfy our obligation to prepare and file a resale registration statement by filing a registration statement registering the issuance by us of shares of our common stock registered under the Securities Act in lieu of our operating partnership's obligation to pay cash for such units. We will agree to pay all of the expenses relating to the securities registrations described above. See "Certain Relationships and Related Transactions—Registration Rights."

**2013 Incentive Award Plan**

We intend to adopt the Plan immediately prior to the completion of this offering. The Plan is expected to provide for the grant of incentive awards to our employees, officers, directors and consultants of our company and our subsidiaries. We intend to reserve shares of common stock and LTIP for issuance under the Plan.

We intend to file with the SEC a Registration Statement on Form S-8 covering the shares of common stock issuable under the Plan. Shares of our common stock issuable under the Plan covered by this registration statement will be eligible for transfer or resale without restriction under the Securities Act unless held by an affiliate.

**Lock-up Periods**

Each of our executive officers, directors and director nominees and their affiliates, has agreed not to sell or otherwise transfer any shares of our common stock or securities convertible or exchangeable into our common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of 360 days after the date of this prospectus without the written consent of the Merrill Lynch, Pierce,

Fenner & Smith Incorporated, Wells Fargo Securities, LLC and FBR Capital Markets & Co. In addition, we and the other participants in the formation transactions and the concurrent private placement have agreed not to sell or otherwise transfer any shares of our common stock or securities convertible or exchangeable into our common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of 180 days after the date of this prospectus without the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and FBR Capital Markets & Co.

However, in addition to certain other exceptions, (1) each of our directors, director nominees, executive officers and their affiliates, as well as prior investors may transfer or dispose of his or her shares during the lock-up period in the case of gifts or for estate planning purposes, and (2) each of the prior investors that is an entity may distribute its shares to its limited partners, members or stockholders or to its affiliates or to any investment fund or other entity controlled or managed by it, provided in each case that each transferee agrees to a similar lock-up agreement for the remainder of the lock-up period, the transfer does not involve a disposition for value, no report is required to be filed by the transferor under the Exchange Act as a result of the transfer and the transferor does not voluntarily effect any public filing or report regarding such transfer.

## DESCRIPTION OF THE PARTNERSHIP AGREEMENT OF REXFORD INDUSTRIAL REALTY, L.P.

*A summary of the material terms and provisions of the Amended and Restated Agreement of Limited Partnership of Rexford Industrial Realty, L.P., which we refer to as the "partnership agreement," is set forth below. This summary is not complete and is subject to and qualified in its entirety by reference to the applicable provisions of Maryland law and the partnership agreement. For more detail, please refer to the partnership agreement itself, a copy of which is filed as an exhibit to the registration statement of which this prospectus is part. See "Where You Can Find More Information."*

### General

Upon completion of the formation transactions, substantially all of our assets will be held by, and substantially all of our operations will be conducted through, our operating partnership, either directly or through its subsidiaries. We are the sole general partner of our operating partnership, and upon completion of this offering, the formation transactions and the other transactions described in this prospectus, 28,029,829 common units will be outstanding and we will own 86.8% of the outstanding common units. In connection with the formation transactions, we will enter into the partnership agreement and the prior investors in our portfolio who elect to receive common units in the formation transactions and concurrent private placement will be admitted as limited partners of the our operating partnership. Our operating partnership is also authorized to issue a class of units of partnership interest designated as LTIP Units and having the terms described below. The provisions of the partnership agreement described below will be in effect after the completion of the formation transactions and this offering. We will not list the common units on any exchange nor will they be quoted on any national market system.

Provisions in the partnership agreement may delay or make more difficult unsolicited acquisitions of us or changes in our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders might consider such proposals, if made, desirable. These provisions also make it more difficult for third parties to alter the management structure of our operating partnership without the concurrence of our board of directors. These provisions include, among others:

- redemption rights of limited partners and certain assignees of common units;
- transfer restrictions on common units and other partnership interests;
- a requirement that we may not be removed as the general partner of our operating partnership without our consent;
- our ability in some cases to amend the partnership agreement and to cause our operating partnership to issue preferred partnership interests in our operating partnership with terms that we may determine, in either case, without the approval or consent of any limited partner; and
- the right of the limited partners to consent to certain transfers of our general partnership interest (whether by sale, disposition, statutory merger or consolidation, liquidation or otherwise).

### Purpose, Business and Management

Our operating partnership is formed for the purpose of conducting any business, enterprise or activity permitted by or under the Maryland Revised Uniform Limited Partnership Act (the "Act"). Our operating partnership may enter into any partnership, joint venture, business trust arrangement, limited liability company or other similar arrangement and may own interests in any other entity engaged in any business permitted by or under the Act, subject to any consent rights set forth in our partnership agreement.

In general, our board of directors will manage the business and affairs of our operating partnership by directing our business and affairs, in our capacity as the sole general partner of our operating partnership. Except as otherwise expressly provided in the partnership agreement and subject to the rights of holders of any class or series of partnership interest, all management powers over the business and affairs of our operating partnership are exclusively vested in us, in our capacity as the sole general partner of our operating partnership. No limited partner, in its capacity as a limited partner, has any right to participate in or exercise management power over our operating partnership's business, transact any business in our operating partnership's name or sign documents for or otherwise bind our operating partnership. We may not be removed as the general partner of our operating partnership, with or without cause, without our consent, which we may give or withhold in our sole and absolute discretion. In addition to the powers granted to us under applicable law or any provision of the partnership agreement, but subject to certain rights of holders of common units or any other class or series of partnership interest, we, in our capacity as the general partner of our operating partnership, have the full and exclusive power and authority to do or authorize all things to conduct the business and affairs of our operating partnership, to exercise or direct the exercise of all of the powers of our operating partnership and the general partner of our operating partnership under Maryland law and the partnership agreement and to effectuate the purposes of our operating partnership, without the approval or consent of any limited partner. We may authorize our operating partnership to incur debt and enter into credit, guarantee, financing or refinancing arrangements for any purpose, including, without limitation, in connection with any acquisition of properties, on such terms as we determine to be appropriate, and to acquire or dispose of any, all or substantially all of its assets (including goodwill), dissolve, merge, consolidate, reorganize or otherwise combine with another entity, without the approval or consent of any limited partner. With limited exceptions, we may execute, deliver and perform agreements and transactions on behalf of our operating partnership without the approval or consent of any limited partner.

**Restrictions on General Partner's Authority**

The partnership agreement prohibits us, in our capacity as general partner, from taking any action that would make it impossible to carry out the ordinary business of our operating partnership or performing any act that would subject a limited partner to liability as a general partner in any jurisdiction or any other liability except as provided under the partnership agreement or under the Act. We may not, without the prior consent of the partners of our operating partnership (including us), amend, modify or terminate the partnership agreement, except for certain amendments that we may approve without the approval or consent of any limited partner, described in "—Amendment of the Partnership Agreement," and certain amendments described below that require the approval of each affected partner. Certain amendments to the partnership agreement also require the consent of limited partners holding LTIP Units, as described in "—LTIP Units—Voting Rights." We may not, in our capacity as the general partner of our operating partnership, without the consent of a majority in interest of the limited partners (excluding us and any limited partner 50% or more of whose equity is owned, directly or indirectly, by us):

- take any action in contravention of an express provision or limitation of the partnership agreement;
- transfer of all or any portion of our general partnership interest in our operating partnership or admit any person as a successor general partner, subject to the exceptions described in "—Transfers and Withdrawals—Restrictions on Transfers by the General Partner"; or
- voluntarily withdraw as the general partner.

Without the consent of each affected limited partner or in connection with a transfer of all of our interests in our partnership in connection with a merger, consolidation or other combination of our assets with another entity, a sale of all or substantially all of our assets or a reclassification, recapitalization or change in our outstanding stock permitted without the consent of the limited partners as described in "—Transfers and Withdrawals—Restrictions on Transfers by the General Partner," or a permitted termination transaction, we may not enter into any contract, mortgage, loan or other agreement that expressly prohibits or restricts us or our operating partnership from performing our or its specific obligations in connection with a redemption of units or

expressly prohibits or restricts a limited partner from exercising its redemption rights in full. In addition to any approval or consent required by any other provision of the partnership agreement, we may not, without the consent of each affected partner, amend the partnership agreement or take any other action that would:

- convert a limited partner interest into a general partner interest (other than as a result of our acquisition of that interest);
- adversely modify in any material respect the limited liability of a limited partner;
- alter the rights of any partner to receive the distributions to which such partner is entitled, or alter the allocations specified in the partnership agreement, except to the extent permitted by the partnership agreement including in connection with the creation or issuance of any new class or series of partnership interest or to effect or facilitate a permitted termination transaction;
- alter or modify the redemption rights of holders of common units or the related definitions specified in the partnership agreement (except as permitted under the partnership agreement to effect or facilitate a permitted termination transaction);
- alter or modify the provisions governing the transfer of our general partnership interest in our operating partnership (except as permitted under the partnership agreement to effect or facilitate a permitted termination transaction);
- remove certain provisions of the partnership agreement relating to the requirements for us to qualify as a REIT or permitting us to avoid paying tax under Sections 857 or 4981 of the Code; or
- amend the provisions of the partnership agreement requiring the consent of each affected partner before taking any of the actions described above (except as permitted under the partnership agreement to effect or facilitate a permitted termination transaction).

**Additional Limited Partners**

We may cause our operating partnership to issue additional units in one or more classes or series or other partnership interests and to admit additional limited partners to our operating partnership from time to time, on such terms and conditions and for such capital contributions as we may establish in our sole and absolute discretion, without the approval or consent of any limited partner, including:

- upon the conversion, redemption or exchange of any debt, units or other partnership interests or securities issued by our operating partnership;
- for less than fair market value;
- for no consideration;
- in connection with any merger of any other entity into our operating partnership; or
- upon the contribution of property or assets to our operating partnership.

The net capital contribution need not be equal for all limited partners. Each person admitted as an additional limited partner must make certain representations to each other partner relating to, among other matters, such person’s ownership of any tenant of us or our operating partnership. No person may be admitted as an additional limited partner without our consent, which we may give or withhold in our sole and absolute discretion, and no approval or consent of any limited partner is required in connection with the admission of any additional limited partner.

The partnership agreement authorizes our operating partnership to issue common units and LTIP Units, and our operating partnership may issue additional partnership interests in one or more additional classes, or one or more series of any of such classes, with such designations, preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption (including, without limitation, terms that may be senior or otherwise entitled to preference over existing units) as we may determine, in our sole and absolute discretion, without the approval of any limited partner or any other person. Without limiting the generality of the foregoing, we may specify, as to any such class or series of partnership interest, the allocations of items of partnership income, gain, loss, deduction and credit to each such class or series of partnership interest.

**Ability to Engage in Other Businesses; Conflicts of Interest**

The partnership agreement provides that we may not conduct any business other than in connection with the ownership, acquisition and disposition of partnership interests, the management of the business and affairs of our operating partnership, our operation as a reporting company with a class (or classes) of securities registered under the Exchange Act, our operations as a REIT, the offering, sale, syndication, private placement or public offering of stock, bonds, securities or other interests, financing or refinancing of any type related to our operating partnership or its assets or activities and such activities as are incidental to those activities discussed above. In general, we must contribute any assets or funds that we acquire to our operating partnership in exchange for additional partnership interests. We may, however, in our sole and absolute discretion, from time to time hold or acquire assets in our own name or otherwise other than through our operating partnership so long as we take commercially reasonable measures to ensure that the economic benefits and burdens of such property are otherwise vested in our operating partnership.

**Distributions**

Our operating partnership will distribute such amounts, at such times, as we may in our sole and absolute discretion determine:

- first, with respect to any partnership interests that are entitled to any preference in distribution, in accordance with the rights of the holders of such class(es) of partnership interest, and, within each such class, among the holders of such class pro rata in proportion to their respective percentage interests of such class; and

- second, with respect to any partnership interests that are not entitled to any preference in distribution, including the common units and, except as described below under "—Special Allocations and Liquidating Distributions on LTIP Units" with respect to liquidating distributions and as may be provided in any incentive award plan or any applicable award agreement, the LTIP Units, in accordance with the rights of the holders of such class(es) of partnership interest, and, within each such class, among the holders of each such class, pro rata in proportion to their respective percentage interests of such class.

Distributions payable with respect to any units that were not outstanding during the entire quarterly period in respect of which a distribution is made, other than units issued to us in connection with the issuance of shares of our common stock, will be prorated based on the portion of the period that such units were outstanding.

**Allocations**

Except for the special allocations to holders of LTIP Units described below under "Special Allocations and Liquidating Distributions on LTIP Units," and subject to the rights of the holders of any other class or series of partnership interest, net income or net loss of our operating partnership will generally be allocated to our company, as the general partner, and to the limited partners in accordance with the partners' respective percentage ownership of the aggregate outstanding common units and LTIP Units. Allocations to holders of a class or series of partnership interest will generally be made proportionately to all such holders in respect of such

class or series. However, in some cases gain or loss may be disproportionately allocated to partners who have contributed appreciated property or guaranteed debt of our operating partnership. The allocations described above are subject to special rules relating to depreciation deductions and to compliance with the provisions of Sections 704(b) and 704(c) of the Code and the associated Treasury Regulations.

**Special Allocations and Liquidating Distributions on LTIP Units**

A partner's initial capital account balance is equal to the amount the partner paid (or contributed to our operating partnership) for its units and is subject to subsequent adjustments, including as the result of allocations of the partner's share of income or loss of our operating partnership. Because a holder of LTIP Units generally will not pay for the LTIP Units, the initial capital account balance attributable to such LTIP Units will be zero. However, the partnership agreement provides that holders of LTIP Units will receive special allocations of income in the event of a sale or "hypothetical sale" of the assets of our operating partnership, prior to the allocation of income to our company or other holders of common units with respect to our company's or their common units. Such income will be allocated to holders of LTIP Units to the extent necessary to cause the capital account of a holder of LTIP Units to be economically equivalent to our company's capital account with respect to an equal number of common units. The term "hypothetical sale" does not refer to an actual sale of our operating partnership's assets, but refers to certain adjustments to the value of our operating partnership's assets and the partners' capital account balances, determined as if there had been a sale of such assets at their fair market value, as required by applicable Treasury Regulations. Further, we may delay or accelerate allocations to holders of LTIP Units, or adjust the allocation of income or loss among the holders of LTIP Units, so that, for the year during which each LTIP Unit's distribution participation date falls, the ratio of the income and loss allocated to the LTIP Unit to the total amounts distributed with respect to each such LTIP Unit is more nearly equal to the ratio of the income and loss allocated to our company's common units to the amounts distributed to our company with respect to its common units.

Because distributions upon liquidation of our operating partnership will be made in accordance with the partners' respective capital account balances, not numbers of units, LTIP Units will not have full parity with common units with respect to liquidating distributions until the special allocations of income to the holders of LTIP Units in the event of a sale or "hypothetical sale" of our operating partnership's assets causes the capital account of a holder of LTIP Units to be economically equivalent to our company's capital account with respect to an equal number of common units. To the extent that there is not sufficient income to allocate to an LTIP unitholder's capital account to cause such capital account to become economically equivalent to our company's capital account with respect to an equal number of common units, or if such a sale or "hypothetical sale" does not occur, the holder's LTIP Units will not achieve parity with common units with respect to liquidating distributions.

**Borrowing by our Operating Partnership**

We may cause our operating partnership to borrow money and to issue and guarantee debt as we deem necessary for the conduct of the activities of our operating partnership. Such debt may be secured, among other things, by mortgages, deeds of trust, liens or encumbrances on the properties of our operating partnership.

**Reimbursements of Expenses; Transactions with General Partner and its Affiliates**

We will not receive any compensation for our services as the general partner of our operating partnership. We have the same right to distributions as other holders of common units. In addition, our operating partnership must reimburse us for all amounts expended by us in connection with our operating partnership's business, including expenses relating to the ownership of interests in and management and operation of, or for the benefit of, our operating partnership, compensation of officers and employees, including payments under future compensation plans that may provide for stock units, or phantom stock, pursuant to which our employees or employees of our operating partnership will receive payments based upon dividends on or the value of our

common stock, director fees and expenses, any expenses (other than the purchase price) incurred by us in connection with the redemption or repurchase of shares of our stock, all of our costs and expenses of in connection with our operation as a reporting company (including, without limitation, costs of filings with the SEC) and reports and other distributions to our stockholders and any government agencies, all of our costs and expenses in connection with our operation as a REIT, and all of our costs and expenses in connection with the offering, sale, syndication, private placement or public offering of stock, bonds, securities or other interests and financing or refinancing of any type related to our operating partnership or its assets or activities. Any reimbursement will be reduced by the amount of any interest we earn on funds we hold on behalf of our operating partnership.

We and our affiliates may sell, transfer or convey any properties to, or purchase any property from, our operating partnership on such terms as we may determine in our sole and absolute discretion.

**Exculpation and Indemnification of General Partner**

The partnership agreement provides that we will not be liable to our operating partnership or any partner for any action or omission taken in our capacity as general partner, for the debts or liabilities of our operating partnership or for the obligations of our operating partnership under the partnership agreement, except for liability for our fraud, willful misconduct or gross negligence, pursuant to any express indemnity we may give to our operating partnership or in connection with a redemption as described in "—Redemption Rights of Qualifying Parties." The partnership agreement also provides that any obligation or liability in our capacity as the general partner of our operating partnership that may arise at any time under the partnership agreement or any other instrument, transaction or undertaking contemplated by the partnership agreement will be satisfied, if at all, out of our assets or the assets of our operating partnership only, and no such obligation or liability will be personally binding upon any of our directors, stockholders, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise, and none of our directors or officers will be directly liable or accountable in damages or otherwise to the partnership, any partner or any assignee of a partner for losses sustained liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission or by reason of their service as such. We, as the general partner of our operating partnership, are not responsible for any misconduct or negligence on the part of our employees or agents, provided that we appoint such employees or agents in good faith. We, as the general partner of our operating partnership, may consult with legal counsel, accountants and other consultants and advisors, and any action that we take or omit to take in reliance upon the opinion of such persons, as to matters which we reasonably believe to be within their professional or expert competence, will be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

In addition, the partnership agreement requires our operating partnership to indemnify us, our directors and officers, officers of our operating partnership and any other person designated by us against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, that relate to the operations of our operating partnership, unless (i) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (ii) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful or (iii) such person actually received an improper personal benefit in violation or breach of any provision of the partnership agreement. Our operating partnership must also pay or reimburse the reasonable expenses of any such person in advance of a final disposition of the proceeding upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking by or on behalf of the person to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our operating partnership is not required to indemnify or advance funds to any person with respect to any action initiated by the

person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the partnership agreement) or if the person is found to be liable to our operating partnership on any portion of any claim in the action.

**Business Combinations of our Operating Partnership**

Subject to the limitations on the transfer of our interest in our operating partnership described in "—Transfers and Withdrawals—Restrictions on Transfers by the General Partner," we generally have the exclusive power to cause our operating partnership to merge, reorganize, consolidate, sell all or substantially all of its assets or otherwise combine its assets with another entity. However, in connection with the acquisition of properties from persons to whom our operating partnership issues units or other partnership interests as part of the purchase price, in order to preserve such persons' tax deferral, our operating partnership may contractually agree, in general, not to sell or otherwise transfer the properties for a specified period of time, or in some instances, not to sell or otherwise transfer the properties without compensating the sellers of the properties for their loss of the tax deferral.

**Redemption Rights of Qualifying Parties**

Beginning on or after the date which is 14 months after the later of the completion of this offering or the date on which a person first became a holder of common units, each limited partner and some assignees of limited partners will have the right, subject to the terms and conditions set forth in the partnership agreement, to require our operating partnership to redeem all or a portion of the common units held by such limited partner or assignee in exchange for a cash amount per common unit equal to the value of one share of our common stock, determined in accordance with and subject to adjustment under the partnership agreement. Our operating partnership's obligation to redeem common units does not arise and is not binding against our operating partnership until the sixth business day after we receive the holder's notice of redemption or, if earlier, the day we notify the holder seeking redemption that we have declined to acquire some or all of the common units tendered for redemption. If we do not elect to acquire the common units tendered for redemption in exchange for shares of our common stock (as described below), our operating partnership must deliver the cash redemption amount, subject to certain exceptions, on or before the first business day of the month that is at least 60 calendar days after we receive the holder's notice of redemption. Among other limitations, a limited partner or qualifying assignee may not require our operating partnership to redeem its common units if the exchange of such units for shares of our common stock would cause any person to violate the restrictions on ownership and transfer of our stock.

On or before the close of business on the fifth business day after a holder of common units gives notice of redemption to us, we may, in our sole and absolute discretion but subject to the restrictions on the ownership and transfer of our stock set forth in our charter and described in "Description of Stock—Restrictions on Ownership and Transfer," elect to acquire some or all of the common units tendered for redemption from the tendering party in exchange for shares of our common stock, based on an exchange ratio of one share of common stock for each common unit, subject to adjustment as provided in the partnership agreement. The holder of the common units tendered for redemption must provide certain information, certifications or affidavits, representations, investment letters, opinions and other instruments to ensure compliance with the restrictions on ownership and transfer of our stock set forth in our charter and the Securities Act. The partnership agreement does not require us to register, qualify or list any shares of common stock issued in exchange for common units with the SEC, with any state securities commissioner, department or agency, under the Securities Act or the Exchange Act or with any stock exchange. Shares of our common stock issued in exchange for common units pursuant to the partnership agreement may contain legends regarding restrictions under the Securities Act and applicable state securities laws.

**Transfers and Withdrawals**

***Restrictions on Transfers by Limited Partners***

Until the expiration of 14 months after the date on which a limited partner first acquires a partnership interest, the limited partner generally may not directly or indirectly transfer all or any portion of its partnership interest without our consent, which we may give or withhold in our sole and absolute discretion, except for certain permitted transfers to certain affiliates, family members and charities, and certain pledges of partnership interests to lending institutions in connection with bona fide loans.

After the expiration of 14 months after the date on which a limited partner first acquires a partnership interest, the limited partner will have the right to transfer all or any portion of its partnership interest without our consent to any person that is an "accredited investor," within meaning set forth in Rule 501 promulgated under the Securities Act, upon ten business days prior notice to us, subject to the satisfaction of conditions specified in the partnership agreement, including minimum transfer requirements and our right of first refusal. Unless waived by us, in our sole and absolute discretion, a transferring limited partner must also deliver an opinion of counsel reasonably satisfactory to us that the proposed transfer may be effected without registration under the Securities Act, and will not otherwise violate any state securities laws or regulations applicable to our operating partnership or the partnership interest proposed to be transferred. We may exercise our right of first refusal in connection with a proposed transfer by a limited partner within ten business days of our receipt of notice of the proposed transfer, which must include the identity and address of the proposed transferee and the amount and type of consideration proposed to be paid for the partnership interest. We may deliver all or any portion of any cash consideration proposed to be paid for a partnership interest that we acquire pursuant to our right of first refusal in the form of a note payable to the transferring limited partner not more than 180 days after our purchase of such partnership interest.

Any transferee of a limited partner's partnership interest must assume by operation of law or express agreement all of the obligations of the transferring limited partner under the partnership agreement with respect to the transferred interest, and no transfer (other than a transfer pursuant to a statutory merger or consolidation in which the obligations and liabilities of the transferring limited partner are assumed by a successor corporation by operation of law) will relieve the transferring limited partner of its obligations under the partnership agreement without our consent, which we may give or withhold in our sole and absolute discretion.

We may take any action we determine in our sole and absolute discretion to prevent our operating partnership from being taxable as a corporation for U.S. federal income tax purposes. No transfer by a limited partner of its partnership interest, including any redemption or any acquisition of partnership interests by us or by our operating partnership or conversion of LTIP Units into common units, may be made to or by any person without our consent, which we may give or withhold in our sole and absolute discretion, if the transfer could:

- result in our operating partnership being treated as an association taxable as a corporation for U.S. federal income tax purposes;
- result in a termination of our operating partnership under Section 708 of the Code;
- be treated as effectuated through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704 of the Code and the Treasury Regulations promulgated thereunder;
- result in our operating partnership being unable to qualify for at least one of the "safe harbors" set forth in Section 7704 of the Code and the Treasury Regulations thereunder; or
- based on the advice of counsel to us or our operating partnership, adversely affect our ability to continue to qualify as a REIT or subject us to any additional taxes under Sections 857 or 4981 of the Code.

***Admission of Substituted Limited Partners***

No limited partner has the right to substitute a transferee as a limited partner in its place. A transferee of a partnership interest of a limited partner may be admitted as a substituted limited partner only with our consent, which we may give or withhold in our sole and absolute discretion, and only if the transferee accepts all of the obligations of a limited partner under the partnership and executes such instruments as we may require to evidence such acceptance and to effect the assignee's admission as a limited partner. Any assignee of a partnership interest that is not admitted as a limited partner will be entitled to all the rights of an assignee of a limited partnership interest under the partnership agreement and the Act, including the right to receive distributions from our operating partnership and the share of net income, net losses and other items of income, gain, loss, deduction and credit of our operating partnership attributable to the partnership interest held by the assignee and the rights to transfer and redemption of the partnership interest provided in the partnership agreement, but will not be deemed to be a limited partner or holder of a partnership interest for any other purpose under the partnership agreement or the Act, and will not be entitled to consent to or vote on any matter presented to the limited partners for approval. The right to consent or vote, to the extent provided in the partnership agreement or under the Act, will remain with the transferring limited partner.

***Restrictions on Transfers by the General Partner***

Except as described below, any transfer of all or any portion of our interest in our operating partnership, whether by sale, disposition, statutory merger or consolidation, liquidation or otherwise, must be approved by the consent of a majority in interest of the limited partners (excluding us and any limited partner 50% or more of whose equity is owned, directly or indirectly, by us). Subject to the rights of holders of any class or series of partnership interest, we may transfer all (but not less than all) of our general partnership interest without the consent of the limited partners in connection with a permitted termination transaction, which is a merger, consolidation or other combination of our assets with another entity, a sale of all or substantially all of our assets or a reclassification, recapitalization or change in any outstanding shares of our stock, if:

- in connection with such event, all of the limited partners will receive or have the right to elect to receive, for each common unit, the greatest amount of cash, securities or other property paid to a holder of one share of our common stock (subject to adjustment in accordance with the partnership agreement) in the transaction and, if a purchase, tender or exchange offer is made and accepted by holders of our common stock in connection with the event, each holder of common units receives, or has the right to elect to receive, the greatest amount of cash, securities or other property that the holder would have received if it had exercised its redemption right and received shares of our common stock in exchange for its common units immediately before the expiration of the purchase, tender or exchange offer and had accepted the purchase, tender or exchange offer; or

- substantially all of the assets of our operating partnership will be owned by a surviving entity (which may be our operating partnership) in which the limited partners of our operating partnership holding common units immediately before the event will hold a percentage interest based on the relative fair market value of the net assets of our operating partnership and the other net assets of the surviving entity immediately before the event, which interest will be on terms that are at least as favorable as the terms of the common units in effect immediately before the event and as those applicable to any other limited partners or non-managing members of the surviving entity and will include a right to redeem interests in the surviving entity for the consideration described in the preceding bullet or cash on similar terms as those in effect with respect to the common units immediately before the event, or, if common equity securities of the person controlling the surviving entity are publicly traded, such common equity securities.

We may also transfer all (but not less than all) of our interest in our operating partnership to an affiliate of us without the consent of any limited partner, subject to the rights of holders of any class or series of partnership interest.

In addition, any transferee of our interest in our operating partnership must be admitted as a general partner of our operating partnership, assume, by operation of law or express agreement, all of our obligations as general partner under the partnership agreement, accept all of the terms and conditions of the partnership agreement and execute such instruments as may be necessary to effectuate the transferee's admission as a general partner.

***Restrictions on Transfers by Any Partner***

Any transfer or purported transfer of a partnership interest other than in accordance with the partnership agreement will be void. Partnership interests may be transferred only on the first day of a fiscal quarter, and no partnership interest may be transferred to any lender under certain nonrecourse loans to us or our operating partnership, in either case, unless we otherwise consent, which we may give or withhold in our sole and absolute discretion. No transfer of any partnership interest, including in connection with any redemption or acquisition of units by us or by our operating partnership or any conversion of LTIP Units into common units, may be made:

- to a person or entity that lacks the legal right, power or capacity to own the partnership interest;
- in violation of applicable law;
- without our consent, which we may give or withhold in our sole and absolute discretion, of any component portion of a partnership interest, such as a partner's capital account or rights to distributions, separate and apart from all other components of the partner's interest in our operating partnership;
- if the proposed transfer could cause us or any of our affiliates to fail to comply with the requirements under the Code for qualifying as a REIT or as a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2));
- without our consent, which we may give or withhold in our sole and absolute discretion, if the proposed transfer could, based on the advice of counsel to us or our operating partnership, cause a termination of our operating partnership for U.S. federal or state income tax purposes (other than a result of the redemption or acquisition by us of all units held by limited partners);
- if the proposed transfer could, based on the advice of legal counsel to us or our operating partnership, cause our operating partnership to cease to be classified as a partnership for U.S. federal income tax purposes (other than as a result of the redemption or acquisition by us of all units held by all limited partners);
- if the proposed transfer would cause our operating partnership to become, with respect to any employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended, or ERISA, a "party-in-interest" for purposes of ERISA or a "disqualified person" as defined in Section 4975(c) of the Code;
- if the proposed transfer could, based on the advice of counsel to us or our operating partnership, cause any portion of the assets of our operating partnership to constitute assets of any employee benefit plan pursuant to applicable regulations of the United States Department of Labor;
- if the proposed transfer requires the registration of the partnership interest under any applicable federal or state securities laws;

- without our consent, which we may give or withhold in our sole and absolute discretion, if the proposed transfer could (1) be treated as effectuated through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704 of the Code and the Treasury Regulations promulgated thereunder, (2) cause our operating partnership to become a "publicly traded partnership," as that term is defined in Sections 469(k)(2) or 7704(b) of the Code, or (3) cause our operating partnership to fail to qualify for at least one of the "safe harbors" within the meaning of Section 7704 of the Code and the Treasury Regulations thereunder;

- if the proposed transfer would cause our operating partnership (as opposed to us) to become a reporting company under the Exchange Act; or

- if the proposed transfer subjects our operating partnership to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended.

***Withdrawal of Partners***

We may not voluntarily withdraw as the general partner of our operating partnership without the consent of a majority in interest of the limited partners (excluding us and any limited partner 50% or more of whose equity is owned, directly or indirectly, by us) other than upon the transfer of our entire interest in our operating partnership and the admission of our successor as a general partner of our operating partnership. A limited partner may withdraw from our operating partnership only as a result of a transfer of the limited partner's entire partnership interest in accordance with the partnership agreement and the admission of the limited partner's successor as a limited partner of our operating partnership or as a result of the redemption or acquisition by us of the limited partner's entire partnership interest.

**Amendment of the Partnership Agreement**

Except as described below and amendments requiring the consent of each affected partner described in "—Restrictions on General Partner's Authority," amendments to the partnership agreement must be approved by us and by a majority in interest of the partners entitled to vote thereon, including us and our subsidiaries. Amendments to the partnership agreement may be proposed only by us or by limited partners holding 25% or more of the partnership interests held by limited partners. Following such a proposal, we must submit any proposed amendment that requires the consent, approval or vote of any partners to the partners entitled to vote on the amendment for approval and seek the consent of such partners to the amendment.

We may, without the approval or consent of any limited partner or any other person but subject to the rights of holders of any additional class or series of partnership interest, amend the partnership agreement as may be required to facilitate or implement any of the following purposes:

- to add to our obligations as general partner or surrender any right or power granted to us or any of our affiliates for the benefit of the limited partners;

- to reflect the admission, substitution or withdrawal of partners, the transfer of any partnership interest, the termination of our operating partnership in accordance with the partnership agreement or the adjustment of the number of outstanding LTIP Units, or a subdivision or combination of outstanding LTIP Units, to maintain a one-for-one conversion and economic equivalence between LTIP Units and common units;

- to reflect a change that is of an inconsequential nature or does not adversely affect the limited partners in any material respect, or to cure any ambiguity, correct or supplement any provision in the partnership agreement that is not inconsistent with law or with other provisions of the partnership agreement, or make other changes with respect to matters arising under the partnership agreement that will not be inconsistent with law or with the provisions of the partnership agreement;

- to set forth or amend the designations, preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption of the holders any additional classes or series of partnership interest;
- to satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law;
- to reflect such changes as are reasonably necessary for us to maintain our status as a REIT or satisfy the requirements for us to qualify as a REIT or to reflect the transfer of all or any part of a partnership interest among us and any entity that is disregarded with respect to us for U.S. federal income tax purposes;
- to modify the manner in which items of net income or net loss are allocated or the manner in which capital accounts are adjusted, computed, or maintained (but in each case only to the extent provided by the partnership agreement and permitted by applicable law);
- to reflect the issuance of additional partnership interests;
- to implement certain procedures in connection with any equity incentive plan we may adopt;
- to reflect any other modification to the partnership agreement as is reasonably necessary for the business or operations of us or our operating partnership and that does not require the consent of each affected partner as described in "—Restrictions on General Partner's Authority"; and
- to effect or facilitate a permitted termination transaction, including modification of the redemption rights of holders of common units to provide that the holders of interests in the surviving entity will have the rights described in "—Transfers and Withdrawals—Restrictions on Transfers by the General Partner" after a permitted termination transaction.

Certain amendments to the partnership agreement must be approved by limited partners holding LTIP Units, as described in "—LTIP Units—Voting Rights."

**Procedures for Actions and Consents of Partners**

Meetings of partners may be called only by us, to transact any business that we determine. Notice of any meeting and the nature of the business to be transacted at the meeting must be given to all partners entitled to act at the meeting not less than seven days nor more than 60 days before the date of the meeting. Unless approval by a different number or proportion of the partners is required by the partnership agreement, the affirmative vote of the partners holding a majority of the outstanding partnership interests held by partners entitled to act on any proposal is sufficient to approve the proposal at a meeting of the partners. Partners may vote in person or by proxy. Each meeting of partners will be conducted by us or any other person we appoint, pursuant to rules for the conduct of the meeting determined by the person conducting the meeting. Whenever the vote, approval or consent of partners is permitted or required under the partnership agreement, such vote, approval or consent may be given at a meeting of partners, and any action requiring the approval or consent of any partner or group of partners or that is otherwise required or permitted to be taken at a meeting of the partners may be taken without a meeting if a consent in writing or by electronic transmission setting forth the action so taken, approved or consented to is given by partners whose affirmative vote would be sufficient to approve such action or provide such approval or consent at a meeting of the partners. If we seek partner approval of or consent to any matter in writing or by electronic transmission, we may require a response within a reasonable specified time, but not less than fifteen days, and failure to respond in such time period will constitute a partner's consent consistent with our recommendation, if any, with respect to the matter.

**Dissolution**

Our operating partnership will dissolve, and its affairs will be wound up, upon the first to occur of any of the following:

- the removal or withdrawal of the last remaining general partner in accordance with the partnership agreement, the withdrawal of the last remaining general partner in violation of the partnership agreement or the involuntary withdrawal of the last remaining general partner as a result of such general partner's death, adjudication of incompetency, dissolution or other termination of legal existence or the occurrence of certain events relating to the bankruptcy or insolvency of such general partner unless, within ninety days after any such withdrawal, a majority in interest of the remaining partners agree in writing, in their sole and absolute discretion, to continue our operating partnership and to the appointment, effective as of the date of such withdrawal, of a successor general partner;

- an election to dissolve our operating partnership by us, in our sole and absolute discretion, with or without the consent of a majority in interest of the partners;

- the entry of a decree of judicial dissolution of our operating partnership pursuant to the Act; or

- the redemption or other acquisition by us or our operating partnership of all of the outstanding partnership interests other than partnership interests held by us.

Upon dissolution we or, if there is no remaining general partner, a liquidator will proceed to liquidate the assets of our operating partnership and apply the proceeds from such liquidation in the order of priority set forth in the partnership agreement and among holders of partnership interests in accordance with their capital account balances.

**Tax Matters**

Pursuant to the partnership agreement, we, as the general partner, are the tax matters partner of our operating partnership, and in such capacity, have the authority to handle tax audits on behalf of our operating partnership. In addition, as the general partner, we have the authority to arrange for the preparation and filing of our operating partnership's tax returns and to make tax elections under the Code on behalf of our operating partnership.

**LTIP Units**

Our operating partnership is authorized to issue a class of units of partnership interest designated as "LTIP Units." We may cause our operating partnership to issue LTIP Units to persons who provide services to or for the benefit of our operating partnership, for such consideration or for no consideration as we may determine to be appropriate, and we may admit such persons as limited partners of our operating partnership, without the approval or consent of any limited partner. Further, we may cause our operating partnership to issue LTIP Units in one or more classes or series, with such terms as we may determine, without the approval or consent of any limited partner. LTIP Units may be subject to vesting, forfeiture and restrictions on transfer and receipt of distributions pursuant to the terms of any applicable equity-based plan and the terms of any award agreement relating to the issuance of the LTIP Units.

***Conversion Rights***

Vested LTIP Units are convertible at the option of each limited partner and some assignees of limited partners (in each case, that hold vested LTIP Units) into common units, upon notice to us and our operating partnership, to the extent that the capital account balance of the LTIP unitholder with respect to all of his or her

LTIP Units is at least equal to our capital account balance with respect to an equal number of common units. We may cause our operating partnership to convert vested LTIP Units eligible for conversion into an equal number of common units at any time, upon at least 10 and not more than 60 days' notice to the holder of the LTIP Units.

If we or our operating partnership is party to a transaction, including a merger, consolidation, sale of all or substantially all of our assets or other business combination, as a result of which common units are exchanged for or converted into the right, or holders of common units are otherwise entitled, to receive cash, securities or other property (or any combination thereof), we must cause our operating partnership to convert any vested LTIP Units then eligible for conversion into common units immediately before the transaction, taking into account any special allocations of income that would be made as a result of the transaction. Our operating partnership must use commercially reasonable efforts to cause each limited partner (other than a party to such a transaction or an affiliate of such a party) holding LTIP Units that will be converted into common units in such a transaction to be afforded the right to receive the same kind and amount of cash, securities and other property (or any combination thereof) for such common units that each holder of common units receives in the transaction. If holders of common units have the opportunity to elect the form or type of consideration to be received in any such transaction, we must give prompt written notice to each limited partner holding LTIP Units of such opportunity and use commercially reasonable efforts to allow limited partners holding LTIP Units the opportunity to make such elections with respect to the common units that each such limited partner will receive upon conversion of his or her LTIP Units. If an LTIP unitholder fails to make such an election, he or she will receive the same kind and amount of consideration that a holder of common units would receive if such holder failed to make such an election. Subject to the terms of an applicable incentive award plan and/or award agreement, our operating partnership must also use commercially reasonable efforts to enter into an agreement with the successor or purchasing entity in any such transaction for the benefit of the limited partners holding LTIP Units, enabling the limited partners holding LTIP Units that remain outstanding after such a transaction to convert their LTIP Units into securities as comparable as reasonably possible under the circumstances to common units and preserving as far as reasonably possible under the circumstances the distribution, special allocation, conversion, and other rights set forth in the partnership agreement for the benefit of the LTIP unitholders.

Any conversion of LTIP Units into common units will be effective as of the close of business on the effective date of the conversion.

***Transfer***

Unless an applicable equity-based plan or the terms of an award agreement specify additional restrictions on transfer of LTIP Units, LTIP Units are transferable to the same extent as common units, as described above in "—Transfers and Withdrawals."

***Voting Rights***

Limited partners holding LTIP Units are entitled to vote together as a class with limited partners holding common units on all matters on which limited partners holding common units are entitled to vote or consent, and may cast one vote for each LTIP Unit so held.

***Adjustment of LTIP Units***

If our operating partnership takes certain actions, including making a distribution of units on all outstanding common units, combining or subdividing the outstanding common units into a different number of common units or reclassifying the outstanding common units, we must adjust the number of outstanding LTIP Units or subdivide or combine outstanding LTIP Units to maintain a one-for-one conversion ratio and economic equivalence between common units and LTIP Units.

## U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain material U.S. federal income tax considerations regarding our company and holders of our common stock. For the purposes of this discussion, references to "we," "our" and "us" mean only Rexford Industrial Realty, Inc., and do not include any of its subsidiaries, except as otherwise indicated. This summary is for general information only and is not tax advice. The information in this summary is based on:

- The Internal Revenue Code of 1986, as amended, or the Code;
- current, temporary and proposed Treasury Regulations promulgated under the Code;
- the legislative history of the Code;
- current administrative interpretations and practices of the Internal Revenue Service, or the IRS; and
- court decisions

in each case, as of the date of this prospectus. In addition, the administrative interpretations and practices of the IRS include its practices and policies as expressed in private letter rulings that are not binding on the IRS except with respect to the particular taxpayers who requested and received those rulings. Future legislation, Treasury Regulations, administrative interpretations and practices and/or court decisions may adversely affect the tax considerations contained in this discussion. Any such change could apply retroactively to transactions preceding the date of the change. We have not requested and do not intend to request a ruling from the IRS that we qualify as a REIT, and the statements in this prospectus are not binding on the IRS or any court. Thus, we can provide no assurance that the tax considerations contained in this discussion will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. This summary does not discuss any state, local or non-U.S. tax consequences, or any tax consequences arising under any federal tax other than the income tax, associated with the purchase, ownership, or disposition of our common stock, or our election to be taxed as a REIT.

**You are urged to consult your tax advisors regarding the tax consequences to you of:**

- **the purchase, ownership or disposition of our common stock including the federal, state, local, non-U.S. and other tax consequences;**
- **our election to be taxed as a REIT for federal income tax purposes; and**
- **potential changes in applicable tax laws.**

### Taxation of Our Company

#### *General*

We intend to elect and qualify to be taxed as a REIT under Sections 856 through 860 of the Code, commencing with our taxable year ending December 31, 2013. We believe that we are organized and will operate in a manner that will allow us to qualify for taxation as a REIT under the Code commencing with our taxable year ending December 31, 2013, and we intend to continue to be organized and operate in this manner. However, qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, including through actual annual operating results, asset composition, distribution levels and diversity of stock ownership. Accordingly, no assurance can be given that we have been organized and will operate, or will continue to be organized and operate, in a manner so as to qualify or remain qualified as a REIT. See "—Taxation of Our Company—Failure to Qualify."

The sections of the Code and the corresponding Treasury Regulations that relate to qualification and taxation as a REIT are highly technical and complex. The following sets forth certain material aspects of the sections of the Code that govern the federal income tax treatment of a REIT and the holders of its common stock. This summary is qualified in its entirety by the applicable Code provisions, relevant rules and regulations promulgated under the Code, and administrative and judicial interpretations of the Code and these rules and regulations.

Latham & Watkins LLP has acted as our tax counsel in connection with this prospectus and our election to be taxed as a REIT. Latham & Watkins LLP will render an opinion to us to the effect that, commencing with our taxable year ending December 31, 2013, we will be organized in conformity with the requirements for qualification and taxation as a REIT under Sections 856 through 860 of the Code, and our proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT under Sections 856 through 860 of the Code for such taxable year and thereafter. It must be emphasized that this opinion was based on various assumptions and representations as to factual matters, including representations made by us in a factual certificate provided by one of our officers. In addition, this opinion was based upon our factual representations set forth in this prospectus. Moreover, our qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, which are discussed below, including through actual annual operating results, asset composition, distribution levels and diversity of stock ownership, the results of which will not be reviewed by Latham & Watkins LLP. Accordingly, no assurance can be given that our actual results of operation for any particular taxable year will satisfy those requirements. Further, the anticipated U.S. federal income tax treatment described in this prospectus may be changed, perhaps retroactively, by legislative, administrative or judicial action at any time. Latham & Watkins LLP has no obligation to update its opinion subsequent to its date.

Provided we qualify for taxation as a REIT, we generally will not be required to pay federal corporate income taxes on our net income that is currently distributed to our stockholders. This treatment substantially eliminates the “double taxation” that ordinarily results from investment in a C corporation. A C corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate-level when income is earned and once again at the stockholder level when the income is distributed.

We will, however, be required to pay federal income tax as follows:

- First, we will be required to pay tax at regular corporate rates on any undistributed net taxable income, including undistributed net capital gains.
- Second, we may be required to pay the “alternative minimum tax” on our items of tax preference under some circumstances.
- Third, if we have (1) net income from the sale or other disposition of “foreclosure property” held primarily for sale to customers in the ordinary course of business or (2) other nonqualifying income from foreclosure property, we will be required to pay tax at the highest corporate rate on this income. To the extent that income from foreclosure property is otherwise qualifying income for purposes of the 75% gross income test, this tax is not applicable. Subject to certain other requirements, foreclosure property generally is defined as property we acquired through foreclosure or after a default on a loan secured by the property or a lease of the property.
- Fourth, we will be required to pay a 100% tax on any net income from prohibited transactions. Prohibited transactions are, in general, sales or other taxable dispositions of property, other than foreclosure property, held as inventory or primarily for sale to customers in the ordinary course of business.
- Fifth, if we fail to satisfy the 75% gross income test or the 95% gross income test, as described below, but have otherwise maintained our qualification as a REIT because certain other

requirements are met, we will be required to pay a tax equal to (1) the greater of (A) the amount by which we fail to satisfy the 75% gross income test and (B) the amount by which we fail to satisfy the 95% gross income test, multiplied by (2) a fraction intended to reflect our profitability.

- Sixth, if we fail to satisfy any of the asset tests (other than a *de minimis* failure of the 5% or 10% asset test), as described below, due to reasonable cause and not due to willful neglect, and we nonetheless maintain our REIT qualification because of specified cure provisions, we will be required to pay a tax equal to the greater of $50,000 or the highest corporate tax rate multiplied by the net income generated by the nonqualifying assets that caused us to fail such test.

- Seventh, if we fail to satisfy any provision of the Code that would result in our failure to qualify as a REIT (other than a violation of the gross income tests or certain violations of the asset tests, as described below) and the violation is due to reasonable cause and not due to willful neglect, we may retain our REIT qualification but we will be required to pay a penalty of $50,000 for each such failure.

- Eighth, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of (1) 85% of our ordinary income for the year, (2) 95% of our capital gain net income for the year, and (3) any undistributed taxable income from prior periods.

- Ninth, if we acquire any asset from a corporation that is or has been a C corporation in a transaction in which the basis of the asset in our hands is less than the fair market value of the asset, in each case determined at the time we acquired the asset, and we subsequently recognize gain on the disposition of the asset during the ten-year period beginning on the date on which we acquired the asset, then we will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of (1) the fair market value of the asset over (2) our adjusted basis in the asset, in each case determined as of the date on which we acquired the asset. The results described in this paragraph with respect to the recognition of gain assume that the C corporation will refrain from making an election to receive different treatment under applicable Treasury Regulations on its tax return for the year in which we acquire the asset from the C corporation. The IRS has issued Proposed Treasury Regulations which would exclude from the application of this built-in gains tax any gain from the sale of property acquired by us in an exchange under Section 1031 (a like kind exchange) or 1033 (an involuntary conversion) of the Code. These Proposed Treasury Regulations will not be effective unless they are issued in their final form, and as of the date of this prospectus, it is not possible to determine whether the proposed regulations will be finalized in their current form or at all.

- Tenth, entities we own that are C corporations, including any "taxable REIT subsidiaries," generally will be required to pay federal corporate income tax on their earnings.

- Eleventh, we will be required to pay a 100% tax on any "redetermined rents," "redetermined deductions" or "excess interest." See "—Taxation of Our Company—Penalty Tax." In general, redetermined rents are rents from real property that are overstated as a result of services furnished to any of our tenants by a taxable REIT subsidiary of ours. Redetermined deductions and excess interest generally represent amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations.

***Requirements for Qualification as a REIT***

The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) that issues transferable shares or transferable certificates to evidence its beneficial ownership;

(3) that would be taxable as a domestic corporation, but for Sections 856 through 860 of the Code;

(4) that is not a financial institution or an insurance company within the meaning of certain provisions of the Code;

(5) that is beneficially owned by 100 or more persons;

(6) not more than 50% in value of the outstanding stock of which is owned, actually or constructively, by five or fewer individuals, including certain specified entities, during the last half of each taxable year; and

(7) that meets other tests, described below, regarding the nature of its income and assets and the amount of its distributions.

The Code provides that conditions (1) to (4), inclusive, must be met during the entire taxable year and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Conditions (5) and (6) do not apply until after the first taxable year for which an election is made to be taxed as a REIT, which is expected to be 2014 in our case. For purposes of condition (6), the term "individual" includes a supplemental unemployment compensation benefit plan, a private foundation or a portion of a trust permanently set aside or used exclusively for charitable purposes, but generally does not include a qualified pension plan or profit sharing trust.

We believe we have been organized, will operate and will issue sufficient shares of common stock with sufficient diversity of ownership to allow us to satisfy conditions (1) through (7) inclusive, during the relevant time periods. In addition, our charter provides for restrictions regarding ownership and transfer of our shares which are intended to assist us in continuing to satisfy the share ownership requirements described in (5) and (6) above. These share ownership and transfer restrictions are described under "Description of Stock—Restrictions on Ownership and Transfer" in this prospectus. These restrictions, however, do not ensure that we will, in all cases, satisfy, the share ownership requirements described in (5) and (6) above. If we fail to satisfy these share ownership requirements, except as provided in the next sentence, our status as a REIT will terminate. If, however, we comply with the rules contained in applicable Treasury Regulations that require us to ascertain the actual ownership of our shares and we do not know, or would not have known through the exercise of reasonable diligence, that we failed to meet the requirement described in condition (6) above, we will be treated as having met this requirement. See "—Taxation of Our Company—Failure to Qualify."

In addition, we may not maintain our status as a REIT unless our taxable year is the calendar year. We have and will continue to have a calendar taxable year.

***Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries***

In the case of a REIT which is a partner in a partnership or a member in a limited liability company treated as a partnership for federal income tax purposes, Treasury Regulations provide that the REIT will be deemed to own its proportionate share of the assets of the partnership or limited liability company, as the case may be, based on its interest in partnership capital, subject to special rules relating to the 10% asset test described below. Also, the REIT will be deemed to be entitled to its proportionate share of the income of that entity. The assets and gross income of the partnership or limited liability company retain the same character in the hands of the REIT for purposes of Section 856 of the Code, including satisfying the gross income tests and the asset tests. Thus, our pro rata share of the assets and items of income of our operating partnership, including our operating partnership's share of these items of any partnership or limited liability company treated as a partnership or disregarded entity for federal income tax purposes in which it owns an interest, is treated as our assets and items

of income for purposes of applying the requirements described in this discussion, including the gross income and asset tests described below. A brief summary of the rules governing the federal income taxation of partnerships and limited liability companies is set forth below in "—Tax Aspects of Our Operating Partnership, the Subsidiary Partnerships and the Limited Liability Companies."

We have control of our operating partnership and intend to control any of its subsidiary partnerships and limited liability companies, and we intend to operate them in a manner consistent with the requirements for our qualification as a REIT. We may from time to time be a limited partner or non-managing member in a partnership or limited liability company. If a partnership or limited liability company in which we own an interest takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership or limited liability company could take an action which could cause us to fail a gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or limited liability company or take other corrective action on a timely basis. In that case, we could fail to qualify as a REIT unless we were entitled to relief, as described below.

We may from time to time own and operate certain properties through wholly owned subsidiaries that we intend to be treated as "qualified REIT subsidiaries" under the Code. A corporation will qualify as our qualified REIT subsidiary if we own 100% of the corporation's outstanding stock and do not elect with the subsidiary to treat it as a "taxable REIT subsidiary," as described below. A qualified REIT subsidiary is not treated as a separate corporation, and all assets, liabilities and items of income, gain, loss, deduction and credit of a qualified REIT subsidiary are treated as assets, liabilities and items of income, gain, loss, deduction and credit of the parent REIT for all purposes under the Code, including all REIT qualification tests. Thus, in applying the federal tax requirements described in this discussion, any qualified REIT subsidiaries we own are ignored, and all assets, liabilities and items of income, gain, loss, deduction and credit of such corporations are treated as our assets, liabilities and items of income, gain, loss, deduction and credit. A qualified REIT subsidiary is not subject to federal income tax, and our ownership of the stock of a qualified REIT subsidiary does not violate the restrictions on ownership of securities, as described below under "—Taxation of Our Company—Asset Tests."

***Ownership of Interests in Taxable REIT Subsidiaries***

We will own interests in one or more taxable REIT subsidiaries and may acquire securities in additional taxable REIT subsidiaries in the future. A taxable REIT subsidiary is a corporation other than a REIT in which a REIT directly or indirectly holds stock, and that has made a joint election with such REIT to be treated as a taxable REIT subsidiary. If a taxable REIT subsidiary owns more than 35% of the total voting power or value of the outstanding securities of another corporation, such other corporation will also be treated as a taxable REIT subsidiary. Other than some activities relating to lodging and health care facilities, a taxable REIT subsidiary may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A taxable REIT subsidiary is subject to federal income tax as a regular C corporation. In addition, a taxable REIT subsidiary may be prevented from deducting interest on debt funded directly or indirectly by its parent REIT if certain tests regarding the taxable REIT subsidiary's debt to equity ratio and interest expense are not satisfied. A REIT's ownership of securities of a taxable REIT subsidiary is not subject to the 5% or 10% asset test described below, and their operations will be subject to the provisions described above. See "—Taxation of Our Company—Asset Tests."

***Income Tests***

We must satisfy two gross income requirements annually to maintain our qualification as a REIT. First, in each taxable year we must derive directly or indirectly at least 75% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions and certain foreign currency gains) from investments relating to real property or mortgages on real property, including "rents from real property," interest on obligations adequately secured by mortgages on real property, and certain types of temporary investments.

Second, in each taxable year we must derive at least 95% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions and certain foreign currency gains) from the real property investments described above or dividends, interest and gain from the sale or disposition of stock or securities, or from any combination of the foregoing.

Rents we receive from a tenant will qualify as "rents from real property" for the purpose of satisfying the gross income requirements for a REIT described above only if all of the following conditions are met:

- The amount of rent is not based in whole or in part on the income or profits of any person. However, an amount we receive or accrue generally will not be excluded from the term "rents from real property" solely because it is based on a fixed percentage or percentages of receipts or sales;

- Neither we nor an actual or constructive owner of 10% or more of our stock actually or constructively owns 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Rents we receive from such a tenant that is a taxable REIT subsidiary of ours, however, will not be excluded from the definition of "rents from real property" as a result of this condition if at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the taxable REIT subsidiary are substantially comparable to rents paid by our other tenants for comparable space. Whether rents paid by a taxable REIT subsidiary are substantially comparable to rents paid by other tenants is determined at the time the lease with the taxable REIT subsidiary is entered into, extended, and modified, if such modification increases the rents due under such lease. Notwithstanding the foregoing, however, if a lease with a "controlled taxable REIT subsidiary" is modified and such modification results in an increase in the rents payable by such taxable REIT subsidiary, any such increase will not qualify as "rents from real property." For purposes of this rule, a "controlled taxable REIT subsidiary" is a taxable REIT subsidiary in which the parent REIT owns stock possessing more than 50% of the voting power or more than 50% of the total value of the outstanding stock of such taxable REIT subsidiary;

- Rent attributable to personal property, leased in connection with a lease of real property, is not greater than 15% of the total rent received under the lease. If this condition is not met, then the portion of the rent attributable to personal property will not qualify as "rents from real property"; and

- We generally do not operate or manage the property or furnish or render services to our tenants, subject to a 1% *de minimis* exception and except as provided below. We are permitted, however, to perform directly certain services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered "rendered to the occupant" of the property. Examples of these permitted services include the provision of light, heat, or other utilities, trash removal and general maintenance of common areas. In addition, we are permitted to employ an independent contractor from whom we derive no revenue to provide customary services to our tenants, or a taxable REIT subsidiary, which may be wholly or partially owned by us, to provide both customary and non-customary services to our tenants without causing the rent we receive from those tenants to fail to qualify as "rents from real property." Any amounts we receive from a taxable REIT subsidiary with respect to the taxable REIT subsidiary's provision of non-customary services will, however, be nonqualifying income under the 75% gross income test and, except to the extent received through the payment of dividends, the 95% gross income test.

We generally do not intend, and as a general partner of our operating partnership, do not intend to permit our operating partnership, to take actions we believe will cause us to fail to satisfy the rental conditions described above. However, we may intentionally fail to satisfy some of these conditions to the extent the failure

will not, based on the advice of our tax counsel, jeopardize our tax status as a REIT. In addition, with respect to the limitation on the rental of personal property, we have not obtained appraisals of the real property and personal property leased to tenants. Accordingly, there can be no assurance that the IRS will not disagree with our determinations of the value of such property.

Income we receive that is attributable to the use of parking spaces at the properties will generally constitute rents from real property for purposes of the gross income tests if certain services we provide with respect to the parking spaces are performed by independent contractors from whom we derive no revenue, either directly or indirectly, or by a taxable REIT subsidiary, and certain other conditions are met. We believe that the income we receive that is attributable to parking spaces meets these tests and, accordingly, will constitute rents from real property for purposes of the gross income tests.

For purposes of the gross income tests, the term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales. Interest income constitutes qualifying mortgage interest for purposes of the 75% gross income test to the extent that the underlying obligation is secured by a mortgage on real property. If we receive interest income with respect to a mortgage loan that is secured by both real property and other property and the loan is not fully secured by real property, the interest income must be apportioned between the real property and the other property, and our income from the arrangement will qualify for purposes of the 75% gross income test only to the extent that the interest is allocable to the real property security. In this case, we would be required to apportion our annual interest income to the real property security based on a fraction, the numerator of which is the value of the real property securing the loan, determined when we commit to acquire the loan, and the denominator of which is the highest "principal amount" of the loan during the year. Even if a loan is not secured by real property or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% gross income test.

From time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Our hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase these items, and futures and forward contracts. Income from a hedging transaction, including gain from the sale or disposition of such a transaction, that is clearly identified as a hedging transaction as specified in the Code, will not constitute gross income and thus will be exempt from the 75% and 95% gross income tests. The term "hedging transaction," as used above, generally means any transaction we enter into in the normal course of our business primarily to manage risk of (1) interest rate changes or fluctuations with respect to borrowings made or to be made by us to acquire or carry real estate assets, or (2) currency fluctuations with respect to an item of qualifying income under the 75% or 95% gross income test or any property which generates such income. To the extent that we do not properly identify such transactions as hedges or we hedge with other types of financial instruments, the income from those transactions is not likely to be treated as qualifying income for purposes of the gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our status as a REIT.

To the extent we receive dividends from a taxable REIT subsidiary, we generally will derive our allocable share of such dividend income through our interest in our operating partnership. Such dividend income will qualify under the 95%, but not the 75%, gross income test.

We will monitor the amount of our nonqualifying income and will take actions intended to keep such income within the limitations of the gross income tests. Although we expect these actions will be sufficient to prevent a violation of the gross income tests, we cannot guarantee that such actions will in all cases prevent such a violation.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for the year if we are entitled to relief under certain provisions of the Code. We generally may make use of the relief provisions if:

- following our identification of the failure to meet the 75% or 95% gross income tests for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income tests for such taxable year in accordance with Treasury Regulations to be issued; and
- our failure to meet these tests was due to reasonable cause and not due to willful neglect.

It is not possible, however, to state whether in all circumstances we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally accrue or receive exceeds the limits on nonqualifying income, the IRS could conclude that our failure to satisfy the tests was not due to reasonable cause. If these relief provisions do not apply to a particular set of circumstances, we will not qualify as a REIT. As discussed above in "—Taxation of Our Company—General," even if these relief provisions apply, and we retain our status as a REIT, a tax would be imposed with respect to our nonqualifying income. We may not always be able to comply with the gross income tests for REIT qualification despite periodic monitoring of our income.

***Prohibited Transaction Income***

Any gain that we realize on the sale of property held as inventory or otherwise held primarily for sale to customers in the ordinary course of business, including our share of any such gain realized by our operating partnership, either directly or through its subsidiary partnerships and limited liability companies, will be treated as income from a prohibited transaction that is subject to a 100% penalty tax, unless certain safe harbor exceptions apply. This prohibited transaction income may also adversely affect our ability to satisfy the gross income tests for qualification as a REIT. Under existing law, whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. Our operating partnership intends to hold its properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing and owning its properties and to make occasional sales of the properties as are consistent with our operating partnership's investment objectives. We do not intend to enter into any sales that are prohibited transactions. However, the IRS may successfully contend that some or all of the sales made by our operating partnership or its subsidiary partnerships or limited liability companies are prohibited transactions. We would be required to pay the 100% penalty tax on our allocable share of the gains resulting from any such sales.

***Penalty Tax***

Any redetermined rents, redetermined deductions or excess interest we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a taxable REIT subsidiary of ours, and redetermined deductions and excess interest represent any amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations. Rents we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code.

If a taxable REIT subsidiary of ours provides services to our tenants, we intend to set the fees paid to any such taxable REIT subsidiary for such services at arm's length rates, although the fees paid may not satisfy the safe-harbor provisions referenced above. These determinations are inherently factual, and the IRS has broad discretion to assert that amounts paid between related parties should be reallocated to clearly reflect their respective incomes. If the IRS successfully made such an assertion, we would be required to pay a 100% penalty tax on the excess of an arm's length fee for tenant services over the amount actually paid.

***Asset Tests***

At the close of each calendar quarter of our taxable year, we must also satisfy four tests relating to the nature and diversification of our assets. First, at least 75% of the value of our total assets must be represented by real estate assets, cash, cash items and government securities. For purposes of this test, the term "real estate assets" generally means real property (including interests in real property and interests in mortgages on real property) and shares (or transferable certificates of beneficial interest) in other REITs, as well as any stock or debt instrument attributable to the investment of the proceeds of a stock offering or a public offering of debt with a term of at least five years, but only for the one-year period beginning on the date the REIT receives such proceeds.

Second, not more than 25% of the value of our total assets may be represented by securities (including securities of one or more taxable REIT subsidiaries), other than those securities includable in the 75% asset test.

Third, of the investments included in the 25% asset class, and except for investments in any other REITs, any qualified REIT subsidiaries and taxable REIT subsidiaries, the value of any one issuer's securities may not exceed 5% of the value of our total assets, and we may not own more than 10% of the total vote or value of the outstanding securities of any one issuer except, in the case of the 10% value test, securities satisfying the "straight debt" safe-harbor or securities issued by a partnership that itself would satisfy the 75% income test if it were a REIT. Certain types of securities we may own are disregarded as securities solely for purposes of the 10% value test, including, but not limited to, any loan to an individual or an estate, any obligation to pay rents from real property and any security issued by a REIT. In addition, solely for purposes of the 10% value test, the determination of our interest in the assets of a partnership or limited liability company in which we own an interest will be based on our proportionate interest in any securities issued by the partnership or limited liability company, excluding for this purpose certain securities described in the Code.

Fourth, not more than 25% of the value of our total assets may be represented by the securities of one or more taxable REIT subsidiaries. Our operating partnership may own the stock of certain corporations that elect, together with us, to be treated as our taxable REIT subsidiaries. So long as each of these companies qualifies as a taxable REIT subsidiary, we will not be subject to the 5% asset test, the 10% voting securities limitation or the 10% value limitation with respect to our ownership of their stock. We intend that the aggregate value of our taxable REIT subsidiaries will not exceed 25% of the aggregate value of our gross assets. There can be no assurance that the IRS will not disagree with our determinations of value of such assets.

In the event that we invest in a mortgage loan that is not fully secured by real property, only a portion of the mortgage loan may be treated as a real estate asset for purposes of the 75% asset test. Pursuant to Revenue Procedure 2011-16, the IRS has announced that it will not challenge a REIT's treatment of a loan as a real estate asset in its entirety to the extent that the value of the loan is equal to or less than the value of the real property securing the loan at the relevant testing date. However, uncertainties exist regarding the application of Revenue Procedure 2011-16, particularly with respect to the proper treatment under the asset tests of mortgage loans acquired at a discount that increase in value following their acquisition, and no assurance can be given that the IRS would not challenge our treatment of such assets.

The asset tests must be satisfied at the close of each calendar quarter of our taxable year in which we (directly or through our operating partnership) acquire securities in the applicable issuer, and also at the close of each calendar quarter in which we increase our ownership of securities of such issuer (including as a result of increasing our interest in our operating partnership). For example, our indirect ownership of securities of each issuer will increase as a result of our capital contributions to our operating partnership or as limited partners exercise their redemption/exchange rights. After initially meeting the asset tests at the close of any quarter, we will not lose our status as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values. If we fail to satisfy an asset test because we acquire securities or other property during a quarter (including as a result of an increase in our interest in our operating partnership), we may cure this

failure by disposing of sufficient nonqualifying assets within 30 days after the close of that quarter. We intend to maintain adequate records of the value of our assets to ensure compliance with the asset tests. If we fail to cure any noncompliance with the asset tests within the 30 day cure period, we would cease to qualify as a REIT unless we are eligible for certain relief provisions discussed below.

Certain relief provisions may be available to us if we discover a failure to satisfy the asset tests described above after the 30 day cure period. Under these provisions, we will be deemed to have met the 5% and 10% asset tests if the value of our nonqualifying assets (i) does not exceed the lesser of (a) 1% of the total value of our assets at the end of the applicable quarter or (b) $10,000,000, and (ii) we dispose of the nonqualifying assets or otherwise satisfy such tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued. For violations of any of the asset tests due to reasonable cause and not due to willful neglect and that are, in the case of the 5% and 10% asset tests, in excess of the *de minimis* exception described above, we may avoid disqualification as a REIT after the 30 day cure period by taking steps including (i) the disposition of sufficient nonqualifying assets, or the taking of other actions, which allow us to meet the asset tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued, (ii) paying a tax equal to the greater of (a) $50,000 or (b) the highest corporate tax rate multiplied by the net income generated by the nonqualifying assets, and (iii) disclosing certain information to the IRS.

Although we intend to satisfy the asset tests described above and plan to take steps to ensure that we satisfy such tests for any quarter with respect to which retesting is to occur, there can be no assurance we will always be successful, or will not require a reduction in our operating partnership's overall interest in an issuer (including in a taxable REIT subsidiary). If we fail to cure any noncompliance with the asset tests in a timely manner, and the relief provisions described above are not available, we would cease to qualify as a REIT.

***Annual Distribution Requirements***

To maintain our qualification as a REIT, we are required to distribute dividends, other than capital gain dividends, to our stockholders in an amount at least equal to the sum of:

- 90% of our "REIT taxable income"; and
- 90% of our after tax net income, if any, from foreclosure property; minus
- the excess of the sum of certain items of non-cash income over 5% of our "REIT taxable income."

For these purposes, our "REIT taxable income" is computed without regard to the dividends paid deduction and our net capital gain. In addition, for purposes of this test, non-cash income means income attributable to leveled stepped rents, original issue discount on purchase money debt, cancellation of indebtedness, or a like-kind exchange that is later determined to be taxable.

Also, our "REIT taxable income" will be reduced by any taxes we are required to pay on any gain we recognize from the disposition of any asset we acquired from a corporation which is or has been a C corporation in a transaction in which our basis in the asset is less than the fair market value of the asset, in each case determined at the time we acquired the asset, within the ten-year period following our acquisition of such asset.

We generally must pay, or be treated as paying, the distributions described above in the taxable year to which they relate. At our election, a distribution will be treated as paid in a taxable year if it is declared before we timely file our tax return for such year and paid on or before the first regular dividend payment after such declaration, provided such payment is made during the 12-month period following the close of such year. These distributions are treated as received by our stockholders in the year in which paid even though these distributions relate to the prior year for purposes of the 90% distribution requirement. In order to be taken into account for

purposes of our distribution requirement, the amount distributed must not be preferential—i.e., every stockholder of the class of stock to which a distribution is made must be treated the same as every other stockholder of that class, and no class of stock may be treated other than according to its dividend rights as a class. To the extent that we do not distribute all of our net capital gain, or distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be required to pay tax on the undistributed amount at regular corporate tax rates. We intend to make timely distributions sufficient to satisfy these annual distribution requirements and to minimize our corporate tax obligations. In this regard, the partnership agreement of our operating partnership authorizes us, as general partner of our operating partnership, to take such steps as may be necessary to cause our operating partnership to distribute to its partners an amount sufficient to permit us to meet these distribution requirements and to minimize our corporate tax obligation.

We expect that our REIT taxable income will be less than our cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the distribution requirements described above. However, from time to time, we may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of income and deduction of expenses in determining our taxable income. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt or for other reasons. In these cases, we may borrow funds to pay dividends or pay dividends through the distribution of other property in order to meet the distribution requirements while preserving our cash.

Under certain circumstances, we may be able to rectify an inadvertent failure to meet the 90% distribution requirement for a year by paying "deficiency dividends" to our stockholders in a later year, which may be included in our deduction for dividends paid for the earlier year. Thus, we may be able to avoid being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described below. However, we will be required to pay interest to the IRS based upon the amount of any deduction claimed for deficiency dividends. While the payment of a deficiency dividend will apply to a prior year for purposes of our REIT distribution requirements, it will be treated as an additional distribution to our stockholders in the year such dividend is paid.

Furthermore, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of 85% of our ordinary income for such year, 95% of our capital gain net income for the year and any undistributed taxable income from prior periods. Any ordinary income and net capital gain on which this excise tax is imposed for any year is treated as an amount distributed during that year for purposes of calculating such tax.

For purposes of the 90% distribution requirement and excise tax described above, dividends declared during the last three months of the taxable year, payable to stockholders of record on a specified date during such period and paid during January of the following year, will be treated as paid by us and received by our stockholders on December 31 of the year in which they are declared.

***Like-Kind Exchanges***

We may dispose of properties in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could subject us to federal income tax, possibly including the 100% prohibited transaction tax, depending on the facts and circumstances surrounding the particular transaction.

***Failure To Qualify***

If we discover a violation of a provision of the Code that would result in our failure to qualify as a REIT, specified cure provisions may be available to us. Except with respect to violations of the gross income

tests and asset tests (for which the cure provisions are described above), and provided the violation is due to reasonable cause and not due to willful neglect, these cure provisions generally impose a $50,000 penalty for each violation in lieu of a loss of REIT status. If we fail to satisfy the requirements for taxation as a REIT in any taxable year, and the relief provisions do not apply, we will be required to pay tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible by us, and we will not be required to distribute any amounts to our stockholders. As a result, we anticipate that our failure to qualify as a REIT would reduce the cash available for distribution by us to our stockholders. In addition, if we fail to qualify as a REIT, all distributions to stockholders will be taxable as regular corporate dividends to the extent of our current and accumulated earnings and profits. In this event, corporate distributees may be eligible for the dividends-received deduction. In addition, non-corporate stockholders, including individuals, may be eligible for the preferential tax rates on qualified dividend income. Unless entitled to relief under specific statutory provisions, we will also be ineligible to elect to be treated as a REIT for the four taxable years following the year for which we lost our qualification. It is not possible to state whether in all circumstances we would be entitled to this statutory relief.

**Tax Aspects of Our Operating Partnership, the Subsidiary Partnerships and the Limited Liability Companies**

***General***

All of our investments will be held indirectly through our operating partnership. In addition, our operating partnership will hold certain of its investments indirectly through subsidiary partnerships and limited liability companies which we expect will be treated as partnerships or disregarded entities for federal income tax purposes. In general, entities that are treated as partnerships or disregarded entities for federal income tax purposes are "pass-through" entities which are not required to pay federal income tax. Rather, partners or members of such entities are allocated their shares of the items of income, gain, loss, deduction and credit of the partnership or limited liability company, and are potentially required to pay tax on this income, without regard to whether they receive a distribution from the partnership or limited liability company. We will include in our income our share of these partnership and limited liability company items for purposes of the various gross income tests, the computation of our REIT taxable income, and the REIT distribution requirements. Moreover, for purposes of the asset tests, we will include our pro rata share of assets held by our operating partnership, including its share of its subsidiary partnerships and limited liability companies, based on our capital interests in each such entity. See "—Taxation of Our Company—General."

***Entity Classification***

Our interests in our operating partnership and the subsidiary partnerships and limited liability companies involve special tax considerations, including the possibility that the IRS might challenge the status of these entities as partnerships or disregarded entities. For example, an entity that would otherwise be classified as a partnership for federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" and certain other requirements are met. A partnership or limited liability company would be treated as a publicly traded partnership if its interests are traded on an established securities market or are readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury Regulations. Interests in a partnership are not treated as readily tradable on a secondary market, or the substantial equivalent thereof, if all interests in the partnership were issued in one or more transactions that were not required to be registered under the Securities Act, and the partnership does not have more than 100 partners at any time during the taxable year of the partnership, taking into account certain ownership attribution and anti-avoidance rules (the "100 Partner Safe Harbor"). Our operating partnership does not expect to qualify for the 100 Partner Safe Harbor at the completion of the formation transactions. However, interests in our operating partnership will nonetheless be viewed as not readily tradable on a secondary market or the substantial equivalent thereof if the sum of the percentage interests in capital or profits of our operating partnership transferred during any taxable year of our operating partnership does not exceed 2% of the total interests in our operating

partnership's capital or profits, subject to certain exceptions. For purpose of this 2% trading safe harbor, our interests in our operating partnership are excluded from the determination of the percentage interests in capital or profits of our operating partnership. In addition, this 2% trading safe harbor does not apply to transfers by a limited partner in one or more transactions during any 30-day period representing in the aggregate more than 2% of the total interests in our operating partnership's capital or profits. We, as general partner of our operating partnership, have the authority to take any steps we determine to prevent any trading of interests in our operating partnership that would cause our operating partnership to become a publicly traded partnership, including any steps necessary to ensure compliance with this 2% trading safe harbor.

We believe our operating partnership and each of our other partnerships and limited liability companies will be classified as partnerships or disregarded entities for federal income tax purposes, and we do not anticipate that our operating partnership or any subsidiary partnership or limited liability company will be treated as a publicly traded partnership that is taxable as a corporation. However, if our operating partnership does not qualify for the 100 Partner Safe Harbor and certain other safe harbor provisions of applicable Treasury Regulations are not available, our operating partnership could be classified as a publicly traded partnership.

If our operating partnership or any of our other partnerships or limited liability companies were to be treated as a publicly traded partnership, it would be taxable as a corporation unless it qualified for the statutory "90% qualifying income exception." Under that exception, a publicly traded partnership is not subject to corporate-level tax if 90% or more of its gross income consists of dividends, interest, "rents from real property" (as that term is defined for purposes of the rules applicable to REITs, with certain modifications), gain from the sale or other disposition of real property, and certain other types of qualifying income. However, if any such entity did not qualify for this exception or was otherwise taxable as a corporation, it would be required to pay an entity-level tax on its income. In this situation, the character of our assets and items of gross income would change and could prevent us from satisfying the REIT asset tests and possibly the REIT income tests. See "—Taxation of Our Company—Asset Tests" and "—Taxation of Our Company—Income Tests." This, in turn, could prevent us from qualifying as a REIT. See "—Taxation of Our Company—Failure to Qualify" for a discussion of the effect of our failure to meet these tests. In addition, a change in the tax status of our operating partnership or a subsidiary partnership or limited liability company might be treated as a taxable event. If so, we might incur a tax liability without any related cash payment.

***Allocations of Income, Gain, Loss and Deduction***

Our operating partnership agreement generally provides that allocations of net income to holders of common units will be made proportionately to all such holders in respect of such units. Certain limited partners will have the opportunity to guarantee debt of our operating partnership. As a result of these guaranties, and notwithstanding the foregoing discussion of allocations of income and loss of our operating partnership to holders of units, such limited partners could under limited circumstances be allocated a disproportionate amount of net loss upon a liquidation of our operating partnership, which net loss would have otherwise been allocable to us. In addition, the partnership agreement provides that holders of LTIP units may be entitled to receive special allocations of gain in the event of a sale or hypothetical sale of assets of our operating partnership prior to the allocation of gain to holders of common units. This special allocation of gain is intended to enable the holders of LTIP units to convert such units into common units.

Generally, Section 704(b) of the Code and the Treasury Regulations thereunder require that partnership allocations respect the economic arrangement of the partners. If an allocation of partnership income or loss does not comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership. This reallocation will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. Our operating partnership's allocations of taxable income and loss are intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder.

***Tax Allocations With Respect to the Properties***

Under Section 704(c) of the Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership, must be allocated in a manner so that the contributing partner is charged with the unrealized gain or benefits from the unrealized loss associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss generally is equal to the difference between the fair market value or book value and the adjusted tax basis of the contributed property at the time of contribution, as adjusted from time to time. These allocations are solely for federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Appreciated property will be contributed to our operating partnership in exchange for interests in our operating partnership in connection with the formation transactions. As a result, the tax basis of these property interests generally will carry over to our operating partnership, notwithstanding their different book (i.e., fair market) value (this difference is referred to as a book-tax difference). The partnership agreement requires that income and loss allocations with respect to these properties be made in a manner consistent with Section 704(c) of the Code. Treasury Regulations issued under Section 704(c) of the Code provide partnerships with a choice of several methods of accounting for book-tax differences. We and our operating partnership have agreed to use the "traditional method" for accounting for book-tax differences for the properties initially contributed to our operating partnership. Under the traditional method, which is the least favorable method from our perspective, the carryover basis of each of the contributed interests in the properties in the hands of our operating partnership (1) could cause us to be allocated lower amounts of depreciation deductions for tax purposes than would be allocated to us if any of the contributed properties were to have a tax basis equal to its respective fair market value at the time of the contribution and (2) could cause us to be allocated taxable gain in the event of a sale of such contributed interests or properties in excess of the economic or book income allocated to us as a result of such sale, with a corresponding benefit to the other partners in our operating partnership. An allocation described in clause (2) above might cause us or the other partners to recognize taxable income in excess of cash proceeds in the event of a sale or other disposition of property, which might adversely affect our ability to comply with the REIT distribution requirements. See "—Taxation of Our Company—Requirements for Qualification as a REIT" and "—Taxation of Our Company—Annual Distribution Requirements."

**Certain Tax Considerations Related to the Formation Transactions**

As described under "Structure and Formation of Our Company," we intend to acquire Fund V REIT through the merger of Fund V REIT with and into us in exchange for shares of our common stock in a transaction intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. However, we have not received a ruling from the IRS or an opinion of counsel that the transaction qualifies as a reorganization. If the merger qualifies as a reorganization for U.S. federal income tax purposes, we will succeed to the earnings and profits, if any, of Fund V REIT, and our tax basis of the assets we acquire from Fund V REIT will be determined by reference to the tax basis of the asset in the hands of Fund V REIT.

Fund V REIT has elected to be taxed as a REIT since its formation; however, we have not received an opinion of counsel that Fund V REIT qualified for taxation as a REIT through the closing of the merger. If Fund V REIT failed to qualify as a REIT for any of its taxable years, it would have been required to pay U.S. federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate rates. As the successor-in-interest to Fund V REIT, we would be required to pay any of Fund V REIT's unpaid income tax liabilities.

In addition, to qualify as a REIT, any earnings and profits we acquire from a C corporation which has not always been a REIT must be distributed as of the close of the taxable year in which we acquired such earnings and profits. While we believe Fund V REIT will have no earnings and profits accumulated in a year in which Fund V REIT was not a REIT, if Fund V REIT did not qualify for taxation as a REIT through the closing

of the merger, we may succeed to its earnings and profits, which we would be required to distribute by the close of the taxable year in which the merger occurs. If the IRS were to determine that we acquired such earnings and profits that we failed to distribute prior to the end of the appropriate taxable year, we could avoid disqualification as a REIT by using "deficiency dividend" procedures. Under these procedures, we generally would be required to distribute any such earnings and profits to our stockholders within 90 days of the determination and pay a statutory interest charge at a specified rate to the IRS.

Also, if we acquire any asset from a corporation that is or has been a C corporation in a transaction in which the basis of the asset in our hands is less than the fair market value of the asset, in each case determined at the time we acquired the asset, and we subsequently recognize gain on the disposition of the asset during the ten-year period beginning on the date on which we acquired the asset, then we will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of (a) the fair market value of the asset over (b) our adjusted basis in the asset, in each case determined as of the date on which we acquired the asset. The foregoing rules regarding the recognition of gain assume that the C corporation will refrain from making an election to receive different treatment under applicable Treasury Regulations on its tax return for the year in which we acquire the asset from the C corporation. The IRS has issued Proposed Treasury Regulations which would exclude from the application of this built-in gains tax any gain from the sale of property acquired by us in an exchange under Section 1031 (a like kind exchange) or 1033 (an involuntary conversion) of the Code. These Proposed Treasury Regulations will not be effective unless they are issued in their final form, and as of the date of this prospectus, it is not possible to determine whether the proposed regulations will be finalized in their current form or at all. Provided Fund V REIT has always qualified for tax as a REIT, as we believe to be the case, these rules would not apply to our disposition of the assets of Fund V REIT acquired by us in the formation transactions. Furthermore, our tax basis in the assets we acquire from Fund V REIT in the merger will be lower than the assets' fair market values. This lower tax basis could cause us to have lower depreciation deductions and more gain on a subsequent sale of the assets than would be the case if we had directly purchased the assets in a taxable transaction.

If the merger with Fund V REIT does not qualify as a reorganization within the meaning of Section 368(a) of the Code, the merger would be treated as a sale of the assets of Fund V REIT to us in a taxable transaction, and Fund V REIT would recognize taxable gain, though any taxable income from such deemed asset sale would be reduced by the fair market value of our common stock deemed distributed in liquidation of Fund V REIT to the Pre-Formation Participants holding interests in Fund V REIT. In such a case, as the successor-in-interest to Fund V REIT, we would be required to pay any unpaid tax liabilities of such entity, but we would not succeed to the earnings and profits, if any, of Fund V REIT and our tax basis of the assets we acquire from Fund V REIT would not be determined by reference to the basis of the asset in the hands of Fund V REIT.

**U.S. Federal Income Tax Considerations for Holders of Our Common Stock**

The following summary describes the principal U.S. federal income tax consequences to you of purchasing, owning and disposing of our common stock. This summary assumes you hold shares of our common stock as a "capital asset" (generally, property held for investment within the meaning of Section 1221 of the Code). It does not address all the tax consequences that may be relevant to you in light of your particular circumstances. In addition, this discussion does not address the tax consequences relevant to persons who receive special treatment under the federal income tax law, except where specifically noted. Holders receiving special treatment include, without limitation:

- financial institutions, banks and thrifts;
- insurance companies;
- tax-exempt organizations;

- "S" corporations;
- traders in securities that elect to mark to market;
- partnerships, pass-through entities and persons holding our common stock through a partnership or other pass-through entity;
- holders subject to the alternative minimum tax;
- regulated investment companies and REITs;
- non-U.S. corporations or partnerships, and persons who are not residents or citizens of the United States;
- broker-dealers or dealers in securities or currencies;
- U.S. expatriates;
- persons holding our common stock as part of a hedge, straddle, conversion, integrated or other risk reduction or constructive sale transaction; or
- U.S. persons whose functional currency is not the U.S. dollar.

If you are considering purchasing our common stock, you should consult your tax advisors concerning the application of U.S. federal income tax laws to your particular situation as well as any consequences of the purchase, ownership and disposition of our common stock arising under the laws of any state, local or non-U.S. taxing jurisdiction.

When we use the term "U.S. holder," we mean a holder of shares of our common stock who, for U.S. federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation, including an entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any state thereof or in the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If you hold shares of our common stock and are not a U.S. holder, a partnership or an entity classified as a partnership for U.S. federal income tax purposes, you are a "non-U.S. holder."

If a partnership or other entity treated as a partnership for U.S. federal income tax purposes holds shares of our common stock, the tax treatment of a partner generally will depend on the status of the partner and on the activities of the partnership. Partners of partnerships holding shares of our common stock are encouraged to consult their tax advisors.

**Taxation of Taxable U.S. Holders of our Common Stock**

***Distributions Generally***

Distributions out of our current or accumulated earnings and profits will be treated as dividends and, other than with respect to capital gain dividends and certain amounts which have previously been subject to corporate level tax, as discussed below, will be taxable to our taxable U.S. holders as ordinary income when actually or constructively received. See "—Tax Rates" below. As long as we qualify as a REIT, these distributions will not be eligible for the dividends-received deduction in the case of U.S. holders that are corporations, or, except to the extent provided in "—Tax Rates" below, the preferential rates on qualified dividend income applicable to non-corporate U.S. holders, including individuals. For purposes of determining whether distributions to holders of our stock are out of current or accumulated earnings and profits, our earnings and profits will be allocated first to our outstanding preferred stock and then to our outstanding common stock.

To the extent that we make distributions on our common stock in excess of our current and accumulated earnings and profits allocable to such stock, these distributions will be treated first as a tax-free return of capital to a U.S. holder. This treatment will reduce the U.S. holder's adjusted tax basis in such shares of stock by the amount of the distribution, but not below zero. Distributions in excess of our current and accumulated earnings and profits and in excess of a U.S. holder's adjusted tax basis in its shares will be taxable as capital gain. Such gain will be taxable as long-term capital gain if the shares have been held for more than one year. Dividends we declare in October, November, or December of any year and which are payable to a holder of record on a specified date in any of these months will be treated as both paid by us and received by the holder on December 31 of that year, provided we actually pay the dividend on or before January 31 of the following year. U.S. holders may not include in their own income tax returns any of our net operating losses or capital losses.

***Capital Gain Dividends***

Dividends that we properly designate as capital gain dividends will be taxable to our taxable U.S. holders as a gain from the sale or disposition of a capital asset held for more than one year, to the extent that such gain does not exceed our actual net capital gain for the taxable year. If we properly designate any portion of a dividend as a capital gain dividend then, except as otherwise required by law, we presently intend to allocate a portion of the total capital gain dividends paid or made available to holders of all classes of our capital stock for the year to the holders of each class of our capital stock in proportion to the amount that our total dividends, as determined for U.S. federal income tax purposes, paid or made available to the holders of each such class of our capital stock for the year bears to the total dividends, as determined for U.S. federal income tax purposes, paid or made available to holders of all classes of our capital stock for the year. In addition, except as otherwise required by law, we will make a similar allocation with respect to any undistributed long term capital gains which are to be included in our stockholders' long term capital gains, based on the allocation of the capital gains amount which would have resulted if those undistributed long term capital gains had been distributed as "capital gain dividends" by us to our stockholders.

***Retention of Net Capital Gains***

We may elect to retain, rather than distribute as a capital gain dividend, all or a portion of our net capital gains. If we make this election, we would pay tax on our retained net capital gains. In addition, to the extent we so elect, a U.S. holder generally would:

- include its pro rata share of our undistributed net capital gains in computing its long-term capital gains in its return for its taxable year in which the last day of our taxable year falls, subject to certain limitations as to the amount that is includable;
- be deemed to have paid its share of the capital gains tax imposed on us on the designated amounts included in the U.S. holder's income as long-term capital gain;

- receive a credit or refund for the amount of tax deemed paid by it;
- increase the adjusted basis of its stock by the difference between the amount of includable gains and the tax deemed to have been paid by it; and
- in the case of a U.S. holder that is a corporation, appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be promulgated by the IRS.

***Passive Activity Losses and Investment Interest Limitations***

Distributions we make and gain arising from the sale or exchange by a U.S. holder of our common stock will not be treated as passive activity income. As a result, U.S. holders generally will not be able to apply any "passive losses" against this income or gain. A U.S. holder may elect to treat capital gain dividends, capital gains from the disposition of our common stock and income designated as qualified dividend income, described in "—Tax Rates" below, as investment income for purposes of computing the investment interest limitation, but in such case, the holder will be taxed as ordinary income rates on such amount. Other distributions made by our company, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

***Dispositions of Our Common Stock***

A U.S. holder that sells or disposes of shares of common stock will recognize gain or loss for federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the holder's adjusted basis in the shares of common stock for tax purposes. This gain or loss, except as provided below, will be long-term capital gain or loss if the holder has held such common stock for more than one year. However, if a U.S. holder recognizes loss upon the sale or other disposition of common stock that it has held for six months or less, after applying certain holding period rules, the loss recognized will be treated as a long-term capital loss to the extent the U.S. holder received distributions from us which were required to be treated as long-term capital gains

***Foreign Accounts***

Certain payments made to "foreign financial institutions" in respect of accounts of U.S. stockholders at such financial institutions may be subject to withholding at a rate of 30%. U.S. stockholders should consult their tax advisors regarding the effect, if any, of this withholding provision on their ownership and disposition of our common stock and the effective date of such provision. See "—Foreign Accounts."

***Information Reporting and Backup Withholding***

We are required to report to our U.S. holders and the IRS the amount of dividends paid during each calendar year, and the amount of any tax withheld. Under the backup withholding rules, a U.S. holder may be subject to backup withholding with respect to dividends paid unless the U.S. holder is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. A U.S. holder that does not provide us with its correct taxpayer identification number may also be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. Any amount paid as backup withholding will be creditable against the U.S. holder's federal income tax liability, provided the required information is timely furnished to the IRS. In addition, we may be required to withhold a portion of capital gain distributions to any holders who fail to certify their non-foreign status. See "—Taxation of Non-U.S. Holders of our Common Stock."

**Taxation of Tax-Exempt Holders of our Common Stock**

Dividend income from us and gain arising upon a sale of our shares of common stock generally will not be unrelated business taxable income to a tax-exempt holder, except as described below. This income or gain will be unrelated business taxable income, however, if a tax-exempt holder holds its shares as "debt-financed property" within the meaning of the Code. Generally, "debt-financed property" is property the acquisition or holding of which was financed through a borrowing by the tax-exempt holder.

For tax-exempt holders which are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, or qualified group legal services plans exempt from federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) or (c)(20) of the Code, respectively, income from an investment in our shares will constitute unrelated business taxable income unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for specific purposes so as to offset the income generated by its investment in our shares. These prospective investors should consult their tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension-held REIT" may be treated as unrelated business taxable income as to certain trusts that hold more than 10%, by value, of the interests in the REIT. A REIT will not be a "pension-held REIT" if it is able to satisfy the "not closely held" requirement without relying on the "look-through" exception with respect to certain trusts or if such REIT is not "predominantly held" by "qualified trusts." As a result of restrictions on the transfer and ownership of our stock contained in our charter, we do not expect to be classified as a "pension-held REIT," and as a result, the tax treatment described above should be inapplicable to our holders. However, because our stock is publicly traded, we cannot guarantee that this will always be the case.

**Taxation of Non-U.S. Holders of our Common Stock**

The following discussion addresses the rules governing U.S. federal income taxation of the purchase, ownership and disposition of our common stock by non-U.S. holders. These rules are complex, and no attempt is made herein to provide more than a brief summary of such rules. Accordingly, the discussion does not address all aspects of U.S. federal income taxation and does not address state, local or non-U.S. tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances. We urge non-U.S. holders to consult their tax advisors to determine the impact of federal, state, local and non-U.S. income tax laws on the purchase, ownership, and disposition of shares of our common stock, including any reporting requirements.

***Distributions Generally***

Distributions that are neither attributable to gain from sales or exchanges by us of U.S. real property interests, or USRPIs, nor designated by us as capital gain dividends (except as described below) will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. Such distributions ordinarily will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the distributions are treated as effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business (through a U.S. permanent establishment, where applicable). Under certain treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from a REIT. Certain certification and disclosure requirements must be satisfied to be exempt from withholding under the effectively connected income exemption. Dividends that are treated as effectively connected with such a trade or business (through a U.S. permanent establishment, where applicable) will generally not be subject to withholding but will be subject to federal income tax on a net basis at graduated rates, in the same manner as dividends paid to U.S. holders are subject to federal income tax. Any such dividends received by a non-U.S. holder that is a corporation may also be subject to an additional branch profits tax at a 30% rate (applicable after deducting federal income taxes paid on such effectively connected income) or such lower rate as may be specified by an applicable income tax treaty.

Except as otherwise provided below, we expect to withhold U.S. federal income tax at the rate of 30% on any distributions made to a non-U.S. holder unless:

1) a lower treaty rate applies and the non-U.S. holder files with us an IRS Form W-8BEN evidencing eligibility for that reduced treaty rate; or

2) the non-U.S. holder files an IRS Form W-8ECI with us claiming that the distribution is income effectively connected with the non-U.S. holder's trade or business.

Distributions in excess of our current and accumulated earnings and profits will not be taxable to a non-U.S. holder to the extent that such distributions do not exceed the adjusted basis of the holder's common stock, but rather will reduce the adjusted basis of such stock. To the extent that such distributions exceed the non-U.S. holder's adjusted basis in such common stock, they will give rise to gain from the sale or exchange of such stock, the tax treatment of which is described below. For withholding purposes, we expect to treat all distributions as made out of our current or accumulated earnings and profits. However, amounts withheld should generally be refundable if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits, provided that certain conditions are met.

***Capital Gain Dividends and Distributions Attributable to a Sale or Exchange of USRPIs***

Distributions to a non-U.S. holder that we properly designate as capital gain dividends, other than those arising from the disposition of a USRPI, generally should not be subject to U.S. federal income taxation, unless:

1) the investment in our stock is treated as effectively connected with the non-U.S. holder's U.S. trade or business (through a U.S. permanent establishment, where applicable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a non-U.S. corporation may also be subject to the 30% branch profits tax or such lower rate as may be specified by an applicable income tax treaty, as discussed above; or

2) the non-U.S. holder is a nonresident alien individual who is present in the U.S. for 183 days or more during the taxable year and certain other conditions are met, in which case the nonresident alien individual will be subject to a 30% tax on the individual's capital gains (reduced by certain capital losses).

Pursuant to the Foreign Investment in Real Property Tax Act of 1980, which is referred to as "FIRPTA," distributions to a non-U.S. holder that are attributable to gain from sales or exchanges by us of USRPI, whether or not designated as capital gain dividends, will cause the non-U.S. holder to be treated as recognizing such gain as income effectively connected with a U.S. trade or business. Non-U.S. holders would generally be taxed at the same rates applicable to U.S. holders, subject to any applicable alternative minimum tax, and any non-U.S. holder that is a foreign corporation may also be subject to the 30% branch profits tax or such lower rate as may be specified by an applicable income tax treaty. We also will be required to withhold and to remit to the IRS 35% (or 20% to the extent provided in Treasury Regulations) of any distribution to non-U.S. holders attributable to gain from sales or exchanges by us of USRPIs. The amount withheld is creditable against the non-U.S. holder's U.S. federal income tax liability. However, any distribution with respect to any class of stock which is "regularly traded" on an established securities market located in the U.S. is not subject to FIRPTA, and therefore, not subject to the 35% U.S. withholding tax described above, if the non-U.S. holder did not own more than 5% of such class of stock at any time during the one-year period ending on the date of the distribution. Instead, such distributions generally will be treated as ordinary dividend distributions and subject to withholding in the manner described above with respect to ordinary dividends.

***Retention of Net Capital Gains***

Although the law is not clear on the matter, it appears that amounts designated by us as retained net capital gains in respect of the stock held by U.S. holders generally should be treated with respect to non-U.S. holders in the same manner as actual distributions of capital gain dividends. Under this approach, the non-U.S. holders would be able to offset as a credit against their U.S. federal income tax liability resulting from their proportionate share of the tax paid by us on such retained net capital gains and to receive from the IRS a refund to the extent their proportionate share of such tax paid by us exceeds their actual U.S. federal income tax liability. If we designate any portion of our net capital gain as retained net capital gain, a non-U.S. stockholder should consult its tax advisor regarding the taxation of such retained net capital gain.

***Sale of Our Common Stock***

Gain recognized by a non-U.S. holder upon the sale, exchange or other taxable disposition of our common stock generally will not be subject to U.S. taxation unless such stock constitutes a URSPI. In general, stock of a domestic corporation that constitutes a "U.S. real property holding corporation," or USRPHC, will constitute a USRPI. We believe that we are a USRPHC. Our common stock will not, however, constitute a USRPI so long as we are a "domestically controlled qualified investment entity." A "domestically controlled qualified investment entity" includes a REIT in which at all times during a specified testing period less than 50% in value of its stock is held directly or indirectly by non-U.S. holders. We believe, but cannot guarantee, that we are a "domestically controlled qualified investment entity." In addition, because our common stock will be publicly traded, no assurance can be given that we will continue to be a "domestically controlled qualified investment entity."

Notwithstanding the foregoing, gain from the sale, exchange or other taxable disposition of our common stock not otherwise subject to FIRPTA will be taxable to a non-U.S. holder if either (a) the investment in our common stock is treated as effectively connected with the non-U.S. holder's U.S. trade or business (through a U.S. permanent establishment, where applicable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a foreign corporation may also be subject to the 30% branch profits tax or such lower rate as may be specified by an applicable income tax treaty, or (b) the non-U.S. holder is a nonresident alien individual who is present in the U.S. for 183 days or more during the taxable year and certain other conditions are met, in which case the nonresident alien individual will be subject to a 30% tax on the individual's capital gains (reduced by certain capital losses). In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our common stock, a non-U.S. holder may be treated as having gain from the sale or other taxable disposition of a USRPI if the non-U.S. holder (1) disposes of our common stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (2) acquires, or enters into a contract or option to acquire, or is deemed to acquire, other shares of that stock during the 61-day period beginning with the first day of the 30-day period described in clause (1). The preceding sentence shall not apply to a non-U.S. holder if the non-U.S. holder did not own more than 5% of the stock at any time during the one-year period ending on the date of the distribution described in clause (1) of the preceding sentence and the class of stock as "regularly traded," as defined by applicable Treasury Regulations.

Even if we do not qualify as a "domestically controlled qualified investment entity" at the time a non-U.S. holder sells our common stock, gain arising from the sale or other taxable disposition by a non-U.S. holder of such common stock would not be subject to U.S. taxation under FIRPTA as a sale of a USRPI if:

1) such class of common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market such as the NYSE; and

2) such non-U.S. holder owned, actually and constructively, 5% or less of such class of common stock throughout the five-year period ending on the date of the sale or exchange.

If gain on the sale, exchange or other taxable disposition of our common stock were subject to taxation under FIRPTA, the non-U.S. holder would be required to file a U.S. federal income tax return and would be subject to regular U.S. federal income tax with respect to such gain in the same manner as a taxable U.S. holder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). In addition, if the sale, exchange or other taxable disposition of our common stock were subject to taxation under FIRPTA, and if shares of the applicable class of our common stock were not "regularly traded" on an established securities market, the purchaser of such common stock would be required to withhold and remit to the IRS 10% of the purchase price.

***Information Reporting and Backup Withholding Tax***

Generally, we must report annually to the IRS the amount of dividends paid to a non-U.S. holder, such holder's name and address, and the amount of tax withheld, if any. A similar report is sent to the non-U.S. holder. Pursuant to tax treaties or other agreements, the IRS may make its reports available to tax authorities in the non-U.S. holder's country of residence.

Payments of dividends or of proceeds from the disposition of stock made to a non-U.S. holder may be subject to information reporting and backup withholding unless such holder establishes an exemption, for example, by properly certifying its non-U.S. status on an IRS Form W-8BEN or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we have or our paying agent has actual knowledge, or reason to know, that a non-U.S. holder is a U.S. person.

Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may be obtained, provided that the required information is timely furnished to the IRS.

**Tax Rates**

Beginning January 1, 2013, the maximum tax rate for non-corporate taxpayers for long-term capital gains, including certain "capital gain dividends," is generally 20% (although depending on the characteristics of the assets which produced these gains and on designations which we may make, certain capital gain dividends may be taxed at a 25% rate). Capital gain dividends will only be eligible for the rates described above to the extent they are properly designated by us as "capital gain dividends." In general, dividends payable by a REIT that are not "capital gains dividends" are subject to tax at the tax rates applicable to ordinary income. Dividends that a REIT properly designates as "qualified dividend income," however, are subject to a maximum tax rate of 20% in the case of non-corporate taxpayers. In general, dividends payable by a REIT are only eligible to be taxed as qualified dividend income to the extent that the taxpayer satisfies certain holding requirements with respect to the REIT's stock and the REIT's dividends are attributable to dividends received by the REIT from certain taxable corporations (such as its taxable REIT subsidiaries) or to income that was subject to tax at the corporate/REIT level (for example, if the REIT distributed taxable income that it retained and paid tax on in the prior taxable year). In addition, certain U.S. stockholders that are individuals, estates or trusts are required to pay an additional 3.8% Medicare tax on, among other things, dividends and capital gains from the sale or other disposition of stock. Prospective investors should consult their tax advisors regarding the tax rates applicable to them in light of their particular circumstances.

**Foreign Accounts**

Withholding taxes may apply to certain types of payments made to "foreign financial institutions" (as specially defined in the Code) and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, and gross proceeds from the sale or other disposition of, our common stock paid to a

foreign financial institution or to a non-financial foreign entity, unless (1) the foreign financial institution undertakes certain diligence and reporting, (2) the non-financial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (1) above, it must enter into an agreement with the United States Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these withholding and reporting requirements may be subject to different rules.

The withholding provisions described above will generally apply to payments of dividends made on or after January 1, 2014 and to payments of gross proceeds from a sale or other disposition of stock on or after January 1, 2017. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules we may treat the entire distribution as a dividend. Prospective investors should consult their tax advisors regarding these withholding provisions.

**Other Tax Consequences**

State, local and non-U.S. income tax laws may differ substantially from the corresponding federal income tax laws, and this discussion does not purport to describe any aspect of the tax laws of any state, local or non-U.S. jurisdiction, or any federal tax other than the income tax. Prospective investors should consult their tax advisor regarding the effect of state, local and non-U.S. tax laws with respect to our tax treatment as a REIT and on an investment in our common stock.

## UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, FBR Capital Markets & Co. and J.P. Morgan Securities LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

| Underwriter | Number of Shares |
|---|---|
| Merrill Lynch, Pierce, Fenner & Smith Incorporated | |
| Wells Fargo Securities, LLC | |
| FBR Capital Markets & Co. | |
| J.P. Morgan Securities LLC | |
| PNC Capital Markets LLC | |
| RBS Securities Inc. | |
| Total | 16,000,000 |

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

### Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares to cover over-allotments, if any.

| | Per Share | Without Option | With Option |
|---|---|---|---|
| Public offering price | $ | $ | $ |
| Underwriting discount | $ | $ | $ |
| Proceeds, before expenses, to us | $ | $ | $ |

The expenses of the offering, not including the underwriting discount, are estimated at $7.5 million and are payable by us. The expenses include approximately $40,000 that we agreed to reimburse to one of the underwriters in connection with certain of their reasonable expenses incurred in connection with this offering and up to $10,000 for the reasonable fees and disbursements to counsel of the underwriters in connection with filings required by the Financial Industry Regulatory Authority, Inc.

**Option to Purchase Additional Shares**

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to 2,400,000 additional shares at the public offering price, less the underwriting discount, to cover over-allotments, if any. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

**Reserved Shares**

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5.0% of the shares offered by this prospectus for sale to some of our directors, officers, employees and related persons. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

**No Sales of Similar Securities**

We have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and FBR Capital Markets & Co. In addition, our executive officers and directors have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 360 days after the date of this prospectus without first obtaining written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and FBR Capital Markets & Co. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly

- offer, pledge, sell or contract to sell any common stock,
- sell any option or contract to purchase any common stock,
- purchase any option or contract to sell any common stock,
- grant any option, right or warrant for the sale of any common stock,
- lend or otherwise dispose of or transfer any common stock,
- request or demand that we file a registration statement related to the common stock, or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock, such as common units. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement

later acquires the power of disposition. In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

The representatives have informed us that they do not have a present intent or arrangement to release any of the securities subject to these lock-up agreements. The waiver of any lock-up will be considered on a case-by-case basis. Factors in deciding whether to release shares may include the length of time before the lock-up expires, the number of shares involved, the reason for the requested release, market conditions, the trading price of our common stock, historical trading volumes of our common stock and whether the person seeking the release is one of our officers, directors or affiliates.

**New York Stock Exchange Listing**

We expect the shares to be approved for listing on the NYSE under the symbol "REXR." In order to meet the requirements for listing on the NYSE, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by the NYSE.

Prior to completion of this offering, there has been no public market for the shares. The initial public offering price will be negotiated by us and the representatives of the underwriters. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of the business potential and our earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

**Price Stabilization, Short Positions and Penalty Bids**

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. "Naked" short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect

investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

**Electronic Distribution**

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

**Other Relationships**

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. For instance, we intend to enter into the $60 million new term loan described under "Business—Description of Certain Debt" with an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated that will be in place at the completion of this offering. In addition, we have also negotiated a proposed revolving credit facility with a borrowing capacity of $200 million that we expect to have in place following the completion of this offering with affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, J.P. Morgan Securities LLC, PNC Capital Markets LLC and RBS Securities Inc. An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated will serve as the sole arranger and administrative agent of the proposed revolving credit facility. In addition, an affiliate of Wells Fargo Securities, LLC is a lender of approximately $16.6 million of certain mortgage indebtedness outstanding as of March 31, 2013 incurred by subsidiaries of Fund I and Fund II that will be repaid with a portion of the net proceeds from this offering. Also, an affiliate of J.P. Morgan Securities LLC is a lender of the loan secured by the three properties owned by the JV and an affiliate of Wells Fargo Securities, LLC is a lender of certain of our mortgage indebtedness that will be outstanding upon completion of this offering.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Notice to Prospective Investors in the European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the

Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), no offer of shares may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(a) (in the case of Relevant Member States that have not implemented the 2010 PD Amending Directive), legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities, or any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; and

(b) (in the case of Relevant Member States that have implemented the 2010 PD Amending Directive), persons or entities that are described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC, and those who are treated on request as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients; or

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares shall require us or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that (A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive, and (B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" as defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

Our company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized,

nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

**Notice to Prospective Investors in the United Kingdom**

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

**Notice to Prospective Investors in Switzerland**

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, our company, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

**Notice to Prospective Investors in the Dubai International Financial Centre**

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The shares to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

**Notice to Prospective Investors in Germany**

Any offer or solicitation of securities within Germany must be in full compliance with the German Securities Prospectus Act (Wertpapierprospektgesetz—WpPG). The offer and solicitation of securities to the public in Germany requires the publication of a prospectus that has to be filed with and approved by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht—BaFin). This prospectus has not been and will not be submitted for filing and approval to the BaFin and, consequently, will not be published. Therefore, this prospectus does not constitute a public offer under the German Securities Prospectus Act (Wertpapierprospektgesetz). This prospectus and any other document relating to our common stock, as well as any information contained therein, must therefore not be supplied to the public in Germany or used in connection with any offer for subscription of our common stock to the public in Germany, any public marketing of our common stock or any public solicitation for offers to subscribe for or otherwise acquire our common stock. This prospectus and other offering materials relating to the offer of our common stock are strictly confidential and may not be distributed to any person or entity other than the designated recipients hereof.

**Notice to Prospective Investors in Australia**

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

**Notice to Prospective Investors in Hong Kong**

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## LEGAL MATTERS

Certain legal matters will be passed upon for us by Latham & Watkins LLP and for the underwriters by Hunton & Williams LLP. Venable LLP will pass upon the validity of the shares of common stock sold in this offering and certain other matters of Maryland law.

## EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited (i) our consolidated balance sheet as of March 31, 2013, (ii) the combined financial statements and schedule of Rexford Industrial Realty, Inc. Predecessor as of and for the years ended December 31, 2012 and 2011 and (iii) the statement of revenues and certain expenses of the Glendale Commerce Center property for the year ended December 31, 2012, as set forth in their reports. We have included our balance sheet, the financial statements and schedule of Rexford Industrial Realty, Inc. Predecessor and the statement of revenues and certain expenses of Glendale Commerce Center in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

Information relating to the industrial markets set forth in "Prospectus Summary—Market Overview" and "Market Overview" is derived from the DAUM's market materials and is included in reliance on DAUM's authority as an expert on such matters.

## WHERE YOU CAN FIND MORE INFORMATION

We maintain a web site at *www.rexfordindustrial.com*. Information contained on, or accessible through our website is not incorporated by reference into and does not constitute a part of this prospectus or any other report or documents we file with or furnish to the SEC.

We have filed with the SEC a registration statement on Form S-11, including exhibits and schedules filed with the registration statement of which this prospectus is a part, under the Securities Act, with respect to the shares of common stock to be sold in this offering. This prospectus does not contain all of the information set forth in the registration statement and exhibits and schedules to the registration statement. For further information with respect to us and the shares of common stock to be sold in this offering, reference is made to the registration statement, including the exhibits and schedules to the registration statement. Copies of the registration statement, including the exhibits and schedules to the registration statement, may be examined without charge at the public reference room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Information about the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0300. Copies of all or a portion of the registration statement may be obtained from the public reference room of the SEC upon payment of prescribed fees. Our SEC filings, including our registration statement, are also available to you, free of charge, on the SEC's website at *www.sec.gov*.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and will file periodic reports, proxy statements and will make available to our stockholders annual reports containing audited financial information for each year and quarterly reports for the first three quarters of each fiscal year containing unaudited interim financial information.

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**REXFORD INDUSTRIAL REALTY, INC.**

**PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited and in thousands, except share data)**

The unaudited pro forma consolidated financial statements of Rexford Industrial Realty, Inc. (together with its combined entities, the "Company," "we," "our" or "us") as of and for the three months ended March 31, 2013 and year ended December 31, 2012 are derived from the financial statements of the combined entities consisting of Rexford Industrial, LLC, Rexford Sponsor V LLC, Rexford Industrial Fund V REIT, LLC and their consolidated subsidiaries which consist of one limited partnership and four limited liability companies, referred to as the industrial funds, and their subsidiaries (collectively, the "Predecessor"), and are presented as if this offering, the concurrent private placement and the formation transactions (including the application of the net proceeds therefrom as set forth under "Use of Proceeds"), had occurred on March 31, 2013 for the pro forma consolidated balance sheet and on January 1, 2012 for the pro forma consolidated statement of operations.

As discussed above, our Predecessor includes Rexford Industrial, LLC, Rexford Sponsor V LLC, Rexford Industrial Fund V REIT, LLC and their consolidated subsidiaries which in turn, own our Predecessor's assets. Each of these Predecessor entities and its assets are owned, managed and controlled (individually or jointly as discussed in more detail below) by our predecessor principals. As such, we have combined these entities as our Predecessor on the basis of common ownership and common management. Our Predecessor's assets consist of investments in 61 industrial properties and are owned through the industrial funds.

Our pro forma consolidated financial statements are presented for informational purposes only and should be read in conjunction with the historical financial statements and related notes thereto included elsewhere in this prospectus. The adjustments to our pro forma consolidated financial statements are based on available information and assumptions that we consider reasonable. Our pro forma consolidated financial statements do not purport to (1) represent our financial position that would have actually occurred had this offering, the concurrent private placement and the formation transactions occurred on March 31, 2013, (2) represent the results of our operations that would have actually occurred had this offering, the concurrent private placement and the formation transactions occurred on January 1, 2012 and (3) project our financial position or results of operations as of any future date or for any future period, as applicable.

We were formed as a Maryland corporation on January 18, 2013 to acquire the entities owning various real estate assets and to succeed the business of Rexford Industrial, LLC, a Los Angeles-based real estate investment firm. Rexford Industrial Realty, L.P., our operating partnership, was formed as a Maryland limited partnership on January 18, 2013. Upon completion of the offering and the formation transactions, we expect our operations to be carried on through our operating partnership. At such time, the Company, as the general partner of the operating partnership will own 86.8% of the operating partnership and will have control of the operating partnership. Accordingly, the Company will consolidate the assets, liabilities and results of operations of the operating partnership.

The Company has not had any corporate activity since its formation, other than the issuance of 100 shares of its common stock to Michael S. Frankel in connection with the initial capitalization of the Company and activities in preparation for this offering and the formation transactions. Accordingly, we believe that a discussion of the results of the Company would not be meaningful, and we have, therefore, set forth below a discussion regarding the historical operations of the Predecessor only. The Predecessor owns investments in 61 industrial properties through the five controlled industrial funds.

Concurrently with this offering, we will complete the formation transactions, pursuant to which we will acquire, through a series of acquisition and contribution transactions, 100% of the ownership interests in the entities that own interests in our initial portfolio. To acquire the interests in the entities that own the properties to be included in our initial portfolio from the holders thereof, or the prior investors, we will issue to the prior

investors an aggregate of 4,957,099 shares of our common stock and 3,714,419 of our common units in our operating partnership, with an aggregate value of $121.4 million, and we will pay $664 in cash in accordance with the terms of the relevant merger and/or contribution agreements to acquire the interests of our prior investors that do not meet the criteria of an accredited investor. Cash amounts will be provided from the net proceeds of this offering.

In connection with the formation transactions, we also made available to our prior investors that met the criteria of an accredited investor the opportunity to acquire for cash additional shares of our common stock at the public offering price per share in our concurrent private placement.

Upon completion of this offering, the concurrent private placement and the formation transactions, we expect net proceeds from this offering of approximately $248.8 million, or approximately $280.1 million if the underwriters' over-allotment option is exercised in full (after deducting the underwriting discount and commissions and estimated expenses of this offering and the formation transactions). We will contribute the net proceeds of this offering and the concurrent private placement to our operating partnership in exchange for common units, and our operating partnership will use the proceeds received from us as well as cash on hand, if any, as described under "Use of Proceeds" elsewhere in this prospectus.

Upon consummation of this offering and the formation transactions, we expect our operations to be carried on through our operating partnership and subsidiaries of our operating partnership, including our taxable REIT subsidiary. Consummation of the formation transactions will enable us to (i) consolidate our asset management, property management, property development, leasing, tenant improvement construction, acquisition and financing businesses into our operating partnership; (ii) consolidate the ownership of our property portfolio under our operating partnership; (iii) facilitate this offering; and (iv) qualify as a real estate investment trust for U.S. federal income tax purposes commencing with the taxable year ending December 31, 2013.

We have determined that one of the entities comprising the Predecessor, Rexford Industrial, LLC, is the acquirer for accounting purposes. In addition, we have concluded that any interests contributed by the members of the other entities comprising the Predecessor (Rexford Fund V Sponsor, LLC, Rexford Industrial Fund V REIT, LLC and their controlled subsidiaries), is a business combination since these entities have common management and ownership, but are not under common control with Rexford Industrial, LLC. Rexford Industrial, LLC is controlled by one of the predecessor principals while Rexford Fund V Sponsor, LLC and Rexford Industrial Fund V REIT, LLC are jointly controlled by the predecessor principals. As a result, the contribution of interests in Rexford Industrial, LLC as the accounting acquirer will be recorded at historical cost, and the contribution or acquisition of interests in entities other than those owned or controlled by Rexford Industrial, LLC in the formation transactions, including Rexford Fund V Sponsor, LLC, Rexford Industrial Fund V REIT, LLC, and their controlled subsidiaries, will be accounted for as an acquisition under the acquisition method of accounting and recognized at the estimated fair value of acquired assets and assumed liabilities on the date of such contribution or acquisition. The fair value of these assets and liabilities has been allocated in accordance with Accounting Standards Codification ("ASC") section 805-10, *Business Combinations.* The fair values of tangible assets acquired are determined on an as-if-vacant basis. The as-if-vacant fair value of tangible assets will be allocated to land, building and improvements, tenant improvements and furniture and fixtures based on our own market knowledge and published market data, including current rental rates, expected downtime to lease up vacant space, tenant improvement construction costs, leasing commissions and recent sales on a per square foot basis for comparable properties in our submarkets. The estimated fair value of intangible assets consisting of acquired in-place at-market leases are the costs we would have incurred to lease the property to the occupancy level of the property at the date of acquisition. Such estimates include the fair value of leasing commissions and legal costs that would be incurred to lease this property to this occupancy level. Additionally, we evaluate the time period over which such occupancy level would be achieved and include an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period, which may vary from property to property. Above-market and below-market in-place lease values are recorded as an asset or liability based on the present value (using an interest rate that reflects the risks associated with the leases

acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and our estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease for above-market leases and the remaining non-cancelable term plus the term of any below-market fixed rate renewal options for below-market leases.

**REXFORD INDUSTRIAL REALTY, INC.**

**PRO FORMA CONSOLIDATED BALANCE SHEET**
**As of March 31, 2013**
**(Unaudited and in thousands, except share data)**

| | Rexford Industrial Realty, Inc. (A) | Predecessor (B) | Contribution of Rexford Sponsor LLC and Rexford Fund V REIT LLC (C) | Other Acquisitions, Dispositions and Contributions (D) | Other Adjustments (E) | Pro Forma before Offering & Financing Transactions | Proceeds from Offering (F) | Financing Transactions (G) | Use of Proceeds (H) | Other Adjustments (I) | Other Acquisitions (J) | Company Pro Forma |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | | | | | |
| Investments in real estate, net | $ — | $ 324,196 | $ 11,362 | $ 70,911 | $ — | $ 406,469 | $ — | $ — | $ — | $ — | $ 12,398 | $ 418,867 |
| Cash and cash equivalents | — | 47,446 | — | (21,574) | (25,872) | — | 248,822 | 65,477 | (312,299) | — | — | 2,000 |
| Restricted cash | — | 2,086 | — | — | (1,842) | 244 | — | — | — | — | — | 244 |
| Notes receivable | — | 7,903 | — | — | — | 7,903 | — | — | — | — | — | 7,903 |
| Rents and other receivables, net | — | 477 | — | (20) | — | 457 | — | — | — | — | — | 457 |
| Deferred rent receivable | — | 3,996 | (483) | (48) | — | 3,465 | — | — | — | — | — | 3,465 |
| Deferred leasing costs and acquisition related intangible assets, net | — | 4,651 | 3,212 | 4,257 | — | 12,120 | — | — | — | — | 1,852 | 13,972 |
| Deferred loan costs, net | — | 1,169 | (345) | 252 | — | 1,076 | — | 1,500 | (810) | — | — | 1,766 |
| Acquired above-market leases, net | — | 186 | 210 | 1,618 | — | 2,014 | — | — | — | — | — | 2,014 |
| Other assets | — | 3,912 | — | 171 | — | 4,083 | (999) | — | — | — | — | 3,084 |
| Acquisition related deposits | — | 2,483 | — | (2,475) | — | 8 | — | — | — | — | — | 8 |
| Investment in unconsolidated real estate entities | — | 12,361 | — | (9,592) | — | 2,769 | — | — | — | — | — | 2,769 |
| Assets associated with real estate held for sale | — | 9,524 | — | (9,524) | — | — | — | — | — | — | — | — |
| **Total Assets** | $ — | $ 420,390 | $ 13,956 | $ 33,976 | $ (27,714) | $ 440,608 | $247,823 | $ 66,977 | $(313,109) | $ — | $ 14,250 | $ 456,549 |
| **LIABILITIES & EQUITY** | | | | | | | | | | | | |
| **Liabilities** | | | | | | | | | | | | |
| Notes payable | $ — | $ 313,118 | $ — | $ 36,590 | $ — | $ 349,708 | $ — | $ 66,977 | $(301,645) | $ — | $ 14,250 | $ 129,290 |
| Accounts payable and other liabilities | — | 3,066 | — | (16) | — | 3,050 | — | — | — | — | — | 3,050 |
| Due to members | — | — | — | — | — | — | — | — | — | — | — | — |
| Interest rate contracts | — | — | — | — | — | — | — | — | — | — | — | — |
| Acquired below-market leases, net | — | 32 | 840 | 72 | — | 944 | — | — | — | — | — | 944 |
| Tenant security deposits | — | 4,192 | — | 450 | — | 4,642 | — | — | — | — | — | 4,642 |
| Prepaid rents | — | 408 | — | 6 | — | 414 | — | — | — | — | — | 414 |
| Liabilities associated with real estate held for sale | — | 4,667 | — | (4,667) | — | — | — | — | — | — | — | — |
| **Total Liabilities** | — | 325,483 | 840 | 32,435 | — | 358,758 | — | 66,977 | (301,645) | — | 14,250 | 138,340 |
| **Equity** | | | | | | | | | | | | |
| Rexford Industrial LLC and affiliates | — | 11,968 | 296 | (161) | (738) | 11,365 | 247,823 | — | (975) | 17,828 | — | 276,041 |
| Accumulated deficit and distributions | — | (25,271) | — | 160 | — | (25,111) | — | — | (3,823) | 28,934 | — | — |
| Total Rexford Industrial Realty, Inc. Stockholders' Equity | — | (13,303) | 296 | (1) | (738) | (13,746) | 247,823 | — | (4,798) | 46,762 | — | 276,041 |
| Noncontrolling Interests | — | 108,210 | 12,820 | 1,542 | (26,976) | 95,596 | — | — | (6,666) | (46,762) | — | 42,168 |
| **Total Equity** | — | 94,907 | 13,116 | 1,541 | (27,714) | 81,850 | 247,823 | — | (11,464) | — | — | 318,209 |
| **Total Liabilities and Equity** | $ — | $ 420,390 | $ 13,956 | $ 33,976 | $ (27,714) | $ 440,608 | $247,823 | $ 66,977 | $(313,109) | $ — | $ 14,250 | $ 456,549 |

**REXFORD INDUSTRIAL REALTY, INC.**

**PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS**
**For the Three Months Ended March 31, 2013**
**(Unaudited and in thousands, except share data)**

| | Rexford Industrial Realty, Inc. | Predecessor (AA) | Contribution of Rexford Sponsor LLC and Rexford Fund V REIT LLC (BB) | Other Acquisitions, Dispositions and Contributions (CC) | Pro Forma before Offering & Financing Transactions | Financing Transactions (DD) | Use of Proceeds (EE) | Other Adjustments (FF) | Other Acquisitions (GG) | Company Pro Forma |
|---|---|---|---|---|---|---|---|---|---|---|
| RENTAL REVENUES | | | | | | | | | | |
| Rental revenues | $ — | $ 7,902 | $ 73 | $ 1,291 | $ 9,266 | $ — | $ — | $ — | $ 326 | $ 9,592 (JJ) |
| Tenant reimbursements | — | 904 | — | 191 | 1,095 | — | — | — | — | 1,095 |
| Management, leasing and development services | — | 261 | — | — | 261 | — | — | — | — | 261 |
| Other income | — | 118 | — | 1 | 119 | — | — | — | — | 119 |
| TOTAL RENTAL REVENUES | — | 9,185 | 73 | 1,483 | 10,741 | — | — | — | 326 | 11,067 |
| Interest income | — | 311 | — | (63) | 248 | — | — | — | — | 248 |
| TOTAL REVENUES | — | 9,496 | 73 | 1,420 | 10,989 | — | — | — | 326 | 11,315 |
| OPERATING EXPENSES | | | | | | | | | | |
| Property operating expenses | — | 2,171 | — | 425 | 2,596 | — | — | — | 205 | 2,801 |
| General and administrative | — | 1,153 | — | (9) | 1,144 | — | — | 896 | — | 2,040 |
| Depreciation and amortization | — | 3,208 | 342 | 1,201 | 4,751 | — | — | — | 2,522 | 7,273 |
| Other property expenses | — | 341 | — | 8 | 349 | — | — | — | — | 349 |
| TOTAL OPERATING EXPENSES | — | 6,873 | 342 | 1,625 | 8,840 | — | — | 896 | 2,727 | 12,463 |
| INCOME FROM OPERATIONS | — | 2,623 | (269) | (205) | 2,149 | — | — | (896) | (2,401) | (1,148) |
| OTHER INCOME (EXPENSE) | | | | | | | | | | |
| Equity in loss from unconsolidated real estate entities | — | (212) | — | 273 | 61 | — | — | — | — | 61 |
| Acquisition expenses | — | (93) | — | (222) | (315) | — | — | 315 | — | — |
| Interest expense | — | (3,906) | 416 | (194) | (3,684) | (557) | 3,359 | — | (57) | (939) |
| Gain on mark-to-market on interest rate swaps | — | 49 | — | — | 49 | — | (49) | — | — | — |
| Gain from early repayment of note receivable | — | 1,365 | — | (1,365) | — | — | — | — | — | — |
| Loss on extinguishment of debt | — | (37) | — | 37 | — | — | — | — | — | — |
| NET INCOME (LOSS) FROM CONTINUING OPERATIONS | $ — | $ (211) | $ 147 | $ (1,676) | $ (1,740) | $ (557) | $ 3,310 | $ (581) | $ (2,458) | $ (2,026) |
| Net (income) loss attributable to noncontrolling interests | | | | | | | | **(HH)** | | 268 |
| Net (income) loss attributable to restricted shares | | | | | | | | **(HH)** | | (85) |
| NET INCOME (LOSS) ATTRIBUTABLE TO REXFORD INDUSTRIAL REALTY, INC. STOCKHOLDERS | | | | | | | | | | (1,843) |
| Pro Forma income (loss) per share-basic | | | | | | | | **(II)** | | (0.08) |
| Pro Forma income (loss) per share-diluted | | | | | | | | **(II)** | | (0.08) |
| Pro Forma weighted average shares outstanding-basic | | | | | | | | **(II)** | | 24,546,392 |
| Pro Forma weighted average shares outstanding-diluted | | | | | | | | **(II)** | | 24,546,392 |

**REXFORD INDUSTRIAL REALTY, INC.**

**PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS**
**For the Year Ended December 31, 2012**
**(Unaudited and in thousands, except share data)**

| | Rexford Industrial Realty, Inc. | Predecessor (AA) | Contribution of Rexford Sponsor LLC and Rexford Fund V REIT LLC (BB) | Other Acquisitions, Dispositions and Contributions (CC) | Pro Forma before Offering & Financing Transactions | Financing Transactions (DD) | Use of Proceeds (EE) | Other Adjustments (FF) | Other Acquisitions (GG) | Company Pro Forma | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| RENTAL REVENUES | | | | | | | | | | | |
| Rental revenues | $ — | $ 28,586 | $ 323 | $ 5,323 | $ 34,232 | $ — | $ — | $ — | $ 1,268 | $ 35,500 | (JJ) |
| Tenant reimbursements | — | 3,262 | — | 823 | 4,085 | — | — | — | — | 4,085 | |
| Management, leasing and development services | — | 519 | — | — | 519 | — | — | — | — | 519 | |
| Other income | — | 124 | — | (9) | 115 | — | — | — | — | 115 | |
| TOTAL RENTAL REVENUES | — | 32,491 | 323 | 6,137 | 38,951 | — | — | — | 1,268 | 40,219 | |
| Interest income | — | 1,577 | — | (566) | 1,011 | — | — | — | — | 1,011 | |
| TOTAL REVENUES | — | 34,068 | 323 | 5,571 | 39,962 | — | — | — | 1,268 | 41,230 | |
| OPERATING EXPENSES | | | | | | | | | | | |
| Property operating expenses | — | 8,328 | — | 1,872 | 10,200 | — | — | — | 534 | 10,734 | |
| General and administrative | — | 5,146 | — | (47) | 5,099 | — | — | 3,584 | — | 8,683 | |
| Depreciation and amortization | — | 12,727 | 1,424 | 2,846 | 16,997 | — | — | — | 825 | 17,822 | |
| Other property expenses | — | 1,302 | — | 22 | 1,324 | — | — | — | — | 1,324 | |
| TOTAL OPERATING EXPENSES | — | 27,503 | 1,424 | 4,693 | 33,620 | — | — | 3,584 | 1,359 | 38,563 | |
| INCOME FROM OPERATIONS | — | 6,565 | (1,101) | 878 | 6,342 | — | — | (3,584) | (91) | 2,667 | |
| OTHER INCOME (EXPENSE) | | | | | | | | | | | |
| Equity in loss from unconsolidated real estate entities | — | 122 | — | (227) | (105) | — | — | — | — | (105) | |
| Acquisition expenses | — | (599) | — | (399) | (998) | — | — | 998 | — | — | |
| Interest expense | — | (17,452) | 1,430 | (694) | (16,716) | (2,226) | 15,409 | — | (221) | (3,754) | |
| Gain on mark-to-market on interest rate swaps | — | 2,361 | — | — | 2,361 | — | (2,361) | — | — | — | |
| Gain from early repayment of note receivable | — | — | — | — | — | — | — | — | — | — | |
| Loss on extinguishment of debt | — | — | — | — | — | — | — | — | — | — | |
| NET INCOME (LOSS) FROM CONTINUING OPERATIONS | $ — | $ (9,003) | $ 329 | $ (442) | $ (9,116) | $ (2,226) | $13,048 | $ (2,586) | $ (312) | $ (1,192) | |
| Net (income) loss attributable to noncontrolling interests | | | | | | | | **(HH)** | | 158 | |
| Net (income) loss attributable to restricted shares | | | | | | | | **(HH)** | | (453) | |
| NET INCOME (LOSS) ATTRIBUTABLE TO REXFORD INDUSTRIAL REALTY, INC. STOCKHOLDERS | | | | | | | | | | (1,487) | |
| Pro Forma income (loss) per share-basic | | | | | | | | **(II)** | | (0.06) | |
| Pro Forma income (loss) per share-diluted | | | | | | | | **(II)** | | (0.06) | |
| Pro Forma weighted average shares outstanding-basic | | | | | | | | **(II)** | | 24,315,410 | |
| Pro Forma weighted average shares outstanding-diluted | | | | | | | | **(II)** | | 24,315,410 | |

**REXFORD INDUSTRIAL REALTY, INC.**

**NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited and in thousands, except share data)**

**1. Adjustments to the Pro Forma Consolidated Balance Sheet**

The adjustments to the pro forma consolidated balance sheet as of March 31, 2013 are as follows:

(A) Represents the balance sheet of Rexford Industrial Realty, Inc. as of March 31, 2013. The Company was formed on January 18, 2013 and has had no activity since its inception other than the issuance of 100 shares of common stock for $1 per share that was initially funded on March 4, 2013 by the sole shareholder, Michael S. Frankel.

(B) Reflects the historical combined balance sheet of our Predecessor as of March 31, 2013, which is comprised of Rexford Industrial, LLC, Rexford Fund V Sponsor, LLC, Rexford Industrial Fund V REIT, LLC and their consolidated subsidiaries. We will issue shares of common stock, common units in our operating partnership and pay cash in exchange for all of the ownership interests in our Predecessor. We have determined that one of the entities comprising the Predecessor, Rexford Industrial, LLC, is the acquirer for accounting purposes. In addition, we have concluded that any interests contributed by the members of the other entities comprising the Predecessor (Rexford Fund V Sponsor, LLC, Rexford Industrial Fund V REIT, LLC and their controlled subsidiaries), is a business combination since these entities have common management and ownership, but are not under common control with Rexford Industrial, LLC. Rexford Industrial, LLC is controlled by one of the predecessor principals while Rexford Fund V Sponsor, LLC and Rexford Industrial Fund V REIT, LLC are jointly controlled by the predecessor principals. As a result, the contribution of interests in Rexford Industrial, LLC as the accounting acquirer will be recorded at historical cost, and the contribution or acquisition of interests in entities other than those owned or controlled by Rexford Industrial, LLC in the formation transactions, including Rexford Fund V Sponsor, LLC, Rexford Industrial Fund V REIT, LLC and their controlled subsidiaries, will be accounted for as an acquisition under the acquisition method of accounting and recognized at the estimated fair value of acquired assets and assumed liabilities on the date of such contribution or acquisition.

The historical combined financial statements of our Predecessor as of and for the three months ended March 31, 2013 and the year ended December 31, 2012 have been included elsewhere in this prospectus.

(C) As noted in (B) above, the contribution of Rexford Fund V Sponsor, LLC and Rexford Industrial Fund V REIT, LLC as part of the formation transactions will be accounted for as a business combination in accordance with ASC Section 805-10, *Business Combinations*, and recorded at the estimated fair value of the acquired assets and assumed liabilities. The following pro forma adjustments are necessary to reflect the initial allocation of the estimated fair value of Rexford Fund V Sponsor, LLC and Rexford Industrial Fund V REIT, LLC and their controlled subsidiaries. The allocation of fair value shown in the table below is based on the Company's preliminary estimates and is subject to change based on the final determination of the fair value of the assets and liabilities acquired. The consideration reflected below represents the issuance of operating partnership units in our Operating Partnership for the contribution of ownership interests in Rexford Fund V Sponsor, LLC and Rexford Industrial Fund V REIT, LLC and their controlled subsidiaries.

| | Fair value of Rexford Sponsor LLC and Rexford Fund V REIT LLC | Historical Basis | Pro-forma Adjustment |
|---|---|---|---|
| Investments in real estate, net | $ 68,945 | $ 57,583 | **$ 11,362** |
| Acquired above market leases, net | 277 | 67 | **210** |
| Value of in-place leases, net | 4,941 | 1,729 | **3,212** |
| Acquired lease obligation, net | (863) | (23) | **(840)** |
| Other assets and liabilities | — | 828 | **(828)** |
| Rexford Industrial LLC and affiliates | — | — | **296** |
| Noncontrolling interests | — | — | **$ 12,820** |

(D) Subsequent to March 31, 2013, our Predecessor acquired (i) 18118-18120 S. Broadway Street located in Carson, California, (ii) 8900 & 8980 Benson Avenue and 5637 Arrow Highway both located in Montclair, California, (iii) 3332-3380 & 3410-3424 N. San Fernando Road and 3550 Tyburn Street ("Glendale Commerce Center") located in Glendale, California and (iv) 1661 240th Street located in Los Angeles, California. We will also acquire the 30% tenant-in-common interest in the La Jolla Sorrento property that we do not own through a contribution transaction. The acquisitions will be accounted for as business combinations under the purchase method of accounting in accordance with ASC Section 805-10, *Business Combinations*, and recorded at the estimated fair value of the acquired assets and assumed liabilities. The following pro forma adjustments are necessary to reflect the initial allocation of the estimated fair value of the acquired property. The allocation of fair value shown in the table below is based on the Company's preliminary estimates and is subject to change based on the final determination of the fair value of the assets and liabilities acquired. As it relates to the acquisition of the La Jolla Sorrento Property, the consideration reflected below represents the issuance of operating partnership units in our Operating Partnership to acquire 30% tenants-in-common interest in the La Jolla Sorrento property.

During the second quarter of 2013, we sold our Williams property located in Oxnard, California, our Interstate property located in Tempe, Arizona, our Glenoaks property located in Sun Valley, California and our Knollwood property located in Anaheim, California. Our pro-forma adjustment reflects the sale of these properties as an adjustment to remove our assets and liabilities associated with real estate held for sale.

| | Glendale Acquisition | Other Acquisitions | Dispositions | Total |
|---|---|---|---|---|
| Investment in real estate, net | $ 52,211 | $ 24,009 | $ (5,309) | $ 70,911 |
| Other | (9,112) | (24,740) | (3,083) | (36,935) |
| | $ 43,099 | $ (731) | $ (8,392) | $ 33,976 |
| Mortgage loan | $ 42,750 | $ — | $ (6,160) | $ 36,590 |
| Accounts payable and other liabilities | 274 | 292 | (4,721) | (4,155) |
| | $ 43,024 | $ 292 | $ (10,881) | $ 32,435 |

(E) As part of the formation transactions, our Predecessor will distribute to the prior investors the pre-closing property distributions, consisting of the positive net working capital balance in the industrial funds as of a date not later than forty-five days prior to date of the preliminary prospectus to be used in connection with this offering. Currently, the pre-closing distribution is estimated to be approximately $27.7 million. Approximately $20.7 million of this amount will be re-invested into the Company by prior investors and management as part of the approximately $47 million concurrent private placement.

(F) Reflects the sale of 16,000,000 shares of common stock in this offering and 3,358,311 shares of common stock in the concurrent private placement, based on an offering price of $14.00 per share, and net of underwriting discounts, commissions and offering expenses as follows:

| | |
|---|---|
| Gross proceeds from offering | $224,000 |
| Gross proceeds from concurrent private placement | 47,003 |
| Less: | |
| Underwriting discounts, commissions and offering expenses applicable to the gross proceeds from this offering[1] | (23,180) |
| Available proceeds | $247,823 |

(1) Includes offering costs totaling approximately $999 that have been paid by us as of March 31, 2013 with funds advanced by our Predecessor. These costs have been capitalized on Predecessor's balance sheet and will be charged against offering proceeds upon completion of this offering.

(G) In connection with this offering and the formation transactions, we expect to complete an agreement with affiliates of certain of our underwriters, to provide a $200 million revolving credit facility of which $140 million will be available to us upon completion of the offering with an accordion feature that may provide for up to an additional $200 million borrowing capacity. We expect to initially borrow approximately $21.2 million under our revolving credit facility upon completion of the formation transactions, offering and concurrent private placement, including approximately $14.2 million to acquire Orion and Oxnard (see Note J). In addition, we will also complete an agreement to borrow $60 million term loan from affiliates of certain of our underwriters upon completion of this offering. For purposes of this presentation, $1,500 of the proceeds from the financing transactions have been applied to payment of $1,500 in fees associated with the revolving credit facility and term loan. These fees will be amortized over a three year period for the revolving credit facility and a five year period for the term loan.

(H) We will use the net proceeds received by us from this offering, the concurrent private placement, the new term loan, borrowings under our proposed revolving credit facility and contributions to our operating partnership of approximately $2.0 million of cash working capital in connection with the formation transactions to repay $304.4 million (including approximately $2.8 million of pre-payment penalties and unpaid extension fees) of debt secured by the assets of the industrial funds, distribute $6.5 million in excess working capital (including a repayment of $0.9 million in connection with an existing promissory note issued by Fund V to Sponsor), pay $664 to non-accredited investors and pay approximately $600 to pay transfer taxes and fees associated with the contribution of our properties to us.

(I) As consideration for the contributions of the Predecessor's assets, the prior investors in the Predecessor entities will receive 3,714,419 common units and 4,957,099 shares of our common stock.

(J) In June 2013, we entered into a contract to acquire (i) 8101-8117 Orion Avenue, and (ii) 18310-18330 Oxnard Street both located in Los Angeles, California. The acquisitions will be accounted for as business combinations under the purchase method of accounting in accordance with ASC Section 805-10, Business Combinations, and recorded at the estimated fair value of the acquired assets and assumed liabilities. The following pro forma adjustments are necessary to reflect the initial allocation of the estimated fair value of the acquired property. The allocation of fair values is based on our preliminary estimates and is subject to change based on the final determination of the fair value of the assets and liabilities acquired. Finally, we expect to borrow $14.2 million from our proposed revolving credit facility to acquire these properties (see Note G).

**2. Adjustments to the Pro Forma Combined Statement of Operations**

The adjustments to the pro forma statements of operations for the three months ended March 31, 2013 and the year ended December 31, 2012 are as follows:

(AA) Reflects the historical combined statements of operations of the Predecessor for the three months ended March 31, 2013 and the year ended December 31, 2012.

(BB) Reflects the contribution of Rexford Fund V Sponsor, LLC, Rexford Industrial Fund V REIT, LLC and their controlled subsidiaries as discussed in (C) above, as if this had occurred on January 1, 2012. The contribution of the ownership interests in Rexford Fund V Sponsor, LLC, Rexford Industrial Fund V REIT, LLC and their controlled subsidiaries will be accounted for as a business combination in accordance with ASC Section 805-10, *Business Combinations*, and recorded at the estimated fair value of the acquired assets and assumed liabilities. Adjustments for revenues represent the impact of the amortization of the net amount of above- and below-market rents. Depreciation and amortization represent the additional depreciation expense and amortization of intangibles as a result of these purchase accounting adjustments. Depreciation and amortization amounts were determined based on management's evaluation of the estimated useful lives of the properties and intangibles. In utilizing these useful lives for determining the pro forma adjustments, management considered the length of time the property had been in existence, the maintenance history as well as anticipated future maintenance, and any contractual stipulations that might limit the useful life.

(CC) Subsequent to March 31, 2013, our Predecessor acquired (i) 18118-18120 S. Broadway Street located in Carson, California, (ii) 8900 & 8980 Benson Avenue and 5637 Arrow Highway both located in Montclair, California, (iii) 3332-3380 & 3410-3424 N. San Fernando Road and 3550 Tyburn Street ("Glendale Commerce Center") located in Glendale, California and (iv) 1661 240th Street located in Los Angeles, California, as discussed in Note (D) above. The table reflects these property acquisitions and the contribution of the 30% tenant-in-common interest in the La Jolla Sorrento property as discussed in (D) above, as if the transactions had occurred on January 1, 2012. The acquisitions and contribution of the 30% tenant-in-common interest in the La Jolla Sorrento property will be accounted for as acquisitions under the purchase method of accounting in accordance with ASC Section 805-10, *Business Combinations*, and recorded at the estimated fair value of the acquired assets and assumed liabilities. Adjustments for revenues represent the impact of the amortization of the net amount of above- and below-market rents. Depreciation and amortization represent the additional depreciation expense and amortization of intangibles as a result of these purchase accounting adjustments. Depreciation and amortization amounts were determined based on management's evaluation of the estimated useful lives of the properties and intangibles. In utilizing these useful lives for determining the pro forma adjustments, management considered the length of time the property had been in existence, the maintenance history as well as anticipated future maintenance, and any contractual stipulations that might limit the useful life.

Also reflects the impact of note receivable pay off for our Pasadena Foothill Center loan. The borrower paid the note on February 8, 2013. In addition, during the second quarter of 2013, we sold our Interstate property located in Tempe, Arizona and our Knollwood property located in Anaheim, California. Adjustments for revenue and expenses represent the full-year and full quarter impact of removing these assets from the Predecessor statements of operations.

| | March 31, 2013 | | | | | December 31, 2012 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Glendale Acquisition | Other Acquisitions | Foothill Loan Payoff | Dispositions | Total | Glendale Acquisition | Other Acquisitions | Foothill Loan Payoff | Dispositions | Total |
| Revenues | $ 1,143 | $ 519 | $ (63) | $ (179) | $ 1,420 | $ 4,758 | $ 2,301 | $ (567) | $ (921) | $ 5,571 |
| Operating Expenses | (287) | (202) | 7 | 58 | (424) | (1,285) | (827) | 10 | 255 | (1,847) |
| Interest Expense | (258) | — | 14 | 50 | (194) | (1,030) | — | 127 | 209 | (694) |
| Depreciation Expense | (481) | (753) | — | 33 | (1,201) | (2,136) | (1,387) | — | 677 | (2,846) |
| Acquisition Expense | (131) | (91) | — | — | (222) | (131) | (274) | — | 6 | (399) |
| Gain from early repayment of note receivable | — | — | (1,365) | — | (1,365) | — | — | — | — | — |
| Loss on extinguishment of debt | — | — | 37 | — | 37 | — | — | — | — | — |
| Equity in loss from unconsolidated real estate entities | — | 273 | — | — | 273 | — | (227) | — | — | (227) |
| | $ (14) | $ (254) | $ (1,370) | $ (38) | $(1,676) | $ 260 | $ (414) | $ (430) | $ 226 | $ (358) |

(DD) Reflects $113 and $450 in amortization of the $1,500 in fees associated with the anticipated revolving credit facility and term loan for the three months ended March 31, 2013 and for the year ended December 31, 2012, respectively, plus $89 and $356 for the unused fee on the $200 million revolving credit facility for the three months ended March 31, 2013 and for the year ended December 31, 2012, respectively. In addition, we expect to borrow $60.0 million from a term loan (see (G) above) at a rate of LIBOR plus 1.925%, or currently 2.13% and initially borrow approximately $21.2 million from our revolving credit facility including $14.2 million to acquire Orion and Oxnard (see Note J and GG) at a rate of LIBOR plus 1.35%, or currently 1.55%. On a pro-forma basis, if LIBOR were to increase by 1/8%, interest expense would have increased by and net income from continuing operations would have decreased by $39 and $155 for the three months ended March 31, 2013 and for the year ended December 31, 2012, respectively. Conversely, if LIBOR were to decrease by 1/8%, interest expense would have decreased by and net income from continuing operations would have increased by $39 and $155 for the three months ended March 31, 2013 and for the year ended December 31, 2012, respectively.

(EE) Reflects approximately $3,359 and $15,409 of interest expense and $49 and $2,361 of gain on mark-to-market on interest rate swaps incurred by our Predecessor for the three months ended March 31, 2013 and for the year ended December 31, 2012, respectively, on debt (and the related interest rate swap) secured by our Predecessor's assets that will be repaid from proceeds raised in this offering (see (H) above).

(FF) We expect to incur additional general and administrative expenses as a result of becoming a public company, including, but not limited to, incremental salaries, board of directors' fees and expenses, directors' and officers' insurance, Sarbanes-Oxley Act of 2002 compliance costs, SEC reporting expenses and incremental audit and tax fees. We estimate that these costs could result in general and administrative expenses of approximately $6.0 million per year, before additional non-cash compensation expenses of approximately $3.2 million per year from the grant of 923,929 shares of restricted stock. The total value of the restricted shares granted is expected to be approximately $12.9 million vesting over four years. Our pro-forma adjustment includes our estimate of non-cash compensation expenses for the three-months ended March 31, 2013 of $808 and $3.2 million for the year ended December 31, 2012. As we have not yet entered into contracts with third parties to provide all of the services included within this estimate, not all of the estimated expenses appear in the accompanying pro forma consolidated statement of operations. Amounts corresponding to services and expenses under contract have been reflected as an adjustment in the pro forma consolidated statement of operations as additional general and administrative expenses, without duplication, to the general and administrative expenses appearing in the historical statements of operations.

(GG) In June 2013, we entered into contract to acquire (i) 8101-8117 Orion Avenue, and (ii) 18310-18330 Oxnard Street both located in Los Angeles, California as discussed in Note (J) above. The acquisitions will be accounted for as business combinations under the purchase method of accounting in accordance with ASC Section 805-10, Business Combinations, and recorded at the estimated fair value of the acquired assets and assumed liabilities. Adjustments for revenues represent the impact of the amortization of the net amount of above- and below-market rents. Depreciation and amortization represent the additional depreciation expense and amortization of intangibles as a result of these purchase accounting adjustments. Depreciation and amortization amounts were determined based on management's evaluation of the estimated useful lives of the properties and intangibles. In utilizing these useful lives for determining the pro forma adjustments, management considered the length of time the property had been in existence, the maintenance history as well as anticipated future maintenance, and any contractual stipulations that might limit the useful life. Finally, we expect to borrow $14.2 million from our proposed revolving credit facility to acquire these properties. We have included in our pro forma adjustment approximately $57 and $221 of interest expense related to our expected borrowings.

(HH) Reflects the allocation of income attributable to the income (loss) attributable to common non-controlling partnership interests issued as part of this offering and formation transactions (see (I) above). Also reflects the net income allocable to restricted shares which will be paid non-forfeitable dividends.

(II) Pro forma earnings (loss) per share—basic and diluted are calculated by dividing pro forma consolidated net income (loss) allocable to common stockholders by the number of shares of common stock issued in this offering and the formation transactions. Set forth below is a reconciliation of pro forma weighted average shares outstanding:

| | Three-months ended March 31, 2013 | Year ended December 31, 2012 |
|---|---|---|
| Shares issued in the offering | 16,000,000 | 16,000,000 |
| Shares issued in the concurrent private placement | 3,358,311 | 3,358,311 |
| Shares issued to prior investors | 4,957,099 | 4,957,099 |
| Vested restricted stock | 230,982 | — |
| Pro-forma weighted average shares outstanding—basic and diluted | 24,546,392 | 24,315,410 |

(JJ) Rental revenues reflects fair value lease revenue of $(130) and $(412) decrease to rental revenues and straight line rent adjustment of $179 and $891 increase to rental revenues for the three months ended March 31, 2013 and the year ended December 31, 2012, respectively.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Stockholder of Rexford Industrial Realty, Inc.

We have audited the accompanying consolidated balance sheet of Rexford Industrial Realty, Inc. as of March 31, 2013. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated balance sheet is free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet, assessing the accounting principles used and significant estimates made by management, and evaluating the overall balance sheet presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the financial position of Rexford Industrial Realty, Inc. at March 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Los Angeles, California
May 23, 2013

**REXFORD INDUSTRIAL REALTY, INC.**

**CONSOLIDATED BALANCE SHEET**
**As of March 31, 2013**

| | |
|---|---|
| **ASSETS** | |
| **Cash** | **$100** |
| | **$100** |
| **STOCKHOLDER'S EQUITY** | |
| **Common stock $0.01 par value per share, 100,000 shares authorized, 100 shares issued and outstanding** | **$ 1** |
| **Additional paid-in capital** | **99** |
| | **$100** |

See Accompanying Notes

**REXFORD INDUSTRIAL REALTY, INC.**

**NOTES TO CONSOLIDATED BALANCE SHEET**
**March 31, 2013**

**1. Organization**

Rexford Industrial Realty, Inc. (the "Company," "we," "our" or "us") was formed as a Maryland corporation on January 18, 2013 to operate as a self-administered and self-managed REIT focused on owning and operating industrial properties in Southern California infill markets. We were formed to succeed our predecessor business, which is controlled and operated by our principals, Richard Ziman, Howard Schwimmer and Michael Frankel, respectively. The Company has submitted a Registration Statement on Form S-11 with the Securities and Exchange Commission with respect to a proposed public offering (the "Offering") of common stock. The Company is the sole general partner of Rexford Industrial Realty, L.P., our "operating partnership," which was also formed as a Maryland limited partnership on January 18, 2013. From January 18, 2013 (inception) through March 5, 2013, the Company had no operations other than the issuance of 100 shares of common stock, $0.01 par value per share, for $100 to Michael Frankel and his affiliate in connection with our initial capitalization. The operations are planned to commence upon completion of the Offering. Upon completion of the Offering and the Formation Transactions (defined below), we expect our operations to be carried on through our operating partnership and a, wholly owned subsidiary, Rexford Industrial Realty and Management, Inc. At such time, the Company, as the general partner of our operating partnership, will control the operating partnership. The Company will consolidate the assets, liabilities, and results of operations of the operating partnership.

Concurrently with the Offering, we will complete certain formation transactions pursuant to which we will acquire, through a series of purchase and contribution transactions, the entities that own interests in our initial portfolio, in exchange for cash, shares of our common stock and/or units in our operating partnership. The formation transactions are designed to consolidate our asset management, property management, property development, leasing, tenant improvement construction, acquisition and financing businesses into our operating partnership; consolidate the ownership of our industrial properties under our operating partnership; facilitate the Offering; and allow us to qualify as a real estate investment trust for federal income tax purposes commencing with the taxable year ending December 31, 2013.

We intend to elect to be taxed and to operate in a manner that will allow us to qualify as a real estate investment trust ("REIT") under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, for federal income tax purposes commencing with our taxable year ending December 31, 2013.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP").

***Income taxes***

Subject to qualification as a REIT, the Company will be permitted to deduct distributions paid to its stockholders, eliminating the federal taxation of income represented by such distributions at the Company level.

REITs are subject to a number of organizational and operational requirements. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate tax rates.

***Use of estimates***

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the balance sheet and accompanying notes. Actual results could differ from those estimates.

***Underwriting Commissions and Costs***

Underwriting commissions and costs to be incurred in connection with the Offering will be reflected as a reduction of additional paid-in-capital.

**3. Offering Costs**

In connection with the Offering, affiliates have or will incur legal, accounting, and related costs, which will be reimbursed by the Company upon the consummation of the Offering. Such costs will be deducted from the gross proceeds of the Offering.

**4. Subsequent Events**

We have evaluated subsequent events through the date on which these financial statements were issued.

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**

**COMBINED BALANCE SHEETS**

| | March 31, 2013 (Unaudited) | December 31, 2012 |
|---|---|---|
| **ASSETS** | | |
| Land | $ 156,836,000 | $ 156,836,000 |
| Buildings and improvements | 214,214,000 | 213,557,000 |
| Tenant improvements | 12,706,000 | 12,735,000 |
| Furniture, fixtures, and equipment | 188,000 | 188,000 |
| Total real estate held for investment | 383,944,000 | 383,316,000 |
| Accumulated depreciation | (59,748,000) | (57,177,000) |
| Investments in real estate, net | 324,196,000 | 326,139,000 |
| Cash and cash equivalents | 47,446,000 | 43,499,000 |
| Restricted cash | 2,086,000 | 1,882,000 |
| Notes receivable | 7,903,000 | 11,911,000 |
| Rents and other receivables, net | 477,000 | 554,000 |
| Deferred rent receivable | 3,996,000 | 3,799,000 |
| Deferred leasing costs and in-place lease intangibles, net | 4,651,000 | 5,194,000 |
| Deferred loan costs, net | 1,169,000 | 1,414,000 |
| Acquired above-market leases, net | 186,000 | 249,000 |
| Other assets | 3,912,000 | 1,873,000 |
| Acquisition related deposits | 2,483,000 | 260,000 |
| Investment in unconsolidated real estate entities | 12,361,000 | 12,697,000 |
| Assets associated with real estate held for sale | 9,524,000 | 11,025,000 |
| **Total Assets** | $ 420,390,000 | $ 420,496,000 |
| **LIABILITIES & EQUITY** | | |
| **Liabilities** | | |
| Notes payable | $ 313,118,000 | $ 308,991,000 |
| Accounts payable, accrued expenses and other liabilities | 3,066,000 | 2,627,000 |
| Due to members | — | 1,221,000 |
| Interest rate contracts | — | 49,000 |
| Acquired below-market leases, net | 32,000 | 39,000 |
| Tenant security deposits | 4,192,000 | 3,768,000 |
| Prepaid rents | 408,000 | 355,000 |
| Liabilities associated with real estate held for sale | 4,667,000 | 7,198,000 |
| **Total Liabilities** | 325,483,000 | 324,248,000 |
| **Equity** | | |
| Rexford Industrial Realty, Inc. Predecessor | 11,968,000 | 11,962,000 |
| Accumulated deficit and distributions | (25,271,000) | (24,653,000) |
| Total Rexford Industrial Realty, Inc. Predecessor (deficit) | (13,303,000) | (12,691,000) |
| Noncontrolling interests | 108,210,000 | 108,939,000 |
| **Total Equity** | 94,907,000 | 96,248,000 |
| **Total Liabilities and Equity** | $ 420,390,000 | $ 420,496,000 |

**See Accompanying Notes**

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**

**COMBINED STATEMENTS OF OPERATIONS (UNAUDITED)**

| | Three Months Ended March 31, 2013 | Three Months Ended March 31, 2012 |
|---|---|---|
| **RENTAL REVENUES** | | |
| Rental revenues | $ 7,902,000 | $ 7,039,000 |
| Tenant reimbursements | 904,000 | 789,000 |
| Management, leasing and development services | 261,000 | 64,000 |
| Other income | 118,000 | 17,000 |
| **TOTAL RENTAL REVENUES** | 9,185,000 | 7,909,000 |
| Interest income | 311,000 | 337,000 |
| **TOTAL REVENUES** | 9,496,000 | 8,246,000 |
| **EXPENSES** | | |
| Property expenses | 2,171,000 | 1,987,000 |
| General and administrative | 1,153,000 | 983,000 |
| Depreciation and amortization | 3,208,000 | 3,526,000 |
| Other property expense | 341,000 | 276,000 |
| **TOTAL OPERATING EXPENSES** | 6,873,000 | 6,772,000 |
| **OTHER (INCOME) EXPENSE** | | |
| Acquisition expenses | 93,000 | 68,000 |
| Interest expense | 3,906,000 | 4,209,000 |
| Gain on mark-to-market interest rate swaps | (49,000) | (612,000) |
| **TOTAL OTHER EXPENSE** | 3,950,000 | 3,665,000 |
| **TOTAL EXPENSES** | 10,823,000 | 10,437,000 |
| Equity in income (loss) of unconsolidated real estate entities | (212,000) | 57,000 |
| Gain from early repayment of note receivable | 1,365,000 | — |
| Loss on extinguishment of debt | (37,000) | — |
| **NET LOSS FROM CONTINUING OPERATIONS** | (211,000) | (2,134,000) |
| **DISCONTINUED OPERATIONS** | | |
| Income from discontinued operations before (losses) on settlement of debt and gains on sale of real estate | 64,000 | 34,000 |
| Loss on extinguishment of debt | (209,000) | — |
| Gain on sale of real estate | 2,409,000 | — |
| **INCOME FROM DISCONTINUED OPERATIONS** | 2,264,000 | 34,000 |
| **NET INCOME (LOSS)** | 2,053,000 | (2,100,000) |
| Net (income) loss attributable to noncontrolling interests | (1,726,000) | 1,933,000 |
| **NET INCOME (LOSS) ATTRIBUTABLE TO REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR** | $ 327,000 | $ (167,000) |

**See Accompanying Notes**

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**

**COMBINED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

| | Rexford Industrial Realty, Inc. Predecessor | Noncontrolling Interests | Total |
|---|---|---|---|
| **Balance as of December 31, 2012** | $ (12,691,000) | $108,939,000 | $96,248,000 |
| Capital contributions | 6,000 | 1,326,000 | 1,332,000 |
| Equity based compensation expense | — | 66,000 | 66,000 |
| Net income | 327,000 | 1,726,000 | 2,053,000 |
| Distributions | (945,000) | (3,847,000) | (4,792,000) |
| **Balance as of March 31, 2013** | $ (13,303,000) | $108,210,000 | $94,907,000 |

**See Accompanying Notes**

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**

**COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)**

| | Three Months Ended March 31, 2013 | Three Months Ended March 31, 2012 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Net income (loss) | $ 2,053,000 | $ (2,100,000) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Equity in (earnings) loss of unconsolidated real estate entities | 212,000 | (57,000) |
| Depreciation and amortization | 3,208,000 | 3,526,000 |
| Depreciation and amortization real estate held for sale | 78,000 | 131,000 |
| Amortization of above market lease intangibles | 56,000 | 62,000 |
| Accretion of discount on notes receivable | (62,000) | (31,000) |
| Loss on extinguishment of debt | 245,000 | — |
| Net gain on asset dispositions | (2,409,000) | — |
| Amortization of loan costs | 263,000 | 176,000 |
| Gain on mark-to-market interest rate swaps | (49,000) | (611,000) |
| Deferred interest expense | 271,000 | 263,000 |
| Equity based compensation expense | 66,000 | — |
| Gain from early repayment of notes receivable | (1,365,000) | — |
| **Change in working capital components:** | | |
| Tenant receivables | 77,000 | (117,000) |
| Deferred rent receivables | (197,000) | (141,000) |
| Change in restricted cash | (173,000) | (361,000) |
| Leasing commissions | (135,000) | (94,000) |
| Other assets | (1,459,000) | 33,000 |
| Accounts payable, accrued expenses and other liabilities | 198,000 | 1,197,000 |
| Tenant security deposits | 441,000 | (149,000) |
| Prepaid rent | 53,000 | (136,000) |
| Net cash provided by operating activities | 1,372,000 | 1,591,000 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Acquisition of investment in real estate | — | (4,284,000) |
| Capital expenditures | (495,000) | (1,178,000) |
| Acquisition related deposits | (2,223,000) | — |
| Contributions to unconsolidated real estate entities | — | — |
| Distributions from unconsolidated real estate entities | 124,000 | 85,000 |
| Change in restricted cash | (52,000) | 135,000 |
| Principal repayments of notes receivable | 5,435,000 | 61,000 |
| Disposition of investment in real estate | 3,851,000 | — |
| Net cash provided by (used in) investing activities | 6,640,000 | (5,181,000) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| Proceeds from notes payable | 6,730,000 | 161,000 |
| Repayment of notes payable | (5,577,000) | (110,000) |
| Deferred loan costs | (40,000) | (5,000) |
| Prepaid offering costs | (518,000) | — |
| Capital contributions | 1,332,000 | 5,300,000 |
| Distributions to members | (4,792,000) | (402,000) |
| Reimbursements due to members | (1,221,000) | — |
| Change in restricted cash | 21,000 | — |
| Net cash provided by (used in) financing activities | (4,065,000) | 4,944,000 |
| Net increase in cash and cash equivalents | 3,947,000 | 1,354,000 |
| Cash and cash equivalents, beginning of period | 43,499,000 | 20,928,000 |
| Cash and cash equivalents, end of period | $ 47,446,000 | $ 22,282,000 |

**See Accompanying Notes**

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**1. Organization and Basis of Presentation**

Rexford Industrial Realty, Inc. Predecessor is not a legal entity but rather a combination of numerous real estate entities and management companies engaged in the acquisition, ownership, development, leasing and management of industrial real estate, and in the acquisition of debt instruments connected with industrial real estate. Rexford Industrial Realty, Inc. Predecessor is the predecessor of Rexford Industrial Realty, Inc. (the "REIT"), which is expected to complete an initial public offering (the "IPO") of the common stock of the REIT in 2013. In connection with the IPO, the Company will engage in formation transactions that are designed to consolidate its asset management, property management, property development, leasing, tenant improvement construction, acquisition and financing businesses into Rexford Industrial Realty, L.P., the operating partnership formed by and managed by the REIT; consolidate the ownership of our portfolio of industrial properties under the operating partnership; facilitate the IPO; and allow the REIT to qualify as a real estate investment trust for U.S. federal income tax purposes commencing with the taxable year ending December 31, 2013. Below is a background summary of the entities comprising Rexford Industrial Realty, Inc. Predecessor.

The combined financial statements presented herein consist of Rexford Industrial, LLC ("RILLC"), Rexford Sponsor V, LLC and Rexford Industrial Fund V REIT, LLC ("RIF V REIT") and their consolidated subsidiaries which consists of Rexford Industrial Fund I, LLC ("RIF I"), Rexford Industrial Fund II, LLC ("RIF II"), Rexford Industrial Fund III, LLC ("RIF III"), Rexford Industrial Fund IV, LLC ("RIF IV") and Rexford Industrial Fund V, LP ("RIF V"). The terms "Company," "us," "we" and "our" as used in these financial statements refer to Rexford Industrial Realty, Inc. Predecessor. The entities comprising Rexford Industrial Realty, Inc. Predecessor are combined on the basis of common management and common ownership.

As of March 31, 2013, we control and own the equity interests of the entities that own, on a combined basis, a portfolio of 54 industrial properties and one loan secured by the deed of trust on real property. We also manage, and own a partial equity interest in five additional industrial properties, for a total of 59 industrial properties in our total managed portfolio.

Below is a summary of the industrial properties in our total managed portfolio as of March 31, 2013:

| | Number of Properties | Buildings | Total Portfolio Square Feet | Effective Portfolio[(1)] Square Feet |
|---|---|---|---|---|
| RIF I | 7 | 17 | 1,008,191 | 963,418 |
| RIF II | 8 | 23 | 726,905 | 697,515 |
| RIF III | 11 | 37 | 1,012,889 | 1,012,889 |
| RIF IV | 14 | 29 | 947,113 | 945,682 |
| RIF V | 19 | 45 | 2,403,573 | 1,393,427 |
| | 59 | 151 | 6,098,671 | 5,012,931 |
| Notes receivables | 1 | 5 | 99,447 | 99,447 |
| | 60 | 156 | 6,198,138 | 5,112,378 |

(1) Effective portfolio square feet includes 100% of the square footage of our combined portfolio of 55 properties, and our respective ownership percentage of square footage for our tenants-in-common and joint venture interest properties, which includes 72.24% of Walnut Center Business Park, 70.0% of La Jolla Sorrento Business Park, and 15.0% of 3001-3223 Mission Oaks Boulevard.

Any reference to the number of properties, buildings and square footage are outside the scope of our independent auditor's review of our financial statements in accordance with the standards of the Public Company Accounting Oversight Board.

***Basis of Presentation***

The accompanying interim combined financial statements include the accounts of the Company. All significant intercompany accounts and transactions have been eliminated in combination. All the outside ownership interests in entities we consolidate are included in non-controlling interests. The accompanying interim financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") as established by the Financial Accounting Standards Board ("FASB") in the Accounting Standards Codification ("ASC") including modifications issued under Accounting Standards Updates ("ASUs"). The accompanying financial statements include, in our opinion, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth therein. These interim financial statements should be read in conjunction with the annual combined financial statements included in this Form S-11 and the notes thereto.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

We consolidate all entities that are wholly owned and those in which we own less than 100% but control, as well as any variable interest entities in which we are the primary beneficiary. We evaluate our ability to control an entity and whether the entity is a variable interest entity and we are the primary beneficiary through consideration of the substantive terms of the arrangement to identify which enterprise has the power to direct the activities of a variable interest entity that most significantly impacts the entity's economic performance and the obligation to absorb losses of the entity or the right to receive benefits from the entity. Investments in entities in which we do not control but over which we have the ability to exercise significant influence over operating and financial policies are presented under the equity method. Investments in entities that we do not control and over which we do not exercise significant influence are carried at the lower of cost or fair value, as appropriate. Our ability to correctly assess our influence and/or control over an entity affects the presentation of these investments in our combined financial statements.

**2. Summary of Significant Accounting Policies**

***Discontinued Operations***

The revenue, expenses, impairment and/or gain on sale of operating properties that meet the applicable criteria are reported as discontinued operations in the combined statements of operations for all periods presented. A gain on sale, if any, is recognized in the period during which the property is disposed.

In determining whether to report the results of operations, impairment and/or gain on sale of operating properties as discontinued operations, we evaluate whether we have any significant continuing involvement in the operations, leasing or management of the property after disposition. If we determine that we have significant continuing involvement after disposition, we report the revenue, expenses, impairment and/or gain on sale as part of continuing operations.

***Held for Sale Assets***

We classify properties as held for sale when certain criteria set forth in the Long-Lived Assets Classified as Held for Sale Subsections of ASC Topic 360: *Property, Plant, and Equipment,* are met. At that time, we present the assets and liabilities of the property held for sale separately in our combined balance sheet and cease recording depreciation and amortization expense at the time a property is classified as held for sale. Properties held for sale are reported at the lower of their carrying value or their estimated fair value, less estimated costs to sell.

***Investment in Real Estate***

Acquisitions of properties are accounted for utilizing the purchase accounting method and accordingly, the results of operations of acquired properties are included in our results of operations from the respective dates of acquisition. Transaction costs related to acquisitions are expensed, rather than included with the consideration paid. Estimates of future cash flows and other valuation techniques are used to allocate the purchase price of acquired property between land, buildings and improvements, equipment and identifiable intangible assets and liabilities such as amounts related to in-place at-market leases, and acquired above- and below-market leases. Initial valuations are subject to change until such information is finalized, but no later than 12 months from the acquisition date.

The fair values of tangible assets are determined on an "as-if-vacant" basis. The "as-if-vacant" fair value is allocated to land, where applicable, buildings, tenant improvements and equipment based on comparable sales and other relevant information obtained in connection with the acquisition of the property.

The estimated fair value of acquired in-place at-market tenant leases are the costs we would have incurred to lease the property to the occupancy level of the property at the date of acquisition. Such estimates include the fair value of leasing commissions and legal costs that would be incurred to lease the property to this occupancy level. Additionally, we evaluate the time period over which such occupancy level would be achieved and include an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period, which is generally six months.

Above- and below-market in-place lease intangibles are recorded as an asset or liability based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be received or paid pursuant to the in-place tenant lease, and our estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining noncancelable term of the lease and bargain renewal periods for below market in-place lease intangibles, if applicable.

We capitalize costs incurred in developing, renovating, rehabilitating, and improving real estate assets as part of the investment basis. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred. During the land development and construction periods, we capitalize interest costs, insurance, real estate taxes and certain general and administrative costs of the personnel performing development, renovations, and rehabilitation if such costs are incremental and identifiable to a specific activity to get the asset ready for its intended use. Capitalized costs are included in the investment basis of real estate assets.

When assets are sold or retired, their costs and related accumulated depreciation are removed from the accounts with the resulting gains or losses reflected in operations for the period.

The values allocated to land, buildings, site improvements, in-place leases, tenant improvements and leasing costs are depreciated on a straight-line basis using an estimated remaining life of 10-30 years for buildings, 20 years for site improvements, and the shorter of the estimated useful life or respective lease term for tenant improvements.

***Impairment of Long-Lived Assets***

In accordance with the provisions of the Impairment or Disposal of Long-Lived Assets Subsections of ASC Topic 360:*Property, Plant, and Equipment,* we assess the carrying values of our respective long-lived assets, including goodwill, whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be fully recoverable.

Recoverability of real estate assets is measured by comparison of the carrying amount of the asset to the estimated future undiscounted cash flows. In order to review our real estate assets for recoverability, we consider

current market conditions, as well as our intent with respect to holding or disposing of the asset. Our intent with regard to the underlying assets might change as market conditions change, as well as other factors, especially in the current global economic environment. Fair value is determined through various valuation techniques; including discounted cash flow models, applying a capitalization rate to estimated net operating income of a property, quoted market values and third party appraisals, where considered necessary. The use of projected future cash flows is based on assumptions that are consistent with our estimates of future expectations and the strategic plan we use to manage our underlying business. If our analysis indicates that the carrying value of the real estate asset is not recoverable on an undiscounted cash flow basis, we recognize an impairment charge for the amount by which the carrying value exceeds the current estimated fair value of the real estate property.

Assumptions and estimates used in the recoverability analyses for future cash flows, discount rates and capitalization rates are complex and subjective. Changes in economic and operating conditions or our intent with regard to our investment that occurs subsequent to our impairment analyses could impact these assumptions and result in future impairment of our real estate properties.

At March 31, 2013 and December 31, 2012, our investment in real estate has been recorded net of a cumulative impairment of $19.6 million.

***Income Taxes***

RIF I, RIF II, RIF III, and RIF IV are limited liability companies or limited partnerships. As it relates to the limited liability companies, we have elected to be taxed as a partnership for tax purposes. As such, the allocated share of net income or loss from the limited liability companies and limited partnerships is reportable in the income tax returns of the respective partners and investors. Accordingly, no income tax provision is included in the accompanying combined financial statements.

RIF V REIT has elected to be taxed as a REIT under Sections 856 to 860 of the Internal Revenue Code of 1986, as amended (the “Code”), commencing with its tax period ended December 31, 2010.

To qualify as a REIT, RIF V REIT must distribute annually at least 90% of its adjusted taxable income, as defined in the Code, to its security holders and satisfy certain other organizational and operating requirements. If RIF V REIT fails to qualify as a REIT in any taxable year, it will be subject to federal income taxes (including any applicable alternative minimum tax) on our taxable income at regular corporate rates and we may not be able to qualify as a REIT for four subsequent taxable years. Even if RIF V REIT qualifies for taxation as a REIT, it may be subject to certain state and local taxes on our income and property and to federal income taxes and excise taxes on our undistributed taxable income. We believe that RIF V REIT has met all of the REIT distribution and technical requirements for the three months ended March 31, 2013 and 2012 and intends to continue to adhere to these requirements and maintain its REIT status. Accordingly, we have not recognized any provision for income taxes.

The Company periodically evaluates it tax positions to evaluate whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. As of March 31, 2013 and December 31, 2012, the Company has not established a liability for uncertain tax positions.

***Revenue Recognition***

We recognize revenue from rent, tenant reimbursements, and other revenue sources once all of the following criteria are met: persuasive evidence of an arrangement exists, the delivery has occurred or services rendered, the fee is fixed and determinable, and collectability is reasonably assured. Minimum annual rental revenues are recognized in rental revenues on a straight-line basis over the term of the related lease. Rental revenue recognition commences when the tenant takes possession or controls the physical use of the leased space.

Estimated recoveries from tenants for real estate taxes, common area maintenance, and other recoverable operating expenses are recognized as revenues in the period that the expenses are incurred. Subsequent to year-end, we perform final reconciliations on a lease-by-lease basis and bill or credit each tenant for any cumulative annual adjustments. Lease termination fees, which are included in rental revenues in the accompanying consolidated statements of operations, are recognized when the related lease is canceled and we have no continuing obligation to provide services to such former tenant.

Revenues from management, leasing and development services are recognized when the related services have been provided and earned.

The recognition of gains on sales of real estate requires that we measure the timing of a sale against various criteria related to the terms of the transaction, as well as any continuing involvement in the form of management or financial assistance associated with the property. If the sales criteria are not met, we defer gain recognition and account for the continued operations of the property by applying the finance, profit-sharing or leasing method. If the sales criteria have been met, we further analyze whether profit recognition is appropriate using the full accrual method. If the criteria to recognize profit using the full accrual method have not been met, we defer the gain and recognize it when the criteria are met or use the installment or cost recovery method as appropriate under the circumstances. See Note 3 for discussion of dispositions.

***Segment Reporting***

Management views the Company as a single segment based on its method of internal reporting in addition to its allocations of capital and resources.

***Recently issued accounting pronouncements***

Changes to GAAP are established by the FASB in the form of ASUs to the FASB's Accounting Standards Codification. The Company considers the applicability and impact of all ASUs. Newly issued ASUs not listed below are expected to not have any material impact on its combined financial position and results of operations because either the ASU is not applicable or the impact is expected to be immaterial.

In April 2013, the FASB issued ASU No. 2013-07 to*Presentation of Financial Statements (Topic 205): Liquidation Basis of Accounting* This amendment requires an entity to prepare its financial statements using the liquidation basis of accounting when they cease operating and begin selling assets to settle debts with creditors. This ASU is effective for fiscal years beginning after December 15, 2012, with early adoption permitted, and should be applied prospectively from the day that liquidation becomes imminent. We do not expect the adoption of this accounting standard to have a material impact on our Combined Financial Statements.

In December 2011, the FASB issued ASU No. 2011-10 to clarify the scope of current U.S. GAAP. The update clarifies that the real estate sales guidance applies to the derecognition of a subsidiary that is in-substance real estate as a result of default on the subsidiary's nonrecourse debt. That is, even if the reporting entity ceases to have a controlling financial interest under the consolidation guidance, the reporting entity would continue to include the real estate, debt, and the results of the subsidiary's operations in its consolidated financial statements until legal title to the real estate is transferred to legally satisfy the debt. The adoption of this accounting standard update on January 1, 2013 did not have a material impact on our Combined Financial Statements.

### 3. Investment in Real Estate

***Acquisitions***

We did not make any property acquisitions during the three months ended March 31, 2013. During the three months ended March 31, 2012, we acquired one property for a total purchase price of $4.8 million. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition.

| | | Real estate assets: | | Acquisition-related intangibles | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Property | Acquisition Date | Land | Buildings and improvements | In-place Lease Intangibles[1] | Net Above (Below) Market Lease Intangibles[1] | Total Purchase Price | Other assets | Notes payable, accounts payable, accrued expenses and tenant security deposits | Net Assets Acquired |
| Campus | 3/7/2012 | $2,600,000 | $ 1,631,000 | $ 588,000 | $ (20,000) | $ 4,799,000 | $13,000 | $ (529,000) | $ 4,283,000 |

(1) The amortization period of acquired in-place lease intangibles and below market leases was 10 years as of March 31, 2012.

***Dispositions***

On January 31, 2013, we disposed of the 4578 Worth Street property located in Los Angeles, California. We received gross proceeds from this transaction of $4.1 million ($3.9 million after transaction costs), of which $2.5 million was used to repay the portion of the RIF I portfolio loan secured by the property. The remaining proceeds were paid out as a distribution to investors in RIF I.

***Assets Held for Sale***

As of March 31, 2013, our Williams and Glenoaks properties were classified as held for sale. As of December 31, 2012, our Worth Bonnie Beach, Williams and Glenoaks properties were classified as held for sale. The major classes of assets and liabilities of real estate held for sale were as follows:

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| Investment in real estate, net | $ 9,419,000 | $ 10,882,000 |
| Other | 105,000 | 143,000 |
| | $ 9,524,000 | $ 11,025,000 |
| Notes payable | $ 4,618,000 | $ 7,118,000 |
| Accounts payable and other liabilities | 49,000 | 80,000 |
| | $ 4,667,000 | $ 7,198,000 |

***Discontinued Operations***

Loss from discontinued operations for three months ended March 31, 2013 and 2012 includes the results of operations and gain (loss) related to the disposition properties, the note receivable that was paid off, and the assets held for sale, and is summarized as follows:

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2013 | 2012 |
| Revenues | $ 211,000 | $ 330,000 |
| Operating expenses | (43,000) | (83,000) |
| Interest expense | (26,000) | (82,000) |
| Depreciation expense | (78,000) | (131,000) |
| Loss on extinguishment of debt | (209,000) | — |
| Gain on sale of real estate | 2,409,000 | — |
| Income from discontinued operations | $ 2,264,000 | $ 34,000 |

**4. Intangible Assets**

The following summarizes our identifiable intangible assets and acquired above/below market lease assets as of:

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| **Acquired in-place lease intangibles** | | |
| Gross amount | $ 18,717,000 | $ 18,717,000 |
| Accumulated amortization | (16,093,000) | (15,647,000) |
| Net balance | $ 2,624,000 | $ 3,070,000 |
| **Acquired above market leases** | | |
| Gross amount | $ 731,000 | $ 731,000 |
| Accumulated amortization | (545,000) | (482,000) |
| Net balance | $ 186,000 | $ 249,000 |
| **Below market leases** | | |
| Gross amount | $ (3,711,000) | $ (3,711,000) |
| Accumulated amortization | 3,679,000 | 3,672,000 |
| Net balance | $ (32,000) | $ (39,000) |

**5. Notes Receivable**

On February 8, 2013 the mortgage note borrower for our Pasadena Foothill Center loan early repaid the outstanding principal in full. We received gross proceeds from this payoff of $5.4 million, including $6,310 in per diem interest, of which $2.5 million was used to repay the loan secured by this note. The remaining proceeds were paid as a distribution to investors in RIF V. We recorded a $1.4 million gain on collection of notes receivable during the three months ended March 31, 2013.

The following table summarizes the balance of our notes receivable:

| | Face Amount | Unrecognized Non-Accretable Yield | Unrecognized Accretable Yield | Note Receivable |
|---|---|---|---|---|
| At March 31, 2013: | | | | |
| Calle Perfecto | $14,346,000 | $ (5,816,000) | $ (627,000) | $ 7,903,000 |
| At December 31, 2012: | | | | |
| Foothill | $ 5,370,000 | $ — | $ (1,394,000) | $ 3,976,000 |
| Calle Perfecto | 14,410,000 | (5,816,000) | (659,000) | 7,935,000 |
| Total | $19,780,000 | $ (5,816,000) | $ (2,053,000) | $ 11,911,000 |

**6. Notes Payable**

A summary of our notes payable is as follows:

| | Principal Amount as of March 31, 2013 | Principal Amount as of December 31, 2012 | Contractual Maturity Date | Interest Rate |
|---|---|---|---|---|
| **Fixed Rate Debt** | | | | |
| RIF I Holdings, LLC | $ 38,764,000 | $ 41,238,000 | 5/31/2014 | 6.13% |
| RIF I—Walnut, LLC | 11,350,000 | 11,350,000 | 9/1/2013 | 6.23% |
| RIF II—Orangethorpe, LLC | 4,427,000 | 4,451,000 | 7/1/2013 | 5.147%(1) |
| RIF II—Easy Street, LLC | 5,284,000 | 5,310,000 | 4/1/2014 | 5.32%(1) |
| RIF III Holdings, LLC (Note A) | 78,609,000 | 78,338,000 | 8/31/2014 | 5.60%(2) |
| RIF III Holdings, LLC (Note B) | 410,000 | 410,000 | 8/31/2014 | 12.00%(3) |
| RIF V—Foothill, LLC | — | 2,542,000 | 9/1/2014(4) | 4.00%(5) |
| RIF V—Calle Perfecto, LLC | 5,404,000 | 5,429,000 | 9/1/2014(4) | 4.00%(6) |
| RIV V—Jersey, LLC | 5,313,000(7) | 5,355,000(7) | 1/1/2015 | 5.45%(1) |
| RIF V—Arroyo, LLC | 3,000,000 | 3,000,000 | 9/30/2014 | 4.50% |
| **Variable Rate Debt** | | | | |
| RIF I Holdings, LLC | $ 7,605,000 | 7,605,000 | 5/31/2014 | LIBOR + 1.00% |
| RIF I—Mulberry, LLC | 5,917,000 | 5,978,000 | 5/20/2014(8) | LIBOR + 2.75% |
| RIF II Holdings, LLC | 39,972,000 | 40,152,000 | 7/1/2013(9) | LIBOR + 3.50%(10) |
| RIF IV Holdings, LLC | 67,136,000 | 67,136,000 | 4/1/2013(9) | LIBOR + 4.00%(11) |
| RIF V—Grand Commerce Center, LLC | 6,000,000 | 6,000,000 | 3/4/2014(4) | LIBOR + 2.75% |
| RIF V—Vinedo, LLC | 3,470,000 | 3,470,000 | 8/4/2014(8) | LIBOR + 2.75% |
| RIF V—MacArthur, LLC | 5,475,000 | 5,475,000 | 12/5/2014(4) | LIBOR + 2.50% |
| RIF V—Campus, LLC | 3,360,000 | 3,360,000 | 7/1/2015 | LIBOR + 2.50%(12)(13) |
| RIF V—Golden Valley, LLC | 2,900,000 | 2,900,000 | 6/1/2015(4) | LIBOR + 2.75%(14) |
| Cornerstone Portfolio | 16,610,000 | 16,610,000 | 12/9/2014(4) | LIBOR + 2.50% |
| RIF V—Del Norte, LLC | 6,730,000 | — | 3/1/2016 | LIBOR + 2.25%(4)(15) |
| | $ 317,736,000 | $ 316,109,000 | | |
| **Less: Mortgage Loans Associated with Real Estate Held for Sale** | | | | |
| | (4,618,000) | (7,118,000) | | |
| | $313,118,000 | $ 308,991,000 | | |

(1) Monthly payments of interest and principal based on 30-year amortization table.
(2) Loan bears interest at 5.60%, with the option to pay a minimum interest rate of 4.25% per annum and to have the remaining 1.35% of the interest added to the principal outstanding. We have added $1.5 million and $1.2 million to the principal balance under the payment in kind election as of March 31, 2013 and December 31, 2012, respectively
(3) Loan bears interest at 12.00%, with the option to pay a minimum interest rate of 6.00% per annum and to have the remaining 6.00% of the interest accruing added to the principal outstanding.
(4) Two additional one year extensions available at the borrower's option.
(5) Monthly payments will include $3,900 of principal repayment together with accrued interest.
(6) Monthly payments will include $8,100 of principal repayment together with accrued interest.
(7) Includes unamortized debt premium of $0.1 million at March 31, 2013 and December 31, 2012.
(8) One additional one year extension available at the borrower's option.
(9) This loan was extended subsequent to March 31, 2013. Please see Note 14—Subsequent Events, for additional information.
(10) Loan bears interest at LIBOR + 3.50% per annum through 12/31/12 and LIBOR +3.75% per annum thereafter. Monthly payments are interest only until 1/15/12. From 2/15/12 through 7/15/12, monthly payments include $25,000 of principal repayment, and $60,000 thereafter.
(11) Loan bears interest at LIBOR + 3.25% per annum through March 31, 2012 and LIBOR +4.00% per annum thereafter.
(12) Monthly payments are interest only until 7/31/13. Commencing on 8/1/13 through the maturity date, monthly payments will include $9,583 of principal repayment together with accrued interest.
(13) Loan bears interest at the Lender's Prime Rate or LIBOR + 2.50%, based on our election on a monthly basis, but subject to a Floor Rate of 2.50%.
(14) Monthly payments are interest only until 6/30/14. Commencing on 7/1/14 through the maturity date, there will be payments of interest and principal based upon a 25-year amortization table.
(15) Loan bears interest at the Lender's Prime Rate or LIBOR + 2.25%, based on our election on a monthly basis, but subject to a Floor Rate of 2.50%.

The following table summarizes aggregate future principal payments of consolidated debt (including debt classified as Held for Sale) as of March 31, 2013 and does not consider the extension options available to the Company as noted above:

| | |
|---|---|
| April—December 2013 | $ 123,172,000 |
| 2014 | 176,639,000 |
| 2015 | 11,110,000 |
| 2016 | 6,730,000 |
| Total[1] | $ 317,651,000 |

(1) Includes gross principal balance of outstanding debt before impact of $0.1 million debt premium.

On March 22, 2013 we obtained a $6.7 million loan. This loan bears interest at a floating rate of LIBOR +225 basis points per annum, subject to a floor of 2.50%, and matures on March 1, 2016. The loan is secured by our property located at 701 Del Norte Boulevard in Oxnard, California.

Based on information currently available to the Company, we expect to repay, extend or refinance debt coming due during the remainder of 2013. Specifically, the maturing principal balances include the $40.0 million RIF II Holdings, LLC debt, $67.1 million of RIF IV Holdings, LLC debt, $4.4 million of RIF II—Orangethorpe, LLC debt, and $11.4 million of RIF I—Walnut, LLC debt. As it relates to the RIF II Holdings, LLC and RIF IV Holdings, LLC debt, on April 1, 2013 we extended the maturities to October 1, 2013. The financial statements have been prepared assuming the Company is successful in repaying, extending or refinancing these maturities.

However, in the event the Company is not successful in repaying, extending or refinancing the debt coming due in the remainder of 2013, we believe the Company's financial exposure is limited by the non-recourse nature of the collateral securing the respective debt.

As of March 31, 2013 our RIF IV Holdings, LLC and RIF II Holdings, LLC portfolio loans have a remaining holdback reserve of $1.4 million and $1.1 million, available for tenant improvements, leasing commissions, capital renovations and loan extension related fees.

Our secured debt arrangements contain covenants and restrictions requiring us to meet certain financial ratios and reporting requirements. Some of the more restrictive financial covenants include a minimum debt service coverage ratio, a minimum interest coverage ratio, a minimum net worth requirement, and a minimum unrestricted liquid assets requirement. Noncompliance with one or more of the covenants and restrictions could result in the full or partial principal balance of the associated debt becoming immediately due and payable. We believe we were in compliance with all of our debt covenants as of March 31, 2013 and December 31, 2012.

**7. Operating Leases**

We lease space to tenants primarily under non-cancelable operating leases that generally contain provisions for a base rent plus reimbursement for certain operating expenses. Operating expense reimbursements are reflected in our combined statements of operations as tenant recoveries.

Future minimum base rent under operating leases as of March 31, 2013 is summarized as follows:

| Twelve months ending March 31, | |
|---|---|
| 2014 | $28,670,000 |
| 2015 | 18,952,000 |
| 2016 | 12,293,000 |
| 2017 | 8,025,000 |
| 2018 | 5,173,000 |
| Thereafter | 9,903,000 |
| Total | $83,016,000 |

The future minimum lease payments in the table above exclude (i) tenant reimbursements, amortization of adjustments for deferred rent receivables and the amortization of above/below-market lease intangibles and (ii) assume that the termination options in some leases, which generally require payment of a termination fee, are not exercised.

**8. Interest Rate Contracts**

We use interest rate swap agreements to manage our exposure to interest rate movements associated with certain of our existing LIBOR-based variable rate debt. The accounting for changes in fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. None of our interest rate swaps are designated as hedges, and as such, changes in fair value are recognized in earnings under "Gain on mark-to-market interest rate swaps." We recognized $49,000 and $0.6 million of gain on mark-to-market of our interest rate swaps during the three months ending March 31, 2013 and 2012, respectively.

The fair value of each interest rate swap agreement is obtained through independent third-party valuation sources that use widely accepted valuation techniques including discounted cash flow analyses on the expected cash flows of each derivative. These analyses reflect the contractual terms of the derivatives, including the period to maturity, and use observable market-based inputs, including interest rate curves and implied volatilities (also referred to as "significant other observable inputs"). The fair values of our interest rate swap

agreements are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default, which we have determined to be insignificant to the overall fair value of our interest rate swap agreements. We recognize our interest rate swap agreements as either assets or liabilities on the balance sheet at fair value, disclosed as "Interest rate contracts."

The following table is a summary of our interest rate swap agreements as of March 31, 2013 and December 31, 2012.

| | | | | Fair Value as of | | Notional Amount in Effect as of | |
|---|---|---|---|---|---|---|---|
| Description | Effective Date | Termination Date | Interest Strike Rate | March 31, 2013 | December 31, 2012 | March 31, 2013 | December 31, 2012 |
| Rexford Industrial Fund III, LLC | 11/15/2006 | 3/15/2013 | 5.1100% | $ — | $ (49,000) | $ — | $ 5,000,000 |

**9. Fair Value Measurements**

The FASB fair value framework includes a hierarchy that distinguishes between assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market-based inputs. Level 1 inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable either directly or indirectly for similar assets and liabilities in active markets. Level 3 inputs are unobservable assumptions generated by the reporting entity.

***Recurring Measurements—Interest Rate Contracts***

The valuation of our interest rate swaps is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected future cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

The following table sets forth the liabilities that we measure at fair value on a recurring basis by level within the fair value hierarchy as of March 31, 2013 and December 31, 2012:

| | | Fair Value Measurement Using | | |
|---|---|---|---|---|
| | Total Fair Value | Quoted Price in Active Markets for Identical Assets and Liabilities (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **Liabilities** | | | | |
| *Interest rate swap at:* | | | | |
| March 31, 2013 | $ — | $ — | $ — | $ — |
| December 31, 2012 | $ 49,000 | $ — | $ 49,000 | $ — |

***Financial Instruments Disclosed at Fair Value***

The carrying amounts of cash and cash equivalents, restricted cash, rents and other receivables, other assets, accounts payable, accrued expenses and other liabilities, and tenant security deposits approximate fair value because of their short-term nature.

The fair value of our secured notes payable was estimated by calculating the present value of principal and interest payments, using currently available market rates, adjusted with a credit spread, and assuming the loans are outstanding through maturity.

The following table sets forth the carrying value and the estimated fair value of our notes payable as of March 31, 2013 and December 31, 2012:

| | | Fair Value Measurement Using | | | |
|---|---|---|---|---|---|
| | Total Fair Value | Quoted Price in Active Markets for Identical Assets and Liabilities (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Carrying Value |
| Liabilities | | | | | |
| Notes Payable at: | | | | | |
| March 31, 2013 | $ 323,086,000 | $ — | $ 323,086,000 | $ — | $317,736,000 |
| December 31, 2012 | $ 322,802,000 | $ — | $ 322,802,000 | $ — | $316,109,000 |

**10. Related Party Transactions**

***Howard Schwimmer***

We engage in transactions with Howard Schwimmer, our senior managing partner. We earn management and development fees and leasing commissions from entities controlled individually by Mr. Schwimmer. Fees and commissions earned from Mr. Schwimmer are included in management, leasing and development services in our combined statements of operations. We recorded $29,000 and $27,000 in management and leasing services revenue for the three months ended March 31, 2013 and 2012, respectively.

**11. Commitments and Contingencies**

Legal–From time to time, we are subject to various legal proceedings that arise in the ordinary course of business. Management is not aware of any legal proceedings where the likelihood of a loss contingency is reasonably possible and the amount or range of reasonably possible losses is material to our results of operations, financial condition or cash flows.

Environmental–We monitor our properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist, we are not currently aware of any environmental liability with respect to the properties that would have a material effect on our combined financial condition, results of operations and cash flows. Further, we are not aware of any environmental liability or any unasserted claim or assessment with respect to an environmental liability that we believe would require additional disclosure or the recording of a loss contingency.

**12. Investment in Unconsolidated Real Estate Entities**

We own interests in two industrial properties through noncontrolling interests (i) in joint venture entities that we do not control but over which we exercise significant influence or (ii) as tenants-in-common subject to common control. We account for these investments under the equity method of accounting (i.e., at cost, increased or decreased by our share of earnings or losses, less distributions, plus contributions and other adjustments required by equity method accounting, such as basis differences from other-than-temporary impairments, if applicable).

The following table sets forth our ownership interests in our equity method investments in real estate and their respective carrying values. The carrying values of these investments are affected by the timing and nature of distributions:

| Investment Property | Ownership Interest | Carrying Value at March 31, 2013 | Carrying Value at December 31, 2012 |
|---|---|---|---|
| La Jolla Sorrento Business Park[1] | 70.00% | $ 9,592,000 | $ 9,988,000 |
| 3001-3223 Mission Oaks Boulevard | 15.00% | 2,769,000 | 2,709,000 |
| | | $ 12,361,000 | $ 12,697,000 |

(1) This is a tenancy-in-common interest in which we share control equally with the other tenant-in-common partners.

The following tables present combined summarized financial information of our equity method investment properties. Amounts provided are the total amounts attributable to the entities and do not represent our proportionate share:

| | Three Months Ended March 31, 2013 | Three Months Ended March 31, 2012 |
|---|---|---|
| Revenues | $ 2,146,000 | $ 254,000 |
| Expenses | (2,220,000) | (255,000) |
| Net income (loss) | $ (74,000) | $ (1,000) |

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| Assets | $ 70,927,000 | $ 71,242,000 |
| Liabilities | (42,063,000) | (42,265,000) |
| Partners'/members' equity | $ 28,864,000 | $ 28,977,000 |

During the three months ended March 31, 2013 and 2012, our unconsolidated real estate entities incurred $0.1 million and $9,000, respectively of management, leasing and development fees which was payable to us. We recognized $0.1 million and $5,000, respectively, of management, leasing and development fees for the three months ended March 31, 2013 and 2012, which has been recorded in management, leasing and development services.

**13. Equity**

Controlling interests in the Company include the interests owned by partners of RILLC, and Rexford Sponsor V, LLC, and any interests held by their spouses and children ("RILLC and Affiliates"). Noncontrolling interests relate to all other interests not held by RILLC and Affiliates. Noncontrolling interests also includes the 27.76% interest of 10 investors in RIF I—Walnut, LLC, and the 3.23% interest of one investor in RIF IV—Burbank, LLC, both consolidated subsidiaries in the Company's financial statements as of March 31, 2013 and December 31, 2012.

Equity distributions by our Funds are allocated between the General Partner and Limited Partners (collectively "Partners") in accordance with each Fund's Operating Agreements. Generally this provides for distributions to be allocated to Partners, pari passu, in accordance with their respective percentage interests. After Partners have exceeded certain cash distribution thresholds, as defined in each Funds's Operating Agreement, then the General Partner may receive incentive promote cash distributions commensurate with the cash return performance hurdles also detailed in the Fund's Operating Agreement. Each Fund's Operating Agreement generally provides for income, expenses, gains and losses to be allocated in a manner consistent with cash distributions described above.

During November and December 2012, we granted to our employees a 9% equity interest in Rexford Fund V Manager, LLC's profits interest in RIF V. Rexford Fund V Manager, LLC is the controlling member of RIF V and is a wholly-owned subsidiary of Rexford Sponsor V, LLC. During the three months ended March 31, 2013 we granted an additional 2% equity interest in Rexford Fund V Manager, LLC's profit interest in RIF V. The equity interests are considered performance-based equity interests and are subject to graded vesting over a 7-year period subject to continued employment. The grant date fair value of these interests has been estimated to be approximately $1.3 million which will be amortized over the vesting period using the accelerated attribution method to the extent the required achievement and vesting of these interests remain probable.

During the three months ended March 31, 2013 and 2012, $66,000 and $0 have been expensed related to this equity awards.

As of March 31, 2013 and December 31, 2012, RIF V had unfunded capital commitments of $37.5 million and $39.0 million, respectively.

**14. Subsequent Events**

***Loan Extensions***

On March 31, 2013, our RIF IV Holdings loan, LLC reached its maturity date. On April 1, 2013 we amended the loan to extend the maturity out to October 1, 2013. Going forward, the loan will bear interest at a rate of 6.0% per annum. At the same time, we also extended the maturity of our RIF II Holdings, LLC loan to October 1, 2013, from an originally scheduled maturity date of July 1, 2013. Effective July 1, 2013, this loan will also bear interest at a rate of 6.0% per annum.

***Acquisitions***

On April 9, 2013, we acquired the property located at 5637 Arrow Highway and 8900-8980 Benson Avenue in Montclair, CA for a contract price of $7.2 million. The property consists of six multi-tenant industrial buildings totaling 88,146 square feet situated on 5.2 acres of land.

On April 17, 2013, we acquired the Glendale Commerce Center property located in Los Angeles, CA for a contract price of $56.2 million. The property consists of six industrial buildings and two retail buildings totaling 473,345 square feet situated on 21.48 acres of fee-simple land. As part of this acquisition, we also assumed the ground lease for a 1.0 acre parking lot adjacent to the acquired buildings.

***Dispositions***

On April 4, 2013 we disposed of our Williams property located in Oxnard, California. We received gross proceeds from this transaction of $8.5 million. The proceeds were partially used to acquire another property located at 18118-18120 S. Broadway Street in Carson, California with a contract price of $5.5 million. The $3.0 million remaining proceeds were used to repay a portion of the RIF III portfolio loan secured by the property.

On May 10, 2013 we disposed of our Glenoaks property located in Sun Valley, California. We received gross proceeds from this transaction of $1.7 million which were used to repay the indebtedness secured by the property.

We have evaluated subsequent events through the date on which these financial statements were issued.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of Rexford Industrial Realty, Inc. Predecessor

We have audited the accompanying combined balance sheets of the entities listed in Note 1 (collectively, referred to as the "Rexford Industrial Realty, Inc. Predecessor" or the "Company") as of December 31, 2012 and 2011, and the related combined statements of operations, equity, and cash flows for the years then ended. Our audits also included the financial statement schedule of real estate and accumulated depreciation. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Rexford Industrial Realty, Inc. Predecessor at December 31, 2012 and 2011, and the combined results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic combined financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ ERNST & YOUNG LLP

Los Angeles, California
March 6, 2013, except for the Combined Balance Sheets, Combined Statements of Operations, Note 2 "Summary of Significant Accounting Policies," Note 3 "Investment in Real Estate," Note 4 "Intangible Assets", Note 6 "Notes Payable", and Note 14 "Subsequent Events" as to which the date is May 23, 2013.

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**

**COMBINED BALANCE SHEETS**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| **ASSETS** | | |
| Land | $ 156,836,000 | $ 146,513,000 |
| Buildings and improvements | 213,557,000 | 201,252,000 |
| Tenant improvements | 12,735,000 | 11,042,000 |
| Furniture, fixtures, and equipment | 188,000 | 188,000 |
| Total real estate held for investment | 383,316,000 | 358,995,000 |
| Accumulated depreciation | (57,177,000) | (47,261,000) |
| Investments in real estate, net | 326,139,000 | 311,734,000 |
| Cash and cash equivalents | 43,499,000 | 20,928,000 |
| Restricted cash | 1,882,000 | 1,787,000 |
| Notes receivable | 11,911,000 | 11,758,000 |
| Rents and other receivables, net | 554,000 | 539,000 |
| Deferred rent receivable | 3,799,000 | 2,983,000 |
| Deferred leasing costs and in-place lease intangibles, net | 5,194,000 | 5,154,000 |
| Deferred loan costs, net | 1,414,000 | 1,315,000 |
| Acquired above-market leases, net | 249,000 | 495,000 |
| Other assets | 1,873,000 | 1,387,000 |
| Acquisition related deposits | 260,000 | — |
| Investment in unconsolidated real estate entities | 12,697,000 | 10,191,000 |
| Assets associated with real estate held for sale | 11,025,000 | 14,944,000 |
| **Total Assets** | $ 420,496,000 | $ 383,215,000 |
| **LIABILITIES & EQUITY** | | |
| **Liabilities** | | |
| Notes payable | $ 308,991,000 | $ 297,000,000 |
| Accounts payable, accrued expenses and other liabilities | 2,627,000 | 1,756,000 |
| Due to members | 1,221,000 | — |
| Interest rate contracts | 49,000 | 2,410,000 |
| Acquired below-market leases, net | 39,000 | 106,000 |
| Tenant security deposits | 3,768,000 | 3,133,000 |
| Prepaid rents | 355,000 | 399,000 |
| Liabilities associated with real estate held for sale | 7,198,000 | 10,731,000 |
| **Total Liabilities** | 324,248,000 | 315,535,000 |
| **Equity** | | |
| Rexford Industrial Realty, Inc. Predecessor | 11,962,000 | 10,941,000 |
| Accumulated deficit and distributions | (24,653,000) | (19,455,000) |
| Total Rexford Industrial Realty, Inc. Predecessor (deficit) | (12,691,000) | (8,514,000) |
| Noncontrolling interests | 108,939,000 | 76,194,000 |
| **Total Equity** | 96,248,000 | 67,680,000 |
| **Total Liabilities and Equity** | $ 420,496,000 | $ 383,215,000 |

See Accompanying Notes

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**
**COMBINED STATEMENTS OF OPERATIONS**

| | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
|---|---|---|
| **RENTAL REVENUES** | | |
| Rental revenues | $ 28,586,000 | $ 23,696,000 |
| Tenant reimbursements | 3,262,000 | 2,438,000 |
| Management, leasing and development services | 519,000 | 316,000 |
| Other operating income | 124,000 | 149,000 |
| **TOTAL RENTAL REVENUES** | 32,491,000 | 26,599,000 |
| Interest income | 1,577,000 | 1,578,000 |
| **TOTAL REVENUES** | 34,068,000 | 28,177,000 |
| **EXPENSES** | | |
| Property expenses | 8,328,000 | 6,865,000 |
| General and administrative | 5,146,000 | 3,729,000 |
| Depreciation and amortization | 12,727,000 | 9,874,000 |
| Other property expenses | 1,302,000 | 1,030,000 |
| **TOTAL OPERATING EXPENSES** | 27,503,000 | 21,498,000 |
| **OTHER (INCOME) EXPENSE** | | |
| Acquisition expenses | 599,000 | 1,022,000 |
| Interest expense | 17,452,000 | 17,970,000 |
| Gain on mark-to-market interest rate swaps | (2,361,000) | (4,185,000) |
| **TOTAL OTHER (INCOME) EXPENSE** | 15,690,000 | 14,807,000 |
| **TOTAL EXPENSES** | 43,193,000 | 36,305,000 |
| Equity in income of unconsolidated real estate entities | 122,000 | 185,000 |
| **NET LOSS FROM CONTINUING OPERATIONS** | (9,003,000) | (7,943,000) |
| **DISCONTINUED OPERATIONS** | | |
| Loss from discontinued operations before gains on sale of real estate | (9,000) | (897,000) |
| Gain on sale of real estate | 55,000 | 2,503,000 |
| **INCOME (LOSS) FROM DISCONTINUED OPERATIONS** | 46,000 | 1,606,000 |
| **NET LOSS** | (8,957,000) | (6,337,000) |
| Net loss attributable to noncontrolling interests | 4,066,000 | 2,585,000 |
| **NET LOSS ATTRIBUTABLE TO REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR** | $ (4,891,000) | $ (3,752,000) |

See Accompanying Notes

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**
**COMBINED STATEMENTS OF CHANGES IN EQUITY**

| | Rexford Industrial Realty, Inc. Predecessor | Noncontrolling Interests | Total |
|---|---|---|---|
| **Balance as of January 1, 2011** | $ (5,110,000) | $ 47,956,000 | $42,846,000 |
| Capital contributions | 397,000 | 31,590,000 | 31,987,000 |
| Net loss | (3,752,000) | (2,585,000) | (6,337,000) |
| Distributions | (49,000) | (767,000) | (816,000) |
| **Balance, December 31, 2011** | $ (8,514,000) | $ 76,194,000 | $67,680,000 |
| Capital contributions | 1,021,000 | 39,346,000 | 40,367,000 |
| Net loss | (4,891,000) | (4,066,000) | (8,957,000) |
| Distributions | (307,000) | (2,535,000) | (2,842,000) |
| **Balance, December 31, 2012** | $ (12,691,000) | $108,939,000 | $96,248,000 |

See Accompanying Notes

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**

**COMBINED STATEMENTS OF CASH FLOWS**

| | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Net loss | $ (8,957,000) | $ (6,337,000) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Equity in earnings of unconsolidated real estate entities | (122,000) | (185,000) |
| Depreciation and amortization | 13,215,000 | 10,687,000 |
| (Accretion) Amortization of above (below) market lease intangibles | 188,000 | (163,000) |
| Accretion of discount on notes receivable | (360,000) | (330,000) |
| Net gain on asset dispositions | (55,000) | (2,503,000) |
| Amortization of loan costs | 843,000 | 1,046,000 |
| Gain on mark-to-market interest rate swaps | (2,361,000) | (4,186,000) |
| Deferred interest expense | 1,065,000 | 176,000 |
| **Change in working capital components:** | | |
| Tenant receivables | 58,000 | 25,000 |
| Deferred rent receivables | (843,000) | (495,000) |
| Change in restricted cash | (274,000) | (512,000) |
| Leasing commissions | (1,090,000) | (736,000) |
| Other assets | (718,000) | 117,000 |
| Accounts payable, accrued expenses and other liabilities | 663,000 | 133,000 |
| Tenant security deposits | (36,000) | 256,000 |
| Prepaid rent | (136,000) | (342,000) |
| Net cash provided by (used in) operating activities | 1,080,000 | (3,349,000) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Acquisition of investment in real estate | (20,673,000) | (44,324,000) |
| Capital expenditures | (4,620,000) | (1,321,000) |
| Contributions to unconsolidated real estate entities | (2,814,000) | (24,000) |
| Distributions from unconsolidated real estate entities | 430,000 | 412,000 |
| Change in restricted cash | 210,000 | (512,000) |
| Principal repayments of notes receivable | 207,000 | 217,000 |
| Disposition of investment in real estate | 3,482,000 | 3,249,000 |
| Net cash used in investing activities | (23,778,000) | (42,303,000) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| Proceeds from notes payable | 11,984,000 | 46,082,000 |
| Repayment of notes payable | (4,479,000) | (24,757,000) |
| Deferred loan costs | (935,000) | (927,000) |
| Capital contributions | 40,367,000 | 31,987,000 |
| Distributions to members | (2,842,000) | (816,000) |
| Reimbursements due to members | 1,221,000 | — |
| Change in restricted cash | (47,000) | — |
| Net cash provided by financing activities | 45,269,000 | 51,569,000 |
| Net increase in cash and cash equivalents | 22,571,000 | 5,917,000 |
| Cash and cash equivalents, beginning of period | 20,928,000 | 15,011,000 |
| Cash and cash equivalents, end of period | $ 43,499,000 | $ 20,928,000 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid during the year for interest | $ 15,787,000 | $ 17,307,000 |
| **Supplemental disclosure of noncash investing and financing transactions:** | | |
| Assumption of loan in connection with acquisition of real estate | — | $ 5,528,000 |
| Mortgage loan satisfied in connection with deed-in-lieu of foreclosure | — | $ (15,068,000) |

See Accompanying Notes

**REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**1. Organization and Description of Business**

Rexford Industrial Realty, Inc. Predecessor is not a legal entity but rather a combination of numerous real estate entities and management companies engaged in the acquisition, ownership, development, leasing and management of industrial real estate, and in the acquisition of debt instruments connected with industrial real estate. Rexford Industrial Realty, Inc. Predecessor is the predecessor of Rexford Industrial Realty, Inc. (the "REIT"), which is expected to complete an initial public offering (the "IPO") of the common stock of the REIT in 2013. In connection with the IPO, the Company will engage in formation transactions that are designed to consolidate its asset management, property management, property development, leasing, tenant improvement construction, acquisition and financing businesses into Rexford Industrial Realty, L.P., the operating partnership formed by and managed by the REIT; consolidate the ownership of our portfolio of industrial properties under the operating partnership; facilitate the IPO; and allow the REIT to qualify as a real estate investment trust for U.S. federal income tax purposes commencing with the taxable year ending December 31, 2013. Below is a background summary of the entities comprising Rexford Industrial Realty, Inc. Predecessor.

The combined financial statements presented herein consist of Rexford Industrial, LLC ("RILLC"), Rexford Sponsor V, LLC and Rexford Industrial Fund V REIT, LLC ("RIF V REIT") and their consolidated subsidiaries which consists of Rexford Industrial Fund I, LLC ("RIF I"), Rexford Industrial Fund II, LLC ("RIF II"), Rexford Industrial Fund III, LLC ("RIF III"), Rexford Industrial Fund IV, LLC ("RIF IV") and Rexford Industrial Fund V, LP ("RIF V"). The terms "Company," "us," "we" and "our" as used in these financial statements refer to Rexford Industrial Realty, Inc. Predecessor. The entities comprising Rexford Industrial Realty, Inc. Predecessor are combined on the basis of common management and common ownership.

As of December 31, 2012, we control and own the equity interests of the entities that own, on a combined basis, a portfolio of 55 industrial properties and two loans secured by the deed of trust on real property. We also manage, and own a partial equity interest in five additional industrial properties, for a total of 60 industrial properties in our total managed portfolio.

Below is a summary of the industrial properties in our total managed portfolio as of December 31, 2012:

| | Number of | | Total Portfolio Square Feet | Effective Portfolio[1] Square Feet |
|---|---|---|---|---|
| | Properties | Buildings | | |
| RIF I | 8 | 18 | 1,087,561 | 1,042,788 |
| RIF II | 8 | 23 | 726,905 | 697,515 |
| RIF III | 11 | 37 | 1,012,889 | 1,012,889 |
| RIF IV | 14 | 29 | 947,133 | 945,682 |
| RIF V | 19 | 45 | 2,403,573 | 1,393,427 |
| | 60 | 152 | 6,178,061 | 5,092,301 |
| Notes receivables | 2 | 11 | 154,567 | 154,567 |
| | 62 | 163 | 6,332,628 | 5,246,868 |

(1) Effective portfolio square feet includes 100% of the square footage of our combined portfolio of 55 properties, and our respective ownership percentage of square footage for our tenants-in-common and joint venture interest properties, which includes 72.24% of Walnut Center Business Park, 70.0% of La Jolla Sorrento Business Park, 15.0% of 3001-3223 Mission Oaks Boulevard and 96.77% of 901 W. Alameda Avenue.

Any reference to the number of properties, buildings and square footage are unaudited and outside the scope of our independent auditor's audit of our financial statements in accordance with the standards of the Public Company Accounting Oversight Board.

**2. Summary of Significant Accounting Policies**

***Basis of Accounting and Consolidation***

The accompanying combined financial statements include the accounts of the Company. All significant intercompany accounts and transactions have been eliminated in combination. All the outside ownership interests in entities we consolidate are included in non-controlling interests.

The accompanying financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") as established by the Financial Accounting Standards Board ("FASB") in the Accounting Standards Codification ("ASC") including modifications issued under Accounting Standards Updates ("ASUs"). The accompanying financial statements include, in our opinion, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth therein.

We consolidate all entities that are wholly owned and those in which we own less than 100% but control, as well as any variable interest entities in which we are the primary beneficiary. We evaluate our ability to control an entity and whether the entity is a variable interest entity and we are the primary beneficiary through consideration of the substantive terms of the arrangement to identify which enterprise has the power to direct the activities of a variable interest entity that most significantly impacts the entity's economic performance and the obligation to absorb losses of the entity or the right to receive benefits from the entity. Investments in entities in which we do not control but over which we have the ability to exercise significant influence over operating and financial policies are presented under the equity method. Investments in entities that we do not control and over which we do not exercise significant influence are carried at the lower of cost or fair value, as appropriate. Our ability to correctly assess our influence and/or control over an entity affects the presentation of these investments in our combined financial statements.

***Discontinued Operations***

The revenue, expenses, impairment and/or gain on sale of operating properties that meet the applicable criteria are reported as discontinued operations in the combined statements of operations for all periods presented. A gain on sale, if any, is recognized in the period during which the property is disposed.

In determining whether to report the results of operations, impairment and/or gain on sale of operating properties as discontinued operations, we evaluate whether we have any significant continuing involvement in the operations, leasing or management of the property after disposition. If we determine that we have significant continuing involvement after disposition, we report the revenue, expenses, impairment and/or gain on sale as part of continuing operations.

***Held for Sale Assets***

We classify properties as held for sale when certain criteria set forth in the Long-Lived Assets Classified as Held for Sale Subsections of ASC Topic 360: Property, Plant, and Equipment, are met. At that time, we present the assets and liabilities of the property held for sale separately in our combined balance sheet and cease recording depreciation and amortization expense at the time a property is classified as held for sale. Properties held for sale are reported at the lower of their carrying value or their estimated fair value, less estimated costs to sell. As of December 31, 2012 and 2011, our Worth Bonnie Beach property which was sold on January 31, 2013, our Williams property which was sold on April 4, 2013 and our Glenoaks property which was sold on May 10, 2013, is classified as held for sale. Additionally, one of the buildings at our Long Carson (639-641 E. Walnut) property was sold on October 16, 2012, and is therefore classified as held for sale as of December 31, 2011.

***Use of estimates***

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

***Reclassification***

Certain general and administrative expenses of the Predecessor have been reclassified to other property expenses to conform with our current presentation, as they relate to operations of the underlying properties. In addition, current assets, liabilities, revenues and expenses have been reclassified to reflect the sale of certain properties as discontinued operations more fully discussed elsewhere in Note 2 and Note 3.

***Investment in Real Estate***

Acquisitions of properties are accounted for utilizing the purchase accounting method and accordingly, the results of operations of acquired properties are included in our results of operations from the respective dates of acquisition. Transaction costs related to acquisitions are expensed, rather than included with the consideration paid. Estimates of future cash flows and other valuation techniques are used to allocate the purchase price of acquired property between land, buildings and improvements, equipment and identifiable intangible assets and liabilities such as amounts related to in-place at-market leases, and acquired above- and below-market leases. Initial valuations are subject to change until such information is finalized, but no later than 12 months from the acquisition date.

The fair values of tangible assets are determined on an “as-if-vacant” basis. The “as-if-vacant” fair value is allocated to land, where applicable, buildings, tenant improvements and equipment based on comparable sales and other relevant information obtained in connection with the acquisition of the property.

The estimated fair value of acquired in-place at-market tenant leases are the costs we would have incurred to lease the property to the occupancy level of the property at the date of acquisition. Such estimates include the fair value of leasing commissions and legal costs that would be incurred to lease the property to this occupancy level. Additionally, we evaluate the time period over which such occupancy level would be achieved and include an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period, which is generally six months.

Above- and below-market in-place lease intangibles are recorded as an asset or liability based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be received or paid pursuant to the in-place tenant lease, and our estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining noncancelable term of the lease.

We capitalize costs incurred in developing, renovating, rehabilitating, and improving real estate assets as part of the investment basis. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred. During the land development and construction periods, we capitalize interest costs, insurance, real estate taxes and certain general and administrative costs of the personnel performing development, renovations, and rehabilitation if such costs are incremental and identifiable to a specific activity to get the asset ready for its intended use. Capitalized costs are included in the investment basis of real estate assets.

When assets are sold or retired, their costs and related accumulated depreciation are removed from the accounts with the resulting gains or losses reflected in operations for the period.

The values allocated to land, buildings, site improvements, in-place leases, tenant improvements and leasing costs are depreciated on a straight-line basis using an estimated remaining life of 10-30 years for buildings, 20 years for site improvements, and the shorter of the estimated useful life or respective lease term for tenant improvements.

***Impairment of Long-Lived Assets***

In accordance with the provisions of the Impairment or Disposal of Long-Lived Assets Subsections of ASC Topic 360: Property, Plant, and Equipment, we assess the carrying values of our respective long-lived assets, including goodwill, whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be fully recoverable.

Recoverability of real estate assets is measured by comparison of the carrying amount of the asset to the estimated future undiscounted cash flows. In order to review our real estate assets for recoverability, we consider current market conditions, as well as our intent with respect to holding or disposing of the asset. Our intent with regard to the underlying assets might change as market conditions change, as well as other factors, especially in the current global economic environment. Fair value is determined through various valuation techniques; including discounted cash flow models, applying a capitalization rate to estimated net operating income of a property, quoted market values and third party appraisals, where considered necessary. The use of projected future cash flows is based on assumptions that are consistent with our estimates of future expectations and the strategic plan we use to manage our underlying business. If our analysis indicates that the carrying value of the real estate asset is not recoverable on an undiscounted cash flow basis, we recognize an impairment charge for the amount by which the carrying value exceeds the current estimated fair value of the real estate property.

Assumptions and estimates used in the recoverability analyses for future cash flows, discount rates and capitalization rates are complex and subjective. Changes in economic and operating conditions or our intent with regard to our investment that occurs subsequent to our impairment analyses could impact these assumptions and result in future impairment of our real estate properties.

At December 31, 2012 and 2011, our investment in real estate has been recorded net of previous impairments of $19.6 million and $21.9 million, respectively.

***Investments in Unconsolidated Real Estate***

We present our investments in unconsolidated real estate which we do not control using the equity method of accounting. The equity method of accounting is used when we have the ability to exercise significant influence over the operating and financial policies of the joint venture but do not control the joint venture. Under the equity method, our investments (including advances to the joint venture) are initially recorded on our combined balance sheets at our cost and are subsequently adjusted to reflect our proportionate share of net earnings or losses of each of the joint ventures, as applicable, contributions made, distributions received, and certain other adjustments, as appropriate. Such investments are included in investment in unconsolidated real estate on the accompanying combined balance sheets (see Note 12 for additional information). Distributions from these investments that are related to earnings from operations are included in cash flow from operations and distributions that are related to capital transactions are included in cash flow from investing activities in the statements of cash flows.

***Cash and Cash Equivalents***

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Such investments are stated at cost, which approximates market value.

***Restricted Cash***

Restricted cash consists primarily of deposits for tenant improvements and leasing commissions, real estate taxes and insurance reserves, and other items as required by our loan agreements.

***Notes Receivable***

Notes receivable consist of loans acquired by us at a discount to the original principal balance of the loan and are recorded at the initial investment in the loans. The discount is then accreted to the estimated cash flows expected to be collected measured at the acquisition date. The excess cash flows expected to be collected measured at the acquisition date over the initial investment (accretable yield) are recognized in interest income over the remaining life of the loan using the effective-interest method. Subsequent increases in cash flows expected to be collected are recognized prospectively through the adjustment of the yield over the remaining life of the loan. Decreases in cash flows expected to be collected result in a charge to provision for loan losses. The excess of contractually required payments at the acquisition date over expected cash flows (nonaccretable difference) is not recognized as an adjustment of yield, loss accrual, or valuation allowance. We determine whether loans are impaired based on the requirements of the applicable accounting literature. We consider a loan to be impaired when, based on current information and events, we determine that it is probable we will not be able to collect all amounts due according to the loan contractual terms. When we identify a loan as impaired, we use the current estimated fair value of the collateral to measure the impairment. See Note 5.

***Rents and Other Receivables, Net***

Accounts receivable consists of tenant receivables arising in the normal course of business. Accounts receivable are uncollateralized customer obligations requiring payment within 30 days of invoice date. Tenant receivables are recorded and carried at the amount billable per the applicable lease agreement, less any allowance for doubtful accounts. An allowance for doubtful accounts is made when collection of the full amounts is no longer considered probable. We take into consideration factors including historical termination, default activity and current economic conditions to evaluate the level of reserve necessary. We had a $0.7 million and $0.3 million reserve for allowance for doubtful accounts as of December 31, 2012 and 2011, respectively.

***Concentrations of Credit Risk***

We are subject to risks incident to the ownership, development and sale of industrial real estate. These include, among others, the risks normally associated with changes in the general economic climate, trends in the real estate industry, availability of industrial real estate, changes in tax laws, interest rate levels, availability of financing and the potential liability under environmental and other laws.

Substantially all our properties are located in Southern California, with the exception of one property located in the state of Arizona and one property located in the state of Illinois. The ability of the tenants to honor the terms of their respective leases is dependent upon the economic, regulatory and social factors affecting the markets in which the tenants operate.

We perform ongoing credit evaluations of our tenants for potential credit losses. In addition, we have financial instruments that subject us to credit risk, which consist primarily of accounts receivable, deferred rents receivable and interest rate contracts.

We have deposited cash with financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per institution. As of December 31, 2012 and 2011, we had cash accounts in excess of FDIC insured limits. We have not realized any losses in such cash investments and we believe that these investments are not exposed to any significant credit risk.

***Acquired Above- and Below-market Leases, Net***

Above-market lease values are amortized as a reduction of rental revenue in the combined statements of operations over the remaining non-cancelable terms of the respective leases.

Below-market lease values are accreted as an increase to rental revenue in the combined statements of operations over the remaining non-cancelable terms and below-market extension periods, if any, of the respective leases

The value of in-place leases, exclusive of the value of above- and below -market in-place leases, is amortized over the remaining non-cancelable period of the respective leases and is included in depreciation and amortization expense in the combined statements of operations.

***Deferred Leasing Costs***

Deferred leasing commissions which include the net carrying value of acquired-in-place leases and tenant relationships are amortized over the term of the lease and is included in depreciation and amortization expense in the combined statements of operations.

***Deferred Loan Costs***

Loan costs are capitalized and amortized to interest expense over the term of the related loans. Any unamortized amounts upon early repayment of secured notes payable are written off in the period of repayment. We incurred deferred loan cost amortization expense of $0.8 million and $1.0 million in 2012 and 2011, respectively.

***Other Assets***

Other assets include prepaid expenses, deposits, and other miscellaneous assets.

***Notes Payable***

Mortgage and other loans assumed upon acquisition of related real estate properties are stated at estimated fair value upon their respective dates of assumption, net of unamortized discounts or premiums to their outstanding contractual balances.

Amortization of discount and the accretion of premiums on mortgage and other loans assumed upon acquisition of related real estate properties are recognized from the date of assumption through their contractual maturity date.

***Interest Rate Contracts***

We are exposed to the effect of interest rate changes in the normal course of business. Under certain circumstances, we manage our interest rate risk associated with floating rate borrowings by entering into interest rate swap agreements. We recognize our interest rate swap agreements as either assets or liabilities on the balance sheet at fair value, disclosed as "Interest rate contracts." The accounting for changes in fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. As of December 31, 2012 and 2011, none of our derivatives are designated as hedges, and as such, changes in fair value are recognized in earnings under "Gain on mark-to-market interest rate swaps."

Our interest rate swap agreements involve the receipt of variable rate amounts from a counterparty in exchange for the Company making fixed rate payments over the life of the interest rate swap agreements without exchange of the underlying notional amount. Receipts or payments resulting from these agreements are recognized as a component of interest expense.

The fair value of each interest rate swap agreement is obtained through independent third-party valuation sources that use widely accepted valuation techniques including discounted cash flow analyses on the expected cash flows of each derivative. These analyses reflect the contractual terms of the derivatives, including the period to maturity, and use observable market-based inputs, including interest rate curves and implied volatilities (also referred to as "significant other observable inputs"). The fair values of our interest rate swap agreements are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default, which we have determined to be insignificant to the overall fair value of our interest rate swap agreements. See Note 8.

***Revenue Recognition***

We recognize revenue from rent, tenant reimbursements, and other revenue sources once all of the following criteria are met: persuasive evidence of an arrangement exists, the delivery has occurred or services rendered, the fee is fixed and determinable, and collectability is reasonably assured. Minimum annual rental revenues are recognized in rental revenues on a straight-line basis over the term of the related lease. Rental revenue recognition commences when the tenant takes possession or controls the physical use of the leased space. In order for the tenant to take possession, the leased space must be substantially ready for its intended use. To determine whether the leased space is substantially ready for its intended use, management evaluates whether we or the tenant is the owner of tenant improvements for accounting purposes. When management concludes that we are the owner of tenant improvements, rental revenue recognition begins when the tenant takes possession of the finished space, which is when such tenant improvements are substantially complete. In certain instances, when management concludes that we are not the owner (the tenant is the owner) of tenant improvements, rental revenue recognition begins when the tenant takes possession of or controls the space.

When management concludes that we are the owner of tenant improvements for accounting purposes, management records the cost to construct the tenant improvements as a capital asset. When management concludes that the tenant is the owner of tenant improvements for accounting purposes, management records our contribution towards those improvements as a lease incentive, which is included in deferred leasing costs on our combined balance sheets and amortized as a reduction to rental revenue on a straight-line basis over the term of the lease.

Estimated recoveries from tenants for real estate taxes, common area maintenance, and other recoverable operating expenses are recognized as revenues in the period that the expenses are incurred. Subsequent to year-end, we perform final reconciliations on a lease-by-lease basis and bill or credit each tenant for any cumulative annual adjustments. Lease termination fees, which are included in rental revenues in the accompanying consolidated statements of operations, are recognized when the related lease is canceled and we have no continuing obligation to provide services to such former tenant.

Revenues from management, leasing and development services are recognized when the related services have been provided and earned.

The recognition of gains on sales of real estate requires that we measure the timing of a sale against various criteria related to the terms of the transaction, as well as any continuing involvement in the form of management or financial assistance associated with the property. If the sales criteria are not met, we defer gain recognition and account for the continued operations of the property by applying the finance, profit-sharing or leasing method. If the sales criteria have been met, we further analyze whether profit recognition is appropriate using the full accrual method. If the criteria to recognize profit using the full accrual method have not been met, we defer the gain and recognize it when the criteria are met or use the installment or cost recovery method as appropriate under the circumstances. See Note 3 for discussion of dispositions.

***Income Taxes***

RIF I, RIF II, RIF III, and RIF IV are limited liability companies or limited partnerships. As it relates to the limited liability companies, we have elected to be taxed as a partnership for tax purposes. As such, the allocated share of net income or loss from the limited liability companies and limited partnerships is reportable in the income tax returns of the respective partners and investors. Accordingly, no income tax provision is included in the accompanying combined financial statements

RIF V REIT has elected to be taxed as a REIT under Sections 856 to 860 of the Internal Revenue Code of 1986, as amended (the “Code”), commencing with its tax period ended December 31, 2010.

To qualify as a REIT, RIF V REIT must distribute annually at least 90% of its adjusted taxable income, as defined in the Code, to its security holders and satisfy certain other organizational and operating requirements. If RIF V REIT fails to qualify as a REIT in any taxable year, it will be subject to federal income taxes (including any applicable alternative minimum tax) on our taxable income at regular corporate rates and we may not be able to qualify as a REIT for four subsequent taxable years. Even if RIF V REIT qualifies for taxation as a REIT, it may be subject to certain state and local taxes on our income and property and to federal income taxes and excise taxes on our undistributed taxable income. We believe that RIF V REIT has met all of the REIT distribution and technical requirements for the periods ended December 31, 2012 and 2011 and intends to continue to adhere to these requirements and maintain its REIT status. Accordingly, we have not recognized any provision for income taxes.

The Company periodically evaluates it tax positions to evaluate whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. As of December 31, 2012 and 2011, the Company has not established a liability for uncertain tax positions.

***Segment Reporting***

Management views the Company as a single segment based on its method of internal reporting in addition to its allocations of capital and resources.

***Recently issued accounting pronouncements***

Changes to GAAP are established by the FASB in the form of ASUs to the FASB's Accounting Standards Codification. The Company considers the applicability and impact of all ASUs. Newly issued ASUs not listed below are expected to not have any material impact on its combined financial position and results of operations because either the ASU is not applicable or the impact is expected to be immaterial.

During the fourth quarter of 2011, the Financial Accounting Standards Board ("FASB") issued an accounting standard update that requires disclosures about offsetting and related arrangements to enable financial statements users to evaluate the effect or potential effect of netting arrangements on an entity's financial position, including rights of setoff associated with certain financial instruments and derivative instruments. The disclosure requirements are effective for us on January 1, 2013, and we do not expect the guidance to have a material impact on our Combined Financial Statements.

Also during the fourth quarter of 2011, the FASB issued an accounting standard update to clarify the scope of current U.S. GAAP. The update clarifies that the real estate sales guidance applies to the derecognition of a subsidiary that is in-substance real estate as a result of default on the subsidiary's nonrecourse debt. That is, even if the reporting entity ceases to have a controlling financial interest under the consolidation guidance, the reporting entity would continue to include the real estate, debt, and the results of the subsidiary's operations in its consolidated financial statements until legal title to the real estate is transferred to legally satisfy the debt. This accounting standard update is effective for us on January 1, 2013, and we do not expect the guidance to impact our Combined Financial Statements.

During the second quarter of 2011, the FASB issued Accounting Standards Update No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS, which generally aligns the principles for fair value measurements and the related disclosure requirements under US GAAP and International Financial Reporting Standards ("IFRS"). This standard requires new disclosures, with a particular focus on Level 3 measurements, including; quantitative information about the significant unobservable inputs used for all Level 3 measurements; qualitative discussion about the sensitivity of recurring Level 3 measurements to changes in the unobservable inputs disclosed, including the interrelationship between inputs and a description of the company's valuation processes. This standard also requires disclosure of any transfers between Levels 1 and 2 of the fair value hierarchy; information about when the current use of a non-financial asset measured at fair value differs from its highest and best use and the hierarchy classification for items whose fair value is not recorded on the balance sheet but is disclosed in the notes. This standard was effective for interim and annual periods beginning after December 15, 2011. We adopted this standard effective January 1, 2012. See Note 9.

**3. Investment in Real Estate**

***Acquisitions***

During 2012, the Company through RIF V acquired four properties consisting of seven buildings and approximately 353,000 square feet. The properties are located throughout Southern California except for one property located in Glenview, Illinois. The total contract price for the 2012 acquisitions was $21.5 million.

During 2011, the Company through RIF V acquired 10 properties consisting of 27 buildings and approximately 684,000 square feet. The properties are located throughout Southern California except for one property located in Tempe, Arizona. The total contract price for the 2011 acquisitions was $50.5 million.

We expensed $0.6 million and $1.0 million for the year ended December 31, 2012 and 2011, respectively, for acquisition costs related to the above transactions.

The following table summarizes the allocations of estimated fair values of the assets acquired and liabilities assumed at the date of acquisition.

| | | Real estate assets: | | Acquisition-related intangibles | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Property | Acquisition Date | Land | Buildings and improvements | In-place Lease Intangibles[1] | Net Above (Below) Market Lease Intangibles[2] | Total Purchase Price | Other assets | Notes payable, accounts payable, accrued expenses and tenant security deposits | Net Assets Acquired |
| **2012 Acquisitions[3]:** | | | | | | | | | |
| Zenith Business Park | 5/1/2012 | $ 658,000 | $ 688,000 | $ 279,000 | $ — | $ 1,625,000 | $ 6,000 | $ (213,000) | $ 1,418,000 |
| Campus | 3/7/2012 | 2,600,000 | 1,631,000 | 588,000 | (20,000) | 4,799,000 | 13,000 | (529,000) | 4,283,000 |
| Del Norte | 12/18/2012 | 3,276,000 | 5,623,000 | 532,000 | 70,000 | 9,501,000 | 7,000 | (113,000) | 9,395,000 |
| Calvert | 12/21/2012 | 3,790,000 | 1,448,000 | 382,000 | — | 5,620,000 | 2,000 | (45,000) | 5,577,000 |
| **Total** | | $10,324,000 | $ 9,390,000 | $1,781,000 | $ 50,000 | $ 21,545,000 | $28,000 | $ (900,000) | $20,673,000 |
| **2011 Acquisitions:** | | | | | | | | | |
| Vinedo | 5/24/2011 | $ 2,623,000 | $ 2,081,000 | $ 452,000 | $ — | $ 5,156,000 | $ — | $ (10,000) | $ 5,146,000 |
| Odessa | 8/18/2011 | 1,218,000 | 1,542,000 | — | — | 2,760,000 | — | (3,000) | 2,757,000 |
| MacArthur | 8/4/2011 | 3,273,000 | 4,576,000 | 652,000 | — | 8,501,000 | — | (338,000) | 8,163,000 |
| Golden Valley | 11/1/2011 | 1,611,000 | 1,804,000 | 199,000 | (14,000) | 3,600,000 | 9,000 | (21,000) | 3,588,000 |
| Jersey[4] | 11/8/2011 | 2,540,000 | 4,453,000 | 527,000 | 122,000 | 7,642,000 | 11,000 | (5,506,000) | 2,147,000 |
| Arrow Business Center | 12/14/2011 | 3,223,000 | 1,766,000 | 348,000 | 112,000 | 5,449,000 | 6,000 | (88,000) | 5,367,000 |
| Normandie Business Center | 12/14/2011 | 3,077,000 | 1,077,000 | 244,000 | 27,000 | 4,425,000 | 5,000 | (64,000) | 4,366,000 |
| Shoemaker Industrial Park | 12/14/2011 | 3,504,000 | 1,937,000 | 210,000 | 34,000 | 5,685,000 | 7,000 | (66,000) | 5,626,000 |
| Paramount Business Center | 12/14/2011 | 1,387,000 | 963,000 | 151,000 | 49,000 | 2,550,000 | 3,000 | (43,000) | 2,510,000 |
| Interstate Commerce Center | 12/14/2011 | 1,223,000 | 2,860,000 | 501,000 | 166,000 | 4,750,000 | 3,000 | (99,000) | 4,654,000 |
| **Total** | | $23,679,000 | $23,059,000 | $3,284,000 | $ 496,000 | $ 50,518,000 | $44,000 | $ (6,238,000) | $44,324,000 |

(1) The weighted average amortization period of acquired in-place lease intangibles was approximately 4.3 years as of December 31, 2012.
(2) The weighted average amortization period of acquired above and below market leases was approximately 2.2 years as of December 31, 2012.
(3) 2012 Acquisitions does not include the acquisition of a 15.0% ownership interest in the unconsolidated joint venture entity that owns 3001-3233 Mission Oaks Boulevard. See Note 10 for additional information.
(4) In connection with this acquisition, we assumed secured debt with an outstanding principal balance of $5.4 million and initial fair value premium of $0.1 million.

The following table summarizes the results of operations for the properties acquired during 2011, noted in the tables above, as of their date of acquisition, through December 31, 2011. The results of operations for the 2012 acquisitions were not material individually or in aggregate to our combined financial statements and therefore, have not been disclosed.

| | Year Ended December 31, 2011 |
|---|---|
| Revenues | 1,006,000 |
| Net Income[1] | 113,000 |

(1) Reflects the net operating income less depreciation for these properties and amortization of acquired intangibles.

The following table of pro-forma combined results of operations of the Company for the year ended December 31, 2011 assumes that the properties acquired during 2011, noted in the tables above, were completed as of January 1, 2011. Pro-forma data may not be indicative of the results that would have been reported had the acquisitions actually occurred as of January 1, 2011, nor does it intend to be a projection of future results. The pro-forma results of operations for the 2012 acquisitions were not material individually or in aggregate to our combined financial statements and therefore, have not been disclosed.

| | Year Ended December 31, 2011 (unaudited) |
|---|---|
| Revenues | 32,988,000 |
| Net Income | (10,678,000) |

***Dispositions***

A summary of our property dispositions for the years ended December 31, 2012 and 2011 is as follows:

| Property | Location | Date of Disposition | Rentable Square Feet | Sales Price | Debt Satisfied | Gain/(Loss) Recorded |
|---|---|---|---|---|---|---|
| 639-641 Walnut Street[1] | Carson, CA | Oct 2012 | 36,825 | $ 3,683,000 | $ 3,366,000[2] | $ 55,000 |
| 400 Lombard Street[3] | Oxnard, CA | Jan 2011 | — | $ 4,475,000 | $ 4,262,000[2] | $ 2,503,000 |
| 4108-4122 Sorrento Valley Blvd.[4] | San Diego, CA | Oct 2011 | 114,564 | $ — | $ 15,068,000 | $ — |

(1) On October 16, 2012, we disposed of 639-641 Walnut Street located in Carson, California. We received gross proceeds from this transaction of $3.7 million, of which $3.4 million was used to repay indebtedness secured by the property. We recorded a $55,000 gain on sale of real estate as part of discontinued operations during the year ended December 31, 2012 upon disposition of this property.

(2) Amount represents the principal paid back to the lender to release the property from a larger pool of properties serving as collateral for the respective portfolio loan.

(3) On January 6, 2011, we disposed of a parcel of land located at 400 Lombard Street in Oxnard, California. We received gross proceeds of $4.5 million, of which $4.3 million were used to repay the indebtedness secured by the property. We recorded a $2.5 million gain on sale of real estate as part of discontinued operations during the year ended December 31, 2011 upon disposition of this property.

(4) On October 1, 2011, we disposed of 4108-4122 Sorrento Valley Blvd. located in San Diego, California to the property's lender through a deed-in-lieu foreclosure. We did not report any gain or loss upon disposition of this property as the property had been previously impaired.

***Assets Held for Sale***

As of December 31, 2012, our Worth Bonnie Beach, Williams and Glenoaks properties are classified as held for sale. As of December 31, 2011, our Worth Bonnie Beach, Williams, Glenoaks and Long Carson properties were classified as held for sale. The major classes of assets and liabilities of real estate held for sale were as follows:

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Investment in real estate, net | $ 10,882,000 | $ 14,731,000 |
| Other | 143,000 | 213,000 |
| | $ 11,025,000 | $ 14,944,000 |
| Notes payable | $ 7,118,000 | $ 10,584,000 |
| Accounts payable and other liabilities | 80,000 | 147,000 |
| | $ 7,198,000 | $ 10,731,000 |

***Discontinued Operations***

Loss from discontinued operations for the years ended December 31, 2012 and 2011 includes the results of operations and gain (loss) related to the property dispositions and assets held for sale summarized as follows:

| | For the Years Ended December, | |
|---|---|---|
| | 2012 | 2011 |
| Revenues | $ 1,229,000 | $ 2,079,000 |
| Operating expenses | (414,000) | (1,085,000) |
| Interest expense | (334,000) | (1,078,000) |
| Depreciation expense | (490,000) | (813,000) |
| Gain on sale of real estate | 55,000 | 2,503,000 |
| Income from discontinued operations | $ 46,000 | $ 1,606,000 |

**4. Intangible Assets**

The following summarizes our identifiable intangible assets and acquired above/below market lease assets at December 31:

| | 2012 | 2011 |
|---|---|---|
| **Acquired in-place lease intangibles** | | |
| Gross amount | $ 18,717,000 | $ 16,936,000 |
| Accumulated amortization | (15,647,000) | (13,498,000) |
| Net balance | $ 3,070,000 | $ 3,438,000 |
| **Acquired above market leases** | | |
| Gross amount | $ 731,000 | $ 661,000 |
| Accumulated amortization | (482,000) | (166,000) |
| Net balance | $ 249,000 | $ 495,000 |
| **Below market leases** | | |
| Gross amount | $ (3,711,000) | $ (3,692,000) |
| Accumulated accretion | 3,672,000 | 3,586,000 |
| Net balance | $ (39,000) | $ (106,000) |

We recorded net (amortization)/accretion of above/(below) market lease intangibles of $(0.2) million as a decrease to rental income for the year ended December 31, 2012 and $0.2 million as an increase to rental income for the year ended December 31 2011. We recorded amortization of in-place lease intangibles of $2.2 million and $1.0 million in the depreciation and amortization line item for the years ended December 31, 2012 and 2011, respectively.

The following table summarizes the estimated net amortization expense of above market leases and in-place lease intangibles at December 31, 2012 for the next five years:

| Years Ending December 31, | In-place Leases | Net Above/(Below) Market Leases | Total |
|---|---|---|---|
| 2013 | 1,284,000 | 146,000 | 1,430,000 |
| 2014 | 574,000 | 48,000 | 622,000 |
| 2015 | 354,000 | 23,000 | 377,000 |
| 2016 | 289,000 | 1,000 | 290,000 |
| 2017 | 261,000 | 1,000 | 262,000 |
| Thereafter | 308,000 | (9,000) | 299,000 |
| Total | $3,070,000 | $ 210,000 | $3,280,000 |

**5. Notes Receivable**

On December 2, 2010, we paid $3.7 million to acquire a $5.6 million mortgage loan secured by the Pasadena Foothill Center, an industrial property located in Pasadena, California. The note, which matures on August 1, 2017, is a 30-year amortizing loan which bears interest at a fixed rate of 6.06%.

On December 3, 2010, we paid $7.9 million to acquire a $14.6 mortgage loan secured by Calle Perfecto Business Park, an industrial property located in San Juan Capistrano, California. The loan, which matures on May 1, 2017, is a 30-year amortizing loan which bears interest at a fixed rate of 6.001%.

The following table summarizes the balance of our notes receivable:

| | Face Amount | Unrecognized Non-Accretable Yield | Unrecognized Accretable Yield | Note Receivable |
|---|---|---|---|---|
| **At December 31, 2012:** | | | | |
| Foothill | $ 5,370,000 | — | $ (1,394,000) | $ 3,976,000 |
| Calle Perfecto | 14,410,000 | (5,816,000) | (659,000) | 7,935,000 |
| Total | $ 19,780,000 | $ (5,816,000) | $ (2,053,000) | $ 11,911,000 |
| **At December 31, 2011:** | | | | |
| Foothill | $ 5,462,000 | — | $ (1,634,000) | $ 3,828,000 |
| Calle Perfecto | 14,525,000 | (5,816,000) | (779,000) | 7,930,000 |
| Total | $ 19,987,000 | $ (5,816,000) | $ (2,413,000) | $ 11,758,000 |

**6. NOTES PAYABLE**

A summary of our notes payable is as follows:

| | Principal Amount as of December 31, 2012 | Principal Amount as of December 31, 2011 | Contractual Maturity Date | Interest Rate |
|---|---|---|---|---|
| **Fixed Rate Debt** | | | | |
| RIF I Holdings, LLC | $ 41,238,000 | $ 41,238,000 | 5/31/2014 | 6.13% |
| RIF I—Walnut, LLC | 11,350,000 | 11,350,000 | 9/1/2013 | 6.23% |
| RIF II—Orangethorpe, LLC | 4,451,000 | 4,540,000 | 7/1/2013 | 5.147%(1) |
| RIF II—Easy Street, LLC | 5,310,000 | 5,407,000 | 4/1/2014 | 5.32%(1) |
| RIF III Holdings, LLC (Note A) | 78,338,000 | 77,273,000 | 8/31/2014 | 5.60%(2) |
| RIF III Holdings, LLC (Note B) | 410,000 | — | 8/31/2014 | 12.00%(3) |
| RIF V—Foothill, LLC | 2,542,000 | 2,588,000 | 9/1/2014(4) | 4.00%(5) |
| RIF V—Calle Perfecto, LLC | 5,429,000 | 5,526,000 | 9/1/2014(4) | 4.00%(6) |
| RIV V—Jersey, LLC | 5,355,000(7) | 5,512,000(7) | 1/1/2015 | 5.45%(1) |
| RIF V—Arroyo, LLC | 3,000,000 | — | 9/30/2014 | 4.50% |
| **Variable Rate Debt** | | | | |
| RIF I Holdings, LLC | $ 7,605,000 | $ 7,605,000 | 5/31/2014 | LIBOR + 1.00% |
| RIF I—Mulberry, LLC | 5,978,000 | 6,100,000 | 5/20/2014(8) | LIBOR + 2.75% |
| RIF II Holdings, LLC | 40,152,000 | 40,602,000 | 7/1/2013(8) | LIBOR + 3.50%(9) |
| RIF IV Holdings, LLC | 67,136,000 | 69,485,000 | 4/1/2013(8) | LIBOR + 4.00%(10) |
| RIF V—Grand Commerce Center, LLC | 6,000,000 | 6,000,000 | 3/4/2014(4) | LIBOR + 2.75%(11) |
| RIF V—Vinedo, LLC | 3,470,000 | 3,470,000 | 8/4/2014(8) | LIBOR + 2.75%(12) |
| RIF V—MacArthur, LLC | 5,475,000 | 5,475,000 | 12/5/2014(4) | LIBOR + 2.50%(13) |
| RIF V—Campus, LLC | 3,360,000 | — | 7/1/2015 | LIBOR + 2.50%(14) (15) |
| RIF V—Golden Valley, LLC | 2,900,000 | — | 6/1/2015(4) | LIBOR + 2.75%(16) |
| Cornerstone Portfolio | 16,610,000 | 15,413,000 | 12/9/2014(4) | LIBOR + 2.50% |
| | $ 316,109,000 | $ 307,584,000 | | |
| **Less: Mortgage Loans Associated with Real Estate Held for Sale** | (7,118,000) | (10,584,000) | | |
| | $ 308,991,000 | $ 297,000,000 | | |

(1) Monthly payments of interest and principal based on 30-year amortization table.
(2) Loan bears interest at 5.60%, with the option to pay a minimum interest rate of 4.25% per annum and to have the remaining 1.35% of the interest added to the principal outstanding.
(3) Loan bears interest at 12.00%, with the option to pay a minimum interest rate of 6.00% per annum and to have the remaining 6.00% of the interest accruing added to the principal outstanding.
(4) Two additional one year extensions available at the borrower's option.
(5) Monthly payments will include $3,900 of principal repayment together with accrued interest.
(6) Monthly payments will include $8,100 of principal repayment together with accrued interest.
(7) Includes unamortized debt premium of $0.1 million at December 31, 2012 and 2011 as discussed in further detail below.
(8) One additional one year extension available at the borrower's option. On April 1, 2013, we extended the maturity on these notes to October 1, 2013.
(9) Loan bears interest at LIBOR + 3.50% per annum through 12/31/12 and LIBOR +3.75% per annum thereafter. Monthly payments are interest only until 1/15/12. From 2/15/12 through 7/15/12, monthly payments include $25,000 of principal repayment, and $60,000 thereafter.
(10) Loan bears interest at LIBOR + 3.25% per annum through March 31, 2012 and LIBOR +4.00% per annum thereafter.

(11) Monthly payments are interest-only during the initial loan term. During the extension option period there will be fixed amortization of $8,600 per month based upon a 30-year amortization table.
(12) Monthly payments are interest-only during the initial loan term. During the extension option period there will be fixed amortization of $5,600 per month based upon a 30-year amortization table.
(13) Monthly payments are interest-only during the initial loan term. During the extension period there will be payments of interest and principal based upon a 25-year amortization table.
(14) Monthly payments are interest only until 7/31/13. Commencing on 8/1/13 through the maturity date, monthly payments will include $9,583 of principal repayment together with accrued interest.
(15) Loan bears interest at the Prime Rate + 2.50% or LIBOR + 2.50%, based on our election on a monthly basis, but subject to a Floor Rate of 2.50%.
(16) Monthly payments are interest only until 6/30/14. Commencing on 7/1/14 through the maturity date, there will be payments of interest and principal based upon a 25-year amortization table.

Effective November 1, 2011, we amended and restated our RIF III portfolio loan with a principal balance of $77.1 million ("Note A"). Note A bears interest at a fixed rate of 5.60% per annum, with an optional payment in kind election available, and has a maturity date of August 31, 2014. The payment in kind election allows us to pay monthly interest under Note A at the minimum payment rate of 4.25% per annum, and to have the remainder of the interest accruing hereunder added to the principal outstanding hereunder. We have added $1.0 million and $0.2 million to the principal balance under the payment in kind election as of December 31, 2012 and 2011, respectively. Additionally, there is $3.0 million available under a B-Note facility that can be used for tenant improvements and leasing commissions subject to certain terms and conditions of the loan. The B-Note facility bears interest at a rate of 12.0% per annum, with an optional payment in kind election available, and has a maturity date of August 31, 2014. The payment in kind election allows us to pay monthly interest under Note B at the minimum payment rate of 6.0% per annum, and to have the remainder of the interest accruing hereunder added to the principal outstanding hereunder.

On November 8, 2011, in connection with the acquisition of Jersey Business Park, we assumed a mortgage loan that is secured by the project. The assumed mortgage loan had a principal balance of $5.4 million at the acquisition date and was recorded at fair value at the date of acquisition resulting in an initial premium of $0.1 million. The loan, which was put in place in 2004 by the seller, is a non-recourse loan secured by the property which bears interest at a fixed rate of 5.45% with amortization over 30 years. As part of the loan assumption, we paid an assumption fee of 1.0% and funded a re-tenanting reserve of $0.1 million at the close of escrow. In addition, we are required to contribute $9,000 monthly to this reserve until the loan matures on January 1, 2015.

For our RIF II Holdings, LLC and RIF IV Holdings, LLC portfolio loans, there is a remaining holdback reserve of $1.1 million and $1.4 million available for tenant improvements, leasing commissions and capital renovations, as of December 31, 2012.

The following table summarizes aggregate future principal payments of consolidated debt (including debt classified as Held for Sale) as of December 31, 2012 and does not consider the extension options available to the Company as noted above:

| YearsEnding December 31, | |
|---|---|
| 2013 | $ 123,504,000 |
| 2014 | 181,438,000 |
| 2015 | 11,070,000 |
| Total[1] | $ 316,012,000 |

(1) Includes gross principal balance of outstanding debt before impact of $0.1 million debt premium.

Based on information currently available to the Company, we expect to repay, extend or refinance debt coming due during the remainder of 2013. Specifically, the maturing principal balances include the $40.2 million RIF II Holdings, LLC debt, $67.1 million of RIF IV Holdings, LLC debt, $4.4 million of RIF II – Orangethorpe, LLC debt, $11.4 million of RIF I—Walnut, LLC debt, and $0.4 million of other scheduled principal payments. As it relates to the RIF II Holdings, LLC and RIF IV Holdings, LLC debt, we have a one year extension available to us at our option and under certain conditions. The financial statements have been prepared assuming the Company is successful in repaying, extending or refinancing these maturities. In the event the Company is unable to repay, extend, or refinance the debt coming due in the remainder of 2013, a significant adverse impact on its financial condition and results of operations may occur. However, we believe the Company's financial exposure is limited by the non-recourse nature of the collateral securing the respective debt.

Our secured debt arrangements contain covenants and restrictions requiring us to meet certain financial ratios and reporting requirements. Some of the more restrictive financial covenants include a minimum debt service coverage ratio, a minimum interest coverage ratio, a minimum net worth requirement, and a minimum unrestricted liquid assets requirement. Noncompliance with one or more of the covenants and restrictions could result in the full or partial principal balance of the associated debt becoming immediately due and payable. We were in compliance with all of our debt covenants as of December 31, 2012 and 2011.

**7. Operating Leases**

We lease space to tenants primarily under non-cancelable operating leases that generally contain provisions for a base rent plus reimbursement for certain operating expenses. Operating expense reimbursements are reflected in our combined statements of operations as tenant recoveries.

Future minimum base rent under operating leases as of December 31, 2012 is summarized as follows:

| Years Ending December 31, | |
|---|---|
| 2013 | $ 28,819,000 |
| 2014 | 19,396,000 |
| 2015 | 12,380,000 |
| 2016 | 7,753,000 |
| 2017 | 5,110,000 |
| Thereafter | 6,880,000 |
| Total | $ 80,338,000 |

The future minimum lease payments in the table above exclude (i) tenant reimbursements, amortization of adjustments for deferred rent receivables and the amortization of above/below-market lease intangibles and (ii) assume that the termination options in some leases, which generally require payment of a termination fee, are not exercised.

**8. Interest Rate Contracts**

We recognized $2.4 million and $4.2 million, respectively, of gain on mark-to-market of our interest rate swaps. Our interest rate swap agreements were used to manage our exposure to interest rate movements associated with certain of our existing LIBOR-based variable rate debt, during the years ended December 31, 2012 and 2011.

On September 15, 2011, two of our interest rate swaps with a total notional value of $20.0 million and a strike rates of 4.745% reached maturity. On December 15, 2011, two additional interest rate swaps with a total notional value of $32.0 million and a strike rates of 5.0725%, reached maturity.

The following table is a summary of our interest rate swap agreements as of December 31, 2012 and 2011.

| Description | Effective Date | Termination Date | Interest Strike Rate | Fair Value as of December 31, 2012 | Fair Value as of December 31, 2011 | Notional Amount in Effect as of December 31, 2012 | Notional Amount in Effect as of December 31, 2011 |
|---|---|---|---|---|---|---|---|
| Rexford Industrial Fund II, LLC | 5/15/2006 | 12/15/2012 | 5.0925% | — | $ (269,000) | — | $ 6,100,000 |
| Rexford Industrial Fund III, LLC | 8/15/2006 | 12/15/2012 | 5.0965% | — | (1,286,000) | — | 29,000,000 |
| Rexford Industrial Fund III, LLC | 11/15/2006 | 3/15/2013 | 5.1100% | (49,000) | (275,000) | 5,000,000 | 5,000,000 |
| Rexford Industrial Fund IV, LLC | 9/17/2007 | 9/15/2012 | 4.8075% | — | (157,000) | — | 5,000,000 |
| Rexford Industrial Fund IV, LLC | 3/15/2008 | 12/15/2012 | 3.3900% | — | (423,000) | — | 15,000,000 |
| | | | | $ (49,000) | $ (2,410,000) | $5,000,000 | $60,100,000 |

**9. Fair Value Measurements**

The FASB fair value framework includes a hierarchy that distinguishes between assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market-based inputs. Level 1 inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable either directly or indirectly for similar assets and liabilities in active markets. Level 3 inputs are unobservable assumptions generated by the reporting entity.

*Recurring Measurements—Interest Rate Contracts*

The valuation of our interest rate swaps is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected future cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

The following table sets forth the liabilities that we measure at fair value on a recurring basis by level within the fair value hierarchy as of December 31, 2012 and 2011:

| Liabilities | Total Fair Value | Fair Value Measurements Using: Quoted Price in Active Markets for Identical Assets and Liabilities (Level 1) | Fair Value Measurements Using: Significant Other Observable Inputs (Level 2) | Fair Value Measurements Using: Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| *Interest rate swap at:* | | | | |
| December 31, 2012 | $ 49,000 | $ — | $ 49,000 | $ — |
| December 31, 2011 | $ 2,410,000 | $ — | $ 2,410,000 | $ — |

*Financial Instruments Disclosed at Fair Value*

The carrying amounts of cash and cash equivalents, restricted cash, rents and other receivables, other assets, accounts payable, accrued expenses and other liabilities, and tenant security deposits approximate fair value because of their short-term nature.

The fair value of our secured notes payable was estimated by calculating the present value of principal and interest payments, using currently available market rates, adjusted with a credit spread, and assuming the loans are outstanding through maturity.

The following table sets forth the carrying value and the estimated fair value of our notes payable as of December 31, 2012 and 2012:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| Liabilities | Total Fair Value | Quoted Price in Active Markets for Identical Assets and Liabilities (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Carrying Value |
| *Notes Payable at:* | | | | | |
| December 31, 2012 | $322,802,000 | $ — | $ 322,802,000 | $ — | $316,109,000 |
| December 31, 2011 | $314,015,000 | $ — | $ 314,015,000 | $ — | $307,584,000 |

**10. Related Party Transactions**

*Notes Payable*

On December 3, 2010, in connection with the acquisition of the note receivable secured by Calle Perfecto Business Park, RIF V issued two $2.0 million promissory notes, totaling $4.0 million, to investors of RIF V. The notes bore interest at a fixed rate of 8.0% for the first three months, and 10.0% thereafter, until maturity. These notes were repaid on September 7, 2011. We incurred interest expense in connection with these notes totaling $0.3 million in 2011, which are included in interest expense in our combined statements of operations.

*Howard Schwimmer*

We engage in transactions with Howard Schwimmer, our senior managing partner. We earn management and development fees and leasing commissions from entities controlled individually by Mr. Schwimmer. Fees and commissions earned from Mr. Schwimmer are included in management, leasing and development services in our combined statements of operations. We recorded $0.2 million and $0.1 million in management and leasing services revenue in 2012 and 2011, respectively.

**11. Commitments and Contingencies**

*Legal*—From time to time, we are subject to various legal proceedings that arise in the ordinary course of business. Management is not aware of any legal proceedings where the likelihood of a loss contingency is reasonably possible and the amount or range of reasonably possible losses is material to our results of operations, financial condition or cash flows.

*Environmental*—We monitor our properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist, we are not currently aware of any environmental liability with respect to the properties that would have a material effect on our combined financial condition, results of operations and cash flows. Further, we are not aware of any environmental liability or any unasserted claim or assessment with respect to an environmental liability that we believe would require additional disclosure or the recording of a loss contingency.

**12. Investment in Unconsolidated Real Estate Entities**

We own interests in two industrial properties through noncontrolling interests (i) in joint venture entities that we do not control but over which we exercise significant influence or (ii) as tenants-in-common subject to common control. We account for these investments under the equity method of accounting (i.e., at cost, increased

or decreased by our share of earnings or losses, less distributions, plus contributions and other adjustments required by equity method accounting, such as basis differences from other-than-temporary impairments, if applicable). Under current authoritative accounting guidance for investments in unconsolidated entities, we are required to periodically compare an investment's carrying value to its estimated fair value and recognize an impairment charge to the extent that the carrying value exceeds fair value and is considered to be other-than-temporary. As of December 31, 2012 and 2011, no other-than-temporary impairments have been recognized.

During the years ended December 31, 2012 and 2011, our unconsolidated real estate entities incurred $0.3 million and $39,000, respectively of management, leasing and development fees which was payable to us. We recognized $0.2 million and $26,000, respectively, of management, leasing and development fees for the years ended December 31, 2012 and 2011 which has been recorded in management, leasing and development services.

The following table sets forth our ownership interests in our equity method investments in real estate and their respective carrying values. The carrying values of these investments are affected by the timing and nature of distributions:

| Investment Property | Ownership Interest at December 31, 2012 | Carrying Value at December 31, 2012 | Carrying Value at December 31, 2011 |
|---|---|---|---|
| La Jolla Sorrento Business Park[1] | 70.00% | $ 9,988,000 | $ 10,191,000 |
| 3001-3223 Mission Oaks Boulevard[2] | 15.00% | 2,709,000 | — |
| | | $12,697,000 | $ 10,191,000 |

(1) This is a tenancy-in-common interest in which we share control equally with the other tenant-in-common partners.
(2) We acquired our interest in this investment in June 2012 as described below.

The following tables present combined summarized financial information of our equity method investment properties. Amounts provided are the total amounts attributable to the entities and do not represent our proportionate share:

| | Year Ended December 31, 2012 | Year Ended December 31, 2011 |
|---|---|---|
| **Revenues** | $ 5,402,000 | $ 975,000 |
| **Expenses** | (6,110,000) | (1,060,000) |
| **Net income (loss)** | $ (708,000) | $ (85,000) |

| | At December 31, 2012 | At December 31, 2011 |
|---|---|---|
| **Assets** | $ 71,242,000 | $11,148,000 |
| **Liabilities** | (42,265,000) | (128,000) |
| **Partners'/members' equity** | $ 28,977,000 | $11,020,000 |

*Acquisitions of Equity Investments*

On June 29, 2012, we entered into a joint venture with an institutional real estate investment manager for the purpose of acquiring an institutional-quality, Class "A," industrial portfolio located at 3001-3223 Mission Oaks Boulevard in Camarillo, California. The portfolio consists of three high-image single and multi-tenant industrial buildings totaling 1,184,717 square feet situated on 70.75 acres of land. We own a 15% interest and provide property management, asset management and leasing management services on behalf of the joint venture.

**13. Equity**

Controlling interests in the Company include the interests owned by partners of RILLC, and Rexford Sponsor V, LLC, and any interests held by their spouses and children ("RILLC and Affiliates"). Noncontrolling interests relate to all other interests not held by RILLC and Affiliates. Noncontrolling interests also includes the 27.76% interest of 10 investors in RIF I – Walnut, LLC, and the 3.23% interest of one investor in RIF IV – Burbank, LLC, both consolidated subsidiaries in the Company's financial statements as of December 31, 2012 and 2011.

Equity distributions by our Funds are allocated between the General Partner and Limited Partners (collectively "Partners") in accordance with each Fund's Operating Agreements. Generally this provides for distributions to be allocated to Partners, pari passu, in accordance with their respective percentage interests. After Partners have exceeded certain cash distribution thresholds, as defined in each Funds's Operating Agreement, then the General Partner may receive incentive promote cash distributions commensurate with the cash return performance hurdles also detailed in the Fund's Operating Agreement. Each Fund's Operating Agreement generally provides for income, expenses, gains and losses to be allocated in a manner consistent with cash distributions described above.

During November and December 2012, we granted to our employees a 9% equity interest in Rexford Fund V Manager, LLC's profits interest in RIF V. Rexford Fund V Manager, LLC is the controlling member of RIF V and is a wholly-owned subsidiary of Rexford Sponsor V, LLC. The equity interests are considered performance-based equity interests and are subject to graded vesting over a 7-year period subject to continued employment. The grant date fair value of these interests has been estimated to be approximately $1.1 million which will be amortized over the vesting period using the accelerated attribution method to the extent the required achievement and vesting of these interests remain probable.

As of December 31, 2012, RIF V had unfunded capital commitments of $39.0 million.

**14. Subsequent Events**

On January 31, 2013, we disposed of the 4578 Worth Street property located in Los Angeles, California. We received gross proceeds from this transaction of $4.1 million and recorded a gain on disposition after closing costs, of which $2.5 million was used to repay the portion of the RIF I portfolio loan secured by the property. The remaining proceeds were paid out as a distribution to investors in RIF I.

On February 8, 2013 the mortgage note borrower for our Pasadena Foothill Center loan paid the outstanding principal in full. We received gross proceeds from this payoff of $5.4 million, including $6,310 in per diem interest, of which $2.5 million was used to repay the loan secured by this note. The remaining proceeds were paid as a distribution to investors in RIF V.

On April 9, 2013, we acquired the property located at 5637 Arrow Highway and 8900-8980 Benson Avenue in Montclair, CA for a contract price of $7.2 million. The property consists of six multi-tenant industrial buildings totaling 88,146 square feet situated on 5.2 acres of land.

On April 17, 2013, we acquired the Glendale Commerce Center property located in Los Angeles, CA for a contract price of $56.2 million. The property consists of six industrial buildings and two retail buildings totaling 473,345 square feet situated on 20.48 acres of fee-simple land. As part of this acquisition, we also assumed the ground lease for a 1.0 acre parking lot adjacent to the acquired buildings.

We have evaluated subsequent events through the date on which these financial statements were issued.

## REXFORD INDUSTRIAL REALTY, INC. PREDECESSOR

## SCHEDULE III—REAL ESTATE AND ACCUMULATED DEPRECIATION

**December 31, 2012**
**(in thousands)**

| Property Name | Location | Encumbrances | Initial Cost | | Costs Capitalized Subsequent to Acquisition | Gross Amounts at Which Carried at Close of Period[10] | | | Accumulated Depreciation[2] | Year Build / Year Renovated | Year Acquired |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Land | Building & Improvements | Building & Improvements | Land[1] | Building & Improvements[1] | Total | | | |
| RIF I—Don Julian, LLC | City of Industry, CA | [3] | 3,875 | 2,407 | 8,917 | 3,875 | 11,324 | 15,199 | (4,351) | 1965, 2005 / 2003 | 2002 |
| RIF I—Lewis Road, LLC | Camarillo, CA | [3] | 4,150 | 3,050 | 6,819 | 4,150 | 9,869 | 14,019 | (3,969) | 1960-1963 / 2006 | 2003 |
| RIF I—Monrovia, LLC | Monrovia, CA | [3] | 2,317 | 2,534 | 705 | 2,317 | 3,239 | 5,556 | (1,440) | 1957, 1962 / 2004 | 2003 |
| RIF I—Mulberry, LLC | Whittier, CA | 5,978 | 3,469 | 1,629 | 1,013 | 3,469 | 2,642 | 6,111 | (615) | 1962 / 2009 | 2003 |
| RIF I—Oxnard, LLC | Oxnard, CA | [3] | 868 | — | 3,962 | 868 | 3,962 | 4,830 | (1,232) | 2005 | 2003 |
| RIF I—Valley Blvd., LLC | La Puente, CA | [3] | 2,539 | 2,020 | 2,129 | 2,539 | 4,149 | 6,688 | (1,569) | 1974 / 2007 | 2003 |
| RIF I—Walnut, LLC | Fullerton, CA | 11,898[3][4] | 6,817 | 6,089 | 534 | 6,817 | 6,623 | 13,440 | (2,370) | 1985-1986 /2005 | 2004 |
| RIF II—Bledsoe Avenue, LLC | Sylmar, CA | [5] | 2,525 | 3,380 | 3,895 | 2,525 | 7,275 | 9,800 | (1,612) | 1969, 2008 / 2006 | 2004 |
| RIF II—Crocker, LLC | Valencia, CA | [5] | 2,666 | 3,343 | 1,461 | 2,666 | 4,804 | 7,470 | (1,016) | 1987 / 2006 | 2004 |
| RIF II—Easy Street, LLC | Simi Valley, CA | 5,310 | 2,346 | 4,522 | 348 | 2,346 | 4,870 | 7,216 | (1,226) | 1991 / 2006 | 2004 |
| RIF II—First American Way, LLC | Poway, CA | [5] | 2,469 | 2,489 | 2,710 | 800 | 3,668 | 4,468 | (831) | 2002 / 2007 | 2005 |
| RIF II—Kaiser, LLC | Vista, CA | [5] | 3,357 | 4,512 | 717 | 3,357 | 5,229 | 8,586 | (1,230) | 1999 / 2007 | 2004 |
| RIF II—Orangethorpe, LLC | Anaheim, CA | 4,451 | 4,893 | 1,386 | 889 | 4,893 | 2,275 | 7,168 | (673) | 1973 / 2007 | 2005 |
| RIF II—Pioneer Avenue, LLC | Vista, CA | [5] | 1,784 | 2,974 | 1,413 | 1,784 | 4,387 | 6,171 | (928) | 1988 / 2006 | 2004 |
| RIF III—157th Street, LLC | Gardena, CA | [6] | 3,100 | 786 | 932 | 3,100 | 1,718 | 4,818 | (749) | 1960-1971 / 2006-2011 | 2006 |
| RIF III—Archibald, LLC | Rancho Cucamonga, CA | [6] | 3,572 | 3,239 | 1,389 | 1,808 | 3,205 | 5,013 | (1,200) | 1980 / 2007 | 2007 |
| RIF III—Avenue Stanford, LLC | Valencia, CA | [6] | 1,849 | 6,776 | 2,055 | 1,849 | 8,831 | 10,680 | (1,989) | 1987 / 2008 | 2006 |
| RIF III—Empire Lakes, LLC | Rancho Cucamonga, CA | [6] | 3,647 | 11,867 | 2,454 | 3,647 | 14,321 | 17,968 | (4,460) | 1988-1989 / 2006 | 2006 |
| RIF III—Glenoaks, LLC | Sun Valley, CA | [6] | 1,000 | 594 | 73 | 949 | 641 | 1,590 | (190) | 1974 | 2006 |
| RIF III—Impala, LLC | Carlsbad, CA | [6] | 5,470 | 7,308 | 1,136 | 5,470 | 8,444 | 13,914 | (1,971) | 1983 / 2006 | 2006 |
| RIF III—Irwindale, LLC | Irwindale, CA | [6] | 3,604 | 5,056 | 173 | 3,604 | 5,229 | 8,833 | (1,559) | 1989 | 2006 |
| RIF III—Santa Fe Springs, LLC | Santa Fe Springs, CA | [6] | 3,740 | 260 | 6,860 | 3,740 | 7,120 | 10,860 | (942) | 1982 / 2009 | 2006 |
| RIF III—Williams, LLC | Oxnard, CA | [6] | 4,414 | 5,773 | 584 | 4,414 | 6,357 | 10,771 | (2,696) | 1969 / 2006-2011 | 2005 |
| RIF III—Yarrow Drive, LLC | Carlsbad, CA | [6] | 5,001 | 7,658 | 2,216 | 5,001 | 9,874 | 14,875 | (3,189) | 1977-1988 /2006 | 2005 |
| RIF III—Yarrow Drive II, LLC | Carlsbad, CA | [6] | 3,473 | 5,119 | 751 | 3,473 | 5,870 | 9,343 | (1,762) | 1977 / 2006 | 2006 |
| RIF IV—Burbank, LLC | Burbank, CA | [7] | 6,304 | 2,996 | 4,808 | 6,304 | 7,804 | 14,108 | (1,716) | 1969 / 2009 | 2007 |
| RIF IV—Central, LLC | Riverside, CA | [7] | 3,323 | 1,118 | 987 | 1,441 | 1,581 | 3,022 | (506) | 1978 | 2007 |
| RIF IV—Cornerstone, LLC | Downey, CA | [7] | 6,974 | 2,902 | 29 | 6,974 | 2,931 | 9,905 | (318) | 2008 | 2009 |
| RIF IV—East 46th Street, LLC | Vernon, CA | [7] | 7,015 | 7,078 | 1,268 | 7,015 | 8,346 | 15,361 | (1,565) | 1961, 1983 / 2008-2010 | 2007 |
| RIF IV—Enfield, LLC | Palm Desert, CA | [7] | 1,110 | 1,189 | 216 | 397 | 698 | 1,095 | (212) | 1990 | 2007 |
| RIF IV—Glendale, LLC | Glendale, CA | [7] | 4,845 | 1,163 | 1,233 | 4,845 | 2,396 | 7,241 | (393) | 1949, 1961 / 2011-2012 | 2008 |

| Property Name | Location | Encumbrances | Initial Cost: Land | Initial Cost: Building & Improvements | Costs Capitalized Subsequent to Acquisition: Building & Improvements | Gross Amounts at Which Carried at Close of Period[10]: Land[1] | Gross Amounts at Which Carried at Close of Period[10]: Building & Improvements[1] | Gross Amounts at Which Carried at Close of Period[10]: Total | Accumulated Depreciation[2] | Year Build / Year Renovated | Year Acquired |
|---|---|---|---|---|---|---|---|---|---|---|---|
| RIF IV—Grand, LLC | Santa Ana, CA | [7] | 2,579 | 667 | 173 | 2,371 | 794 | 3,165 | (255) | 1973 / 2008 | 2007 |
| RIF IV—Harbor Warner, LLC | Santa Ana, CA | [7] | 3,028 | 1,058 | 507 | 3,028 | 1,565 | 4,593 | (523) | 1973 / 2008 | 2007 |
| RIF IV—Knollwood, LLC | Anaheim, CA | [7] | 1,893 | 465 | 52 | 1,200 | 364 | 1,564 | (187) | 1975 | 2007 |
| RIF IV—Long Carson, LLC | Long Beach, CA | [7] | 1,004 | 175 | 558 | 1,004 | 733 | 1,737 | (213) | 1981-1982 | 2007 |
| RIF IV—Newton, LLC | Carlsbad, CA | [7] | 3,152 | 7,155 | 946 | 1,692 | 4,981 | 6,673 | (1,187) | 1997-1999 / 2009 | 2007 |
| RIF IV—Poinsettia, LLC | Vista, CA | [7] | 4,453 | 5,900 | 542 | 2,830 | 4,480 | 7,310 | (1,020) | 1989 / 2007 | 2008 |
| RIF IV—San Gabriel, LLC | Pasadena, CA | [7] | 1,759 | 2,834 | 1,856 | 1,759 | 4,690 | 6,449 | (3,129) | 1947, 1985 /2009 | 2008 |
| RIF IV—West 33rd Street, LLC | National City, CA | [7] | 2,390 | 5,029 | 428 | 2,390 | 5,457 | 7,847 | (1,528) | 1969 / 2008 | 2006 |
| RIF V—Arrow Business Center, LLC | Irwindale, CA | [8] | 3,223 | 1,766 | 224 | 3,223 | 1,990 | 5,213 | (164) | 1987 | 2011 |
| RIF V—Arroyo, LLC | San Fernando, CA | 3,000 | 2,085 | 1,290 | 545 | 2,085 | 1,835 | 3,920 | (279) | 1969 / 2012 | 2010 |
| RIF V—Calvert, LLC | Van Nuys, CA | — | 3,790 | 1,448 | — | 3,790 | 1,448 | 5,238 | — | 1971 | 2012 |
| RIF V—Campus Avenue, LLC | Ontario, CA | 3,360 | 2,600 | 1,631 | 3 | 2,600 | 1,634 | 4,234 | (163) | 1964- 1966, 1973, 1987 | 2012 |
| RIF V—Del Norte, LLC | Oxnard, CA | — | 3,276 | 5,623 | — | 3,276 | 5,623 | 8,899 | — | 2000 | 2012 |
| RIF V—Golden Valley, LLC | La Puente, CA | 2,900 | 1,611 | 1,804 | 793 | 1,611 | 2,597 | 4,208 | (161) | 1978, 1988 /2012 | 2011 |
| RIF V—Grand Commerce Center, LLC | Santa Ana, CA | 6,000 | 3,401 | 3,995 | 174 | 3,401 | 4,169 | 7,570 | (510) | 1988 | 2010 |
| RIF V—Interstate Commerce Center, LLC | Tempe, AZ | [8] | 1,223 | 2,860 | 56 | 1,223 | 2,916 | 4,139 | (339) | 1987 | 2011 |
| RIF V—Jersey, LLC | Rancho Cucamonga, CA | 6,228[9] | 2,540 | 4,453 | 263 | 2,540 | 4,716 | 7,256 | (347) | 1988-1989 | 2011 |
| RIF V—MacArthur, LLC | Santa Ana, CA | 5,475 | 3,273 | 4,576 | 45 | 3,273 | 4,621 | 7,894 | (491) | 1973 | 2011 |
| RIF V—Normandie Business Center, LLC | Torrance, CA | [8] | 3,077 | 1,077 | 44 | 3,077 | 1,121 | 4,198 | (96) | 1989 | 2011 |
| RIF V—Odessa, LLC | Van Nuys, CA | — | 1,218 | 1,542 | 360 | 1,218 | 1,902 | 3,120 | (97) | 1970- 1972 / 2012 | 2011 |
| RIF V—Paramount Business Center, LLC | Paramount, CA | [8] | 1,387 | 963 | 33 | 1,387 | 996 | 2,383 | (75) | 1986 | 2011 |
| RIF V—Shoemaker Industrial Park, LLC | Santa Fe Springs, CA | [8] | 3,504 | 1,937 | 373 | 3,504 | 2,310 | 5,814 | (179) | 1978 / 2012 | 2011 |
| RIF V—Vinedo, LLC | Pasadena, CA | 3,470 | 2,623 | 2,081 | 34 | 2,623 | 2,115 | 4,738 | (247) | 1953 / 1993 | 2011 |
| RIF V—Zenith Business Park, LLC | Glenview, IL | [8] | 658 | 688 | 98 | 658 | 786 | 1,444 | (45) | 1978 | 2011 |
| | | 58,070 | 172,263 | 172,234 | 70,783 | 162,200 | 233,525 | 395,725 | (59,714) | | |

(1) During 2009, we recorded impairment charges totaling $19.6 million in continuing operations to write down our investments in real estate to fair value. Of this amount, $10.1 million in included as a reduction of "Land" in the table above, with the remaining $9.5 million included as a reduction of "Buildings and Improvements."
(2) The depreciable life for buildings and improvements ranges from 10-30 years for buildings, 20 years for site improvements, and the shorter of the estimated useful life or respective lease term for tenant improvements.
(3) These properties secure a $48.8 million loan.
(4) This property secures a $11.4 million loan.
(5) These properties secure a $40.2 million loan.
(6) These properties secure a $78.7 million loan.
(7) These properties secure a $67.1 million loan.
(8) These properties secure a $16.6 million loan.
(9) Includes unamortized premium of $0.1 million.
(10) The aggregate cost of properties for federal income tax purposes is approximately $371.0 million (unaudited) at December 31, 2012.

## REPORT OF INDEPENDENT AUDITORS

To the Stockholder of
Rexford Industrial Realty, Inc.

We have audited the accompanying statement of revenues and certain operating expenses of the Glendale Commerce Center ("Property") for the year ended December 31, 2012, and the related notes to the financial statement.

**Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of the statement of revenues and certain operating expenses in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of revenues over certain operating expenses that are free of material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the statement of revenues and certain operating expenses based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues over certain operating expenses is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of revenues and certain operating expenses. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of revenues over certain operating expenses, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the statement of revenues and certain operating expenses in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of revenues and certain operating expenses.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the statement of revenues and certain operating expenses referred to above presents fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of the Property for the year ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

**Basis of Accounting**

As described in Note 2 to the financial statement, the statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, and is not intended to be a complete presentation of the Property's revenues and expenses. Our opinion is not modified with respect to this matter.

/s/ Ernst & Young LLP

Los Angeles, California
May 23, 2013

**GLENDALE COMMERCE CENTER**

**STATEMENTS OF REVENUE AND CERTAIN OPERATING EXPENSES**
**(dollars in thousands)**

| | Three Months Ended March 31, 2013 (Unaudited) | Year Ended December 31, 2012 |
|---|---|---|
| **RENTAL REVENUES** | | |
| Rental revenues | $ 1,061 | $ 4,285 |
| Tenant reimbursements | 231 | 1,069 |
| **TOTAL RENTAL REVENUES** | 1,292 | 5,354 |
| **CERTAIN OPERATING EXPENSES** | | |
| Property expenses | 287 | 1,285 |
| **TOTAL OPERATING EXPENSES** | 287 | 1,285 |
| **REVENUES IN EXCESS OF CERTAIN OPERATING EXPENSES** | $ 1,005 | $ 4,069 |

See Accompanying Notes

**GLENDALE COMMERCE CENTER**

**NOTES TO STATEMENTS OF REVENUE AND CERTAIN OPERATING EXPENSES**
**(dollars in thousands)**

## 1. ORGANIZATION

Glendale Commerce Center (the "Property") is comprised of industrial and retail office buildings with 473,345 square feet on four tax parcels totaling 892,181 square feet of fee-simple land (20.48 acres), and assigned rights/position on one 43,560 square feet ground leased parcel of paved parking lot located at 3332-3380 & 3410-3424 N. San Fernando Road and 3550 Tyburn Street in Glendale, California.

These properties were acquired by RIF V—Glendale Commerce Center, LLC, RIF V—3360 San Fernando, LLC, and RIF V—GGC Alcorn, LLC which are all wholly-owned subsidiaries of Rexford Industrial Fund V, L.P. on April 17, 2013. Rexford Industrial Fund V, L.P. is jointly owned and controlled by Rexford Sponsor V, LLC and Rexford Industrial Fund V REIT, LLC. Both Rexford Sponsor V, LLC and Rexford Industrial Fund V, LLC and their subsidiaries are two of the entities that comprise Rexford Industrial Realty, Inc.'s Predecessor.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICES

Presented herein is the statement of revenues and certain expenses related to the operations of the Property.

The accompanying statement of revenues and certain operating expenses has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, for inclusion in Rexford Industrial Realty, Inc.'s Registration Statement on Form S-11. Accordingly, the statement is not representative of the actual operations for the period presented as revenues and certain operating expenses, which may not be directly attributable to the revenues and expenses expected to be incurred through the future operations of the Property, have been excluded. Such items include depreciation, amortization, interest expense, interest income, management fee expense, and amortization of above and below market leases.

***Revenue Recognition***

The Property recognizes rental revenue from tenants on a straight-line basis over the lease term when collectability is reasonably assured and the tenant has taken possession or controls the physical use of the leased asset.

Tenant recoveries related to reimbursement of real estate taxes, insurance, repairs and maintenance, and other operating expenses are recognized as revenue in the period the applicable expenses are incurred. The reimbursements are recognized and presented gross, as the Property is generally the primary obligor with respect to purchasing goods and services from third-party suppliers, has discretion in selecting the supplier and bears the associated credit risk.

***Use of Estimates***

A number of estimates and assumptions have been made relating to the reporting and disclosure of revenues and certain expenses during the reporting period to prepare the statement of revenues and certain expenses in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates.

**3. MINIMUM FUTURE LEASE RENTALS**

There are various lease agreements in place with tenants to lease space in the Property. As of March 31, 2013, the minimum future cash rents receivable under non-cancelable operating leases in each of the next five years and thereafter are as follows (unaudited and in thousands):

| Years Ending December 31 | |
|---|---|
| 2013 | $ 3,292 |
| 2014 | 4,065 |
| 2013 | 2,866 |
| 2016 | 2,028 |
| 2017 | 998 |
| Thereafter | 904 |
| Total | $14,153 |

Leases generally require reimbursement of the tenant's proportional share of common area, real estate taxes and other operating expenses, which are excluded from the amounts above.

**4. TENANT CONCENTRATIONS**

For the three months ended March 31, 2013 and the year ended December 31, 2012, one tenant represented 9% (unaudited) and 11%, respectively, of the Property's rental revenue.

**5. COMMITMENTS AND CONTINGENCIES**

The Property is subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance and the ultimate settlement of these actions will not have a material adverse effect on the Property's results of operations.

**6. SUBSEQUENT EVENTS**

Management evaluated subsequent events through May 23, 2013, the date the financial statements were available to be issued.

Until , 2013 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

# 16,000,000 Shares


**Common Stock**

**PROSPECTUS**

**BofA Merrill Lynch**
**Wells Fargo Securities**
**FBR**
**J.P. Morgan**
**PNC Capital Markets LLC**
**RBS**

**, 2013**

## PART II
## INFORMATION NOT REQUIRED IN PROSPECTUS

**Item 31. Other Expenses of Issuance and Distribution.**

The following table shows the fees and expenses, other than underwriting discounts, to be paid by us in connection with the sale and distribution of the securities being registered hereby. All amounts except the SEC registration fee and the FINRA fee are estimated.

| | |
|---|---|
| SEC Registration Fee | $ * |
| NYSE Listing Fee | * |
| FINRA Filing Fee | * |
| Printing and Engraving Expenses | * |
| Legal Fees and Expenses (other than Blue Sky) | * |
| Accounting and Fees and Expenses | * |
| Transfer Agent and Registrar Fees | * |
| Total | * |

* To be completed by amendment.

**Item 32. Sales to Special Parties.**

See response to Item 33 below.

**Item 33. Recent Sales of Unregistered Securities.**

In connection with the initial capitalization of our company, we issued 100 shares of our common stock to Michael S. Frankel. In connection with the formation transactions, an aggregate of 8,671,518 shares of common stock and common units with an aggregate value of $121.4 million, at the price per share in this offering, will be issued to certain persons owning interests in the entities that own the properties comprising our initial portfolio as consideration in the formation transactions. All such persons had a substantive, pre-existing relationship with us and made irrevocable elections to receive such securities in the formation transactions prior to the filing of this registration statement with the SEC. Prior to the filing of this registration statement, each such person consented to the contribution or merger of the entity or entities in which he or she holds an investment either to or with and into us or our operating partnership or with and into a wholly owned subsidiary of our operating partnership (or, in the case of reverse mergers, certain subsidiaries of our operating partnership will merge with and into such entities). All of such persons are "accredited investors" as defined under Regulation D of the Securities Act. The issuance of such shares and units will be effected in reliance upon exemptions from registration provided by Section 4(2) of the Securities Act and Regulation D of the Securities Act.

**Item 34. Indemnification of Directors and Officers.**

Maryland law permits a Maryland corporation to include in its charter a provision eliminating the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our charter contains a provision which eliminates our directors' and officers' liability to the maximum extent permitted by Maryland law.

Maryland law requires a Maryland corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made a party by reason of his or her service in that capacity. Maryland law permits a Maryland corporation to indemnify its present and former directors and officers, among others, against judgments,

penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or threatened to be made a party by reason of their service in those or other capacities unless it is established that: (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty; (b) the director or officer actually received an improper personal benefit in money, property or services; or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, Maryland law permits a Maryland corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

Our charter authorizes us to obligate ourselves and our bylaws obligate us, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify any present or former director or officer or any individual who, while a director or officer of our company and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any of the foregoing capacities and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. Our charter and bylaws also permit us to indemnify and advance expenses to any individual who served a predecessor of our company in any of the capacities described above and any employees or agents of our company or a predecessor of our company. Furthermore, our officers and directors are indemnified against specified liabilities by the underwriters, and the underwriters are indemnified against certain liabilities by us, under the underwriting agreement relating to this offering. See "Underwriting."

We intend to enter into indemnification agreements with each of our executive officers and directors whereby we indemnify such executive officers and directors to the fullest extent permitted by Maryland law against all expenses and liabilities, subject to limited exceptions. These indemnification agreements also provide that upon an application for indemnity by an executive officer or director to a court of appropriate jurisdiction, such court may order us to indemnify such executive officer or director.

In addition, our directors and officers are indemnified for specified liabilities and expenses pursuant to the partnership agreement of Rexford Industrial Realty, L.P., the partnership of which we serve as sole general partner.

**Item 35. Treatment of Proceeds From Stock Being Registered.**

None of the proceeds will be credited to an account other than the appropriate capital share account.

**Item 36. Financial Statements and Exhibits.**

(a) Financial Statements. See page F-1 for an index to the financial statements included in this registration statement.

(b) Exhibit. The following is a complete list of exhibits filed as part of the registration statement, which are incorporated herein:

| Exhibit | |
|---|---|
| 1.1* | Form of Underwriting Agreement |
| 2.1** | Form of Contribution Agreement by and among Rexford Industrial Realty, L.P., and Rexford Industrial Fund I, LLC |
| 2.2** | Form of Contribution Agreement by and among Rexford Industrial Realty, L.P., and Rexford Industrial Fund II, LLC |
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| 2.4** | Form of Contribution Agreement by and among Rexford Industrial Realty, L.P., and Rexford Industrial Fund IV, LLC |
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| 10.12* | Form of Term Loan Agreement among RIF I—Don Julian, LLC, RIF I—Lewis Road, LLC, RIF I—Walnut, LLC, RIF I—Oxnard, LLC, RIF II—Kaiser, LLC and RIF III—Irwindale, LLC, collectively as Borrower, and Bank of America, N.A., as Lender |
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| 10.16** | Term Loan Agreement dated as of April 16, 2013 by and among RIF V – Glendale Commerce Center, LLC, RIF V – GGC Alcorn, LLC and RIF V – 3360 San Fernando, LLC, collectively as Borrower, and Bank of America, N.A., as Lender |
| 10.17** | Term Loan Agreement dated as of June 28, 2012 between 3001 Mission Oaks Blvd LLC, as Borrower, and JPMorgan Chase Bank, N.A., as Lender |
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| 23.3(1) | Consent of DAUM Commercial Real Estate Services |
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* To be filed by amendment
** Filed herein
† Compensatory plan or arrangement
(1) Previously filed with the Registration Statement on Form S-11 filed by the Registrant on May 23, 2013
(2) Previously filed with Amendment No. 1 to the Registration Statement on Form S-11 filed by the Registrant on June 10, 2013

**Item 37. Undertakings**

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(i) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(ii) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-11 and has duly caused this Amendment No. 2 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Los Angeles, State of California, on the 9th day of July, 2013.

**Rexford Industrial Realty, Inc.**

By: /s/ Howard Schwimmer
Name: Howard Schwimmer
Title: *Co-Chief Executive Officer*

By: /s/ Michael Frankel
Name: Michael Frankel
Title: *Co-Chief Executive Officer*

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| * Richard Ziman | Chairman of the Board of Directors | July 9, 2013 |
| /s/ Howard Schwimmer Howard Schwimmer | Co-Chief Executive Officer and Director (Principal Executive Officer) | July 9, 2013 |
| /s/ Michael Frankel Michael S. Frankel | Co-Chief Executive Officer and Director (Principal Executive Officer) | July 9, 2013 |
| /s/ Adeel Khan Adeel Khan | Chief Financial Officer (Principal Financial and Accounting Officer) | July 9, 2013 |

*By: /s/ Michael Frankel
Attorney-in-Fact

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**Exhibit 2.1**

# CONTRIBUTION AGREEMENT

**by and among**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD INDUSTRIAL REALTY, INC.,**

**and**

**REXFORD INDUSTRIAL FUND I, LLC**

**Dated as of , 2013**

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| Formation Transaction Documentation | Section 6.02(v) |
| Formation Transactions | Section 6.02(w) |
| Fund Material Adverse Effect | Section 6.02(x) |
| Fund V Subsequent Investment Amount | Section 6.02(y) |
| Governmental Authority | Section 6.02(z) |
| Intellectual Property | Section 6.02(aa) |
| Intellectual Property Assets | Section 6.02(bb) |
| Interim Period | Section 6.02(cc) |
| JAMS | Section 6.08(b) |
| Laws | Section 6.02(dd) |

| | |
|---|---|
| Leases | Section 4.08(b) |
| Liens | Section 6.02(ee) |
| Lock-Up Agreement | Section 6.02(ff) |
| Management Companies | Section 6.02(gg) |
| Nominees | Section 1.02(a) |
| Offering | Recitals |
| Offering Closing Date | Section 6.02(hh) |
| Offering Document | Section 6.02(ii) |
| Offering Price | Section 6.02(jj) |
| OP Material Adverse Effect | Section 6.02(kk) |
| OP Units | Recitals |
| Operating Partnership | Introduction |
| Operating Partnership Agreement | Section 3.05 |
| Operating Partnership Subsidiary | Section 3.01(b) |
| Organizational Documents | Section 6.02(ll) |
| Other RIF Fund Contribution Agreements | Recitals |
| Outside Date | Section 2.06 |
| Permitted Liens | Section 6.02(mm) |
| Person | Section 6.02(nn) |
| Pre-Formation Interests | Section 6.02(oo) |
| Pre-Formation Participants | Section 6.02(pp) |
| Properties | Section 6.02(qq) |
| Register | Section 1.02(a) |
| Registration Rights Agreement | Section 6.02(rr) |
| REIT | Introduction |
| REIT Shares | Recitals |
| Rexford Entity | Section 6.02(ss) |
| RI LLC | Recitals |
| RIF V Fund | Recitals |
| RIF V Manager | Recitals |
| RIF V REIT | Recitals |
| RIF Fund Entity | Recitals |
| Sale Consent | Section 5.03(a) |
| SEC | Section 2.01(a)(i) |
| Securities Act | Section 6.02(tt) |
| Sponsor | Recitals |
| Subsidiary | Section 6.02(uu) |
| Target Asset | Section 6.02(vv) |
| Tax | Section 6.02(ww) |
| Tax Matters Agreement | Section 6.02(xx) |
| Tax Return | Section 6.02(yy) |
| Transfer Taxes | Section 5.03(b) |
| Valid Election | Section 6.02(zz) |

**CONTRIBUTION AGREEMENT**

THIS CONTRIBUTION AGREEMENT is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, and Rexford Industrial Fund I, LLC, a California limited liability company (the "Contributor"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which RIF V REIT will merge with and into the REIT and the equity interest in RIF V REIT will be converted automatically into the right to receive cash, without interest, or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or common units of partnership interest in the Operating Partnership ("OP Units") and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the completion of the transactions described in the preceding paragraphs, the parties to this Agreement wish to effect a transaction pursuant to which (a) the Contributor will contribute to the Operating Partnership all of the Contributor's direct and indirect interests (the "Contributed Interests") in the entities identified under the heading "Contributed Entities—Rexford Industrial Fund I, LLC" on Exhibit A hereto (the "Contributed Entities"), the Contributed Properties and the other Contributed Assets identified herein, and (b) the Operating Partnership shall acquire from the Contributor, all of the Contributor's right, title and interest in and to such Contributed Interests, Contributed Properties and the other Contributed Assets, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units and the assumption by the Operating Partnership of the Assumed Liabilities, all on the terms and subject to the conditions set forth herein;

WHEREAS, concurrently with the execution of this Agreement, each of Rexford Industrial Fund II, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity, the Contributor, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity") will enter into a contribution agreement with the REIT and the Operating Partnership on substantially the same terms as this Contribution Agreement (the "Other RIF Fund Contribution Agreements");

WHEREAS, in the event that all members of the Contributor or another RIF Fund Entity return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of this Agreement or the applicable Other RIF Fund Contribution Agreement, the REIT may elect to cause the applicable RIF Fund Entity to enter into an agreement and plan of merger with the Operating Partnership pursuant to which such RIF Fund Entity will merge with and into the Operating Partnership and the membership interests in such RIF Fund Entity will be converted automatically into the right to receive cash, REIT Shares and/or OP Units;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and the Contributor to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I
## CONTRIBUTION

Section 1.01 CONTRIBUTION TRANSACTION; ASSIGNMENT AND ASSUMPTION OF ASSUMED LIABILITIES.

(a) At the Closing and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the Contributor hereby contributes, assigns, sets over, transfers, conveys and delivers to the Operating Partnership, absolutely and unconditionally and free and clear of all Liens (other than those arising under Organizational Documents of the applicable Rexford Entities and Permitted Liens with respect to the Contributed Properties), all of its right, title and interest in and to the Contributed Assets, including all rights to indemnification in favor of the Contributor under the Organizational Documents; *provided*, that the Operating Partnership accepts the assignment by the Contributor and agrees to be bound by the terms of the Organizational Documents governing the Contributor's Contributed Interests and undertakes, assumes and agrees punctually and faithfully to perform, pay or discharge when due and otherwise in accordance with its terms, all agreements, covenants, conditions, obligations and liabilities of the Contributor in the applicable Rexford Entities with respect to the Contributor's Contributed Interests on or after the Closing Date.

(b) At the Closing and subject to the terms and conditions contained in this Agreement, the Operating Partnership assumes and agrees to pay, perform and discharge all of the Assumed Liabilities.

(c) Without limiting the foregoing, the Contributor, on behalf of itself and its Affiliates, consents to, and agrees and acknowledges that all requirements and conditions for the transactions contemplated by this Agreement, including the transfer of the Contributed Assets and the admission of the Operating Partnership as a partner or member of each of the Contributed Entities have been satisfied or otherwise waived.

(d) All of the parties hereto agree that, as a result of the assignment and assumptions hereunder, for purposes of the Organizational Documents governing the Contributed Entities, the Operating Partnership shall be a substituted general partner, limited partner, manager or member, as the case may be, of the applicable Contributed Entity.

Section 1.02 CONSIDERATION.

(a) At Closing, subject to the terms and conditions contained in this Agreement, the Contributor shall receive cash, OP Units and/or REIT Shares with an aggregate value equal to the Equity Value represented by the Contributed Assets as set forth on Schedule 1.02 hereto (collectively referred to as the "Contribution Consideration"). The parties acknowledge that, concurrently with the Closing, the Contributor expects to distribute the

Contribution Consideration to its members in accordance with irrevocable elections made by the members of the Contributor in a Consent Form submitted by such members to the Contributor, or, if any such member has failed to submit a Consent Form, in accordance with determinations made by the Contributor. As a means of expediting such distribution, the Operating Partnership agrees to deliver such cash, OP Units and/or REIT Shares directly to such members as the nominees of the Contributor (the "Nominees") in accordance with the allocation set forth onSchedule 1.02. The transfer of OP Units to any Nominee shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement), and the transfer of REIT Shares to any Nominee shall be evidenced by the establishment of a credit to a book-entry account at the REIT's transfer agent. Subject to Section 1.03, the amount of cash, number of OP Units and/or REIT Shares comprising the Contribution Consideration attributable to each Nominee shall be as follows:

(i) Cash. One hundred percent (100%) of the Allocated Share attributable to a Nominee who is not an Accredited Investor shall be paid in cash.

(ii) OP Units. The Elected OP Unit Percentage of the Allocated Share attributable to a Nominee who is an Accredited Investor shall be distributed in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. The Elected REIT Shares Percentage of the Allocated Share attributable to a Nominee who is an Accredited Investor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided, that* to the extent such distribution of REIT Shares to such Nominee would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), such Nominee shall receive (x) the maximum number of whole REIT Shares that would not result in such violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

(b) At Closing, each Nominee receiving OP Units in accordance with the foregoing shall be admitted as a limited partner of the Operating Partnership. By executing and delivering a Consent Form, each Nominee has agreed and accepted all of the terms and conditions of the Operating Partnership Agreement and shall be deemed to have executed and delivered a counterpart signature page to the Operating Partnership Agreement.

Section 1.03 FRACTIONAL INTEREST. No fractional OP Units or REIT Shares shall be issued pursuant to this Agreement or the other Formation Transaction Documentation. All fractional OP Units that a Nominee would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Nominee shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of an OP Unit to which the Nominee would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that a Nominee would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Nominee shall receive the number of whole REIT

Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which the Nominee would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.04 FURTHER ACTION. If, at any time after the Closing, the Operating Partnership shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Operating Partnership the right, title or interest in or to any Contributed Assets, the Contributor shall execute and deliver all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and take and do all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in such Contributed Assets or otherwise to carry out this Agreement.

Section 1.05 CALCULATION OF CONTRIBUTION CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the Closing, all calculations relating to the Contribution Consideration shall be performed in good faith by, or under the direction of, the REIT and the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the Contributor and each Nominee.

## ARTICLE II
## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the contributions contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto as Exhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the Operating Partnership. The obligations of the Operating Partnership to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the Contributor contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Contributor. The Contributor shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Contributor shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Contributor to consummate the transactions contemplated hereby shall have been obtained.

(v) No Fund Material Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a Fund Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. Each Nominee receiving REIT Shares or OP Units shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Nominee that will receive OP Units in the contribution contemplated by this Agreement and that (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of the Contributor. The obligation of the Contributor to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Contributor in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the Operating Partnership contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Operating Partnership. Except as would not have an OP Material Adverse Effect, the Operating Partnership shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the Contributor (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the closing of the contributions contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF CONTRIBUTION CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Closing, the Operating Partnership shall deliver to the Nominees the Contribution Consideration payable in the amounts and form provided in Section 1.02(a) and on Schedule 1.02. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.02(b) shall be evidenced by an entry to the Register. Any certificate representing REIT Shares issuable as Contribution Consideration shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO

BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Operating Partnership (or its successor in interest) shall not be liable to any Nominee for any portion of the Contribution Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered (a) an Assignment and Assumption of Assumed Contracts, (b) a Bill of Sale, (c) an Assumption of Assumed Liabilities, (d) an Assignment and Assumption of Membership Interests, (e) all documents required by a lender in connection with the assumption or prepayment of an Existing Loan at or prior to Closing, duly executed by the applicable party, and (f) any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Contributed Assets, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its allocable portion of such costs and expenses in accordance with the terms of those certain letter agreements identified on Schedule 2.05.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the Operating Partnership and the Contributor under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement such amounts as the Operating Partnership is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Operating Partnership, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Contributor or Nominee, as applicable.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OPERATING PARTNERSHIP

The Operating Partnership hereby represents and warrants to the Contributor as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) The Operating Partnership has been duly formed and is validly existing and in good standing under the Laws of its jurisdiction of formation, and, upon the effectiveness of the Operating Partnership Agreement, will have all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its

business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation) by the Operating Partnership has been duly and validly authorized by all necessary actions required of the Operating Partnership. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Operating Partnership, enforceable against the Operating Partnership in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the Operating Partnership in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the Contributor and the Contributed Entities, the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between

the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Operating Partnership, (b) any agreement, document or instrument to which the Operating Partnership or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Operating Partnership, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Operating Partnership Agreement")). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of the Operating Partnership, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the Operating Partnership to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby, to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement in substantially final form.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. The Operating Partnership has not entered into, and covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the Contributor or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the Operating Partnership shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the Operating Partnership contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTORS

Except as disclosed in the Offering Document or the schedules attached hereto, the Contributor hereby represents and warrants to the Operating Partnership that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY.

(a) The Contributor has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The Contributor, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

(b) Schedule 4.01(b) sets forth as of the date hereof with respect to the Contributor (i) each Contributed Entity, (ii) the direct or indirect ownership interest therein of the Contributor, (iii) if not wholly owned by the Contributor, the identity and ownership interest of each of the other owners of such Contributed Entity, (iv) each Contributed Property, (v) the ownership interest therein of the Contributor, (vi) if not wholly owned by the Contributor, the identity and ownership interest of each of the other owners of such Contributed Property. Such Contributed Entity has been duly organized and is validly existing and is in good standing under the Laws of its jurisdiction of organization, and has all requisite power and authority to own, lease and/or operate its Contributed Property and to carry on its business as presently conducted. Such Contributed Entity, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its Contributed Property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Except as set forth on Schedule 4.01(b), each of the Contributor and the Contributed Entities does not own any equity or ownership interest in any other Person.

(c) The Operating Partnership has been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the Contributor of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the Contributor. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Contributor or any Contributed Entity pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor or such Contributed Entity, each enforceable against the Contributor or such Contributed Entity in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 OWNERSHIP OF CONTRIBUTED ASSETS. The Contributor is the sole record owner of all of the Contributed Assets and has the power and authority to transfer, sell, assign and convey to the Operating Partnership the Contributed Assets free and clear of any Liens and, upon delivery of the consideration for the Contributed Assets as provided herein, the Operating Partnership will acquire good and valid title thereto, free and clear of any Liens (other than those Liens created by the Organizational Documents governing Contributed Interests). Except as provided for or contemplated by this Agreement or the other applicable Formation Transaction Documentation, there are no rights to purchase, veto rights with respect to transfers, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (a) relating to any of the Contributed Assets, (b) related to any of the Contributed Entities or (c) to purchase, transfer or to otherwise acquire, or to in any way encumber, any equity interest in any of the Contributed Entities or any of the Contributed Assets (including, without limitation, any securities or obligations of any kind convertible or exchangeable into any of the interests which comprise Contributed Interests). Except as set forth in the Organizational Documents, none of the Contributor or any of the Contributed Entities is a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the Contributor or any Contributed Entity in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the Contributor or the Contributed Entities is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Contributor or the Contributed Entities, (b) any agreement, document or instrument to which the Contributor or any Contributed Entity is a party or by which the Contributor, any Contributed Entity, any Contributed Property or any of the Contributed Assets are bound by or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Contributor (or its assets or properties), any Contributed Entity or any Contributed Property, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.06 LICENSES AND PERMITS. All notices, licenses, permits, certificates and authorizations required for the continued use, occupancy, management, leasing and operation of the Contributed Properties have been obtained or can be obtained without material cost, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the Operating Partnership, except in each case for items that, if not so obtained, obtainable and/or transferred, would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, nor has any one of them received any written notice of violation from any Governmental Authority or written notice of the intention of any entity to revoke any such notice, license, permit, certificate or authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority or other entity and except as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.07 COMPLIANCE WITH LAWS. The Contributor and the Contributed Entities have conducted their respective businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. There has not been committed by the Contributor or the Contributed Entities or, to the knowledge of the Contributor, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 CONTRIBUTED PROPERTIES.

(a) Except as set forth in Schedule 4.08(a), the Contributor or a Contributed Entity is the insured under a policy of title insurance as the owner of, and, to the knowledge of the Contributor, the Contributor or a Contributed Entity is the owner of, good marketable and insurable fee simple title (or, in the case of certain Contributed Properties, a tenancy-in-common estate) to the Contributed Property owned by the Contributor or the Contributed Entity, in each case free and clear of all Liens except for Permitted Liens. Prior to the Closing, neither the Contributor nor any of the Contributed Entities shall take or omit to take any action to cause any Lien to attach to any Contributed Property, except for Permitted Liens and Liens, if any, given to secure mortgage indebtedness encumbering such Contributed Property.

(b) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, (1) neither the Contributor nor any of the Contributed Entities nor, to the knowledge of the Contributor, any other party to any material agreement affecting any Property (other than a Lease (as such term is hereinafter defined) for space within such Property), is in breach or default of any such agreement, (2) to the knowledge of the Contributor, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any such agreement, or would, individually or together with all such other events, reasonably be expected to cause the acceleration of any material obligation of any party thereto or the creation of a Lien upon any asset of the Contributor or the Contributed Entities, except for Permitted Liens, or otherwise reasonably be expected to have a Fund Material Adverse Effect and (3) all agreements affecting any Property required for the continued use, occupancy, management, leasing and operation of such Property (exclusive of space Leases) are valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

(c) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect or that are otherwise disclosed on Schedule 4.08(c), (1) neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any other party to any Lease, is in breach or default of any such Lease, (2) to the knowledge of the Contributor, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any Lease or would permit termination, modification or acceleration under such Lease and (3) to the knowledge of the Contributor, each of the leases (and all amendments thereto or modifications thereof) to which the Contributor or the Contributed Entities is a party or by which the Contributor or the Contributed Entities or any Contributed Property is bound or subject (collectively, the "Leases") is valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.09 INSURANCE. Each of the Contributor or the Contributed Entities has in place the public liability, casualty and other insurance coverage with respect to each Contributed Property owned, leased and/or managed by it as the Contributor reasonably deems necessary and in all cases including such coverage as is required under the terms of any continuing loan or Lease. Each of the insurance policies with respect to each Contributed Property is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the knowledge of the Contributor, neither the Contributor nor the Contributed Entities have received from any insurance company any notices of cancellation or intent to cancel any insurance.

Section 4.10 ENVIRONMENTAL MATTERS. Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, to the knowledge of the Contributor, (A) the Contributor, the Contributed Entities and each Property are in compliance with all Environmental Laws, (B) neither the Contributor nor the Contributed Entities have received any written notice from any Governmental Authority or third party alleging that the Contributor or the Contributed Entities or any Contributed Property is not in compliance with applicable Environmental Laws, and (C) there has not been a release of a hazardous substance on any of the Contributed Properties that would require investigation or remediation under applicable Environmental Laws. The representations and warranties contained in this Section 4.10 constitute the sole and exclusive representations and warranties made by the Contributor concerning environmental matters.

Section 4.11 EMINENT DOMAIN. There is no existing or, to the knowledge of the Contributor, proposed or threatened condemnation, eminent domain or similar proceeding, or private purchase in lieu of such a proceeding which would affect any of the Contributed Properties, except for such proceedings that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.12 EXISTING LOANS. Schedule 4.12 lists, as of the date hereof, all secured loans presently encumbering the Properties or any direct or indirect interest in the Contributor or any Contributed Entities, and any unsecured loans relating thereto to be assumed by the REIT or any Subsidiary of the REIT at Closing (collectively, the "Existing Loans"). Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect or that are otherwise disclosed on Schedule 4.12, no monetary default (beyond applicable notice and cure periods) by any party exists under any of the Existing Loans and the documents entered into in connection therewith (collectively, the "Existing Loan Documents") and no non-monetary default (beyond applicable notice and cure periods) by any party exists under any of such Existing Loan Documents.

Section 4.13 FINANCIAL STATEMENTS. The consolidated financial statements of the Contributor and the Contributed Entities included in the Offering Document have been prepared in all material respects in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), subject, in the case of unaudited statements, to normal year-end audit adjustments, and fairly present in all material respects the financial condition and results of operations of the Contributor and the Contributed Entities as of the dates indicated therein and for the periods ended as indicated therein.

Section 4.14 TAXES.

(a) Contributor has timely and properly filed (or caused to be timely and properly filed) all Tax Returns required to be filed by it and each Contributed Entity (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so) and all such Tax Returns are accurate and complete in all material respects;

(b) Contributor and each Contributed Entity have paid (or have had paid on their behalf) all Taxes as required to be paid by them;

(c) no income or material non-income Tax Returns filed by Contributor or any Contributed Entity are the subject of a pending or ongoing audit, and

(d) no deficiencies for any income or material non-income Taxes have been proposed, asserted or assessed against Contributor or any Contributed Entity, and no requests for waivers of the time to assess any such Taxes are pending. Since its formation, for U.S. federal income tax purposes, each of Contributor and each Contributed Entity has been treated as a partnership or as a disregarded entity, and not as a corporation or an association taxable as a corporation.

Section 4.15 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance there is no action, suit or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor, any of the Contributed Entities or any of the Contributed Properties, or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation which, if adversely determined, would not have a Fund Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor, any of the Contributed Entities or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, which challenges or impairs the ability of the Contributor or any Contributed Entities to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents to be executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters fully covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the Contributor, the Contributed Entities or any officer, director, principal, managing member or general partner of any of the foregoing in their capacity as such which would reasonably be expected to have a Fund Material Adverse Effect. None of the Contributor, the Contributed Entities or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Fund Material Adverse Effect.

Section 4.16 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Contributor's knowledge, threatened against the Contributor, any Contributed Entities or any Contributed Property, nor are any such proceedings contemplated by the Contributor.

Section 4.17 SECURITIES LAW MATTERS. The Contributor acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to the Contributor and any Nominees to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such Contributor and Nominee as an "accredited investor" (within the meaning of Rule 501(a) of Regulation D under the Securities Act) acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by the Contributor and any Nominee electing to receive REIT Shares or OP Units as consideration in the Contribution, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.18 NO BROKER. The Contributor has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.19 OWNERSHIP OF CERTAIN ASSETS. Except as set forth inSchedule 4.19, neither the Contributor nor any of the Contributed Entities owns any loan assets or other securities of any issuer except for equity interests in other Contributed Entities.

Section 4.20 EMPLOYEES. None of the Contributor or any of the Contributed Entities has or has ever had any employees.

Section 4.21 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in thisArticle IV and any other agreement entered into by the Contributor in connection with the Formation Transactions, the Contributor shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.22 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.17) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the Contributor shall use commercially reasonable efforts to (and shall cause each of the Contributed Entities to) conduct its businesses and operate and maintain the Contributed Properties in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, the Contributor shall not (and shall not permit any of the Contributed Entities to) without the prior written consent of the REIT, which consent may be withheld by the REIT in its sole discretion:

(a) (i) other than distributions to the members of the Contributor in connection with such members' payment of any Taxes related to their ownership of the membership interest of the Contributor or as otherwise contemplated by this Agreement, declare, set aside or pay any dividends or distributions in respect of any Contributed Interests, except in the ordinary course of business consistent with past practice and in accordance with the applicable governing document of the Contributor, (ii) issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any Contributed Interests or make any other changes to the equity capital structure of the Contributor or the Contributed Entities, or (iii) purchase, redeem or otherwise acquire any Contributed Interests or interests of the Contributed Entities or any other securities thereof;

(b) other than in accordance with Section 4.08(a), issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, any limited liability company, partnership interests or other equity interests of the Contributor or of the Contributed Entities or any other assets of the Contributor or the Contributed Entities;

(c) amend, modify or terminate any lease, contract or other instruments relating to a Contributed Property, except in the ordinary course of business consistent with past practice;

(d) amend its certificate of formation and limited liability company agreement;

(e) adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(f) materially alter the manner of keeping the Contributor's or the Contributed Entities' books, accounts or records or the accounting practices therein reflected;

(g) file an entity classification election pursuant to Treasury Regulation Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributor or any Contributed Entity as an association taxable as a corporation for United States federal income tax purposes; make or change any other Tax elections; settle or compromise any claim, notice, audit report or assessment in respect of Taxes; change any annual

Tax accounting period; adopt or change any method of Tax accounting; file any amended Tax Return; enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any Tax; surrender of any right to claim a Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(h) terminate or amend any existing insurance policies affecting any Contributed Property that results in a material reduction in insurance coverage for such Contributed Property;

(i) knowingly cause or permit the Contributor or any Contributed Entity to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(j) take any action or fail to take any action the result of which would have a Fund Material Adverse Effect; or

(k) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE CONTRIBUTOR. Each of the Operating Partnership and the Contributor shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Contribution Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the Contributor contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the Contributor distributes such OP Units to the Nominees. As a result, (i) in accordance with Treasury Regulations Section 1.708-1(c)(4), any payment of cash or REIT Shares attributable to a Nominee shall be treated as a sale by such Nominee of its interests in the Contributor and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) Contributor shall cause each such Nominee who receives cash and/or REIT Shares to explicitly agree and consent (the "Sale Consent") to such treatment in their Consent Forms as a condition to electing such consideration. To the extent the Operating Partnership acquires any interests in the Contributor as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property

attributable to such interests shall be treated as a distribution by the Contributor in redemption of such interests. Notwithstanding Section 1.02 and any Nominee's election as to the form of its Contribution Consideration, if any Nominee (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such Nominee's Contribution Consideration shall consist solely of OP Units. Notwithstanding Sections 1.03 and 2.03(a), any cash paid as the Contribution Consideration shall be paid only after the receipt of a Sale Consent from such Nominee.

(b) All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne by the Operating Partnership. The parties agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Transfer Taxes that could be imposed in connection with the transactions contemplated hereby.

(c) The Contributor shall timely file or cause to be timely filed when due all income Tax Returns required to be filed by the Contributor and shall pay or cause to be paid all income Taxes required to be paid.

(d) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all other Tax Returns of the Contributor and all Tax Returns of each Contributed Entity which are due after the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(e) The REIT, the Operating Partnership and the Contributor shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The REIT, the Operating Partnership and the Contributor further agree, upon request, to use their reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed with respect to the transactions contemplated hereby.

(f) Prior to Closing, the Contributor shall deliver to the Operating Partnership a properly executed certificate prepared in accordance with Treasury regulations section 1.1445-2(b) certifying the Contributor's non-foreign status, and if requested by the Operating Partnership, and any similar withholding certificates or other forms under applicable state, local or foreign Tax laws.

(g) The REIT and the Operating Partnership make no representations or warranties to the Contributor, the Nominees or to the Rexford Entities regarding the Tax treatment of the contributions pursuant to this Agreement or of the other Formation Transactions,

or with respect to any other Tax consequences to the Contributor or any Contributed Entity of this Agreement or the other Formation Transactions. The Contributor acknowledges that each Contributed Entity, the Contributor and the Nominees are relying solely on their own Tax advisors in connection with this Agreement and the other Formation Transactions.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the Contributor, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, waives and relinquishes all rights and benefits otherwise afforded to the Contributor and such Nominees (a) under the Organizational Documents of the Contributed Entities including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by the other equity holders of the Contributed Entities of the Contributed Assets to the Operating Partnership, the REIT or any Affiliate thereof and any and all notice provisions related thereto, (b) to the extent permissible under applicable Laws, any statutory rights with respect to the Contributed Assets or the Contributed Entities and (c) for claims against the REIT or the Operating Partnership for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The Contributor acknowledges, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents of any Contributed Entity or other agreements among one or more holders of Contributed Assets or one or more of the partners or members of any Contributed Entity. With respect to each Contributed Entity and each Contributed Property, the Contributor expressly gives, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to such Contributed Entity or Contributed Property. In addition, the Contributor agrees, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents of the applicable Contributed Entity to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents of any Contributed Entity, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the Contributor and the Contributed Entities shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05.

Section 5.06 ALTERNATE TRANSACTION. In the event that the REIT determines that a structure change is necessary, advisable or desirable, the REIT may elect, in its sole and absolute discretion, to effect an Alternate Transaction (subject to the limitations in the definition thereof), without the need for the REIT to seek any further consent or action from the Contributor or any Nominee, and the Contributor shall, and it shall cause its members and Subsidiaries to, enter into such agreements as shall be necessary to consummate the Alternate Transaction. Without limiting the foregoing, in the event that all members of the Contributor return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of this Agreement, the REIT may elect to cause the Contributor to enter into an agreement and plan of merger with the Operating Partnership pursuant to which the Contributor will merge with and into the Operating Partnership and the membership interests in the Contributor will be converted automatically into the right to receive cash, REIT Shares and/or OP Units. In the event that an Alternate Transaction is used to effect the transactions contemplated by this Agreement, then the REIT may elect to terminate this Agreement without any liability or obligation to any Person.

Section 5.07 ELIMINATED ASSETS. The parties hereby agree that the Operating Partnership shall have the right, in its sole discretion, to exclude any Contributed Asset, or any interest held directly or indirectly through a Contributed Asset (the "Eliminated Assets"), from this contribution after the date hereof until the Closing, provided that the Operating Partnership shall provide prior written notice to the Contributor regarding such exclusion. Immediately prior to the Closing and after such amounts are reasonably determined, the Contributor and each Contributed Entity shall distribute or cause to be distributed or paid out the Eliminated Assets.

## ARTICLE VI
## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT or the Operating Partnership, to:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the Contributor:

c/o Rexford Industrial, LLC
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention:Howard Schwimmer and Michael S. Frankel

Section 6.02 DEFINITIONS . For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Contribution Consideration that would be distributed to a Pre-Formation Participant as a Nominee of the Contributor in accordance with the provisions of the Contributor's Organizational Documents relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Alternate Transaction" means any transaction structure, other than that contemplated by this Agreement, pursuant to which the REIT, the Operating Partnership or any of their Subsidiaries acquire all or a portion of the interests in the Contributor or the Contributed Assets or the assets held directly or indirectly by the applicable Rexford Entities in a transaction pursuant to which the Contributor and/or the Nominees receive the amount of cash, the number of OP Units and/or the number of REIT Shares that were to be received by the Contributor and/or the Nominees pursuant to this Agreement (or a portion thereof equal in value to the value of the portion of such assets acquired by the REIT, the Operating Partnership or any of their Subsidiaries pursuant to such Alternate Transaction); *provided*, that such structure will not (i) result in a breach of the Contributor's or any applicable Contributed Entity's governing documents and (ii) would not give rise to dissenters' or appraisal rights by the members of the Contributor, unless such rights have fully waived by all such members in the Consent Forms.

(e) "Assignment and Assumption of Assumed Contracts" means that certain Assignment and Assumption of Assumed Contracts, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit G.

(f) "Assignment and Assumption of Membership Interests" means that certain Assignment and Assumption of Membership Interests, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit H.

(g) "Assumed Contracts" means all contracts, agreements, commitments, understandings and licenses of the Contributor.

(h) "Assumed Liabilities" means any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by the Contributor of any type, whether accrued, absolute, contingent, matured, unmatured, known or unknown or otherwise, including, without limitation, all such liabilities, whether past, currently existing or hereafter arising, relating to the ownership of Contributed Assets or the businesses conducted with such Contributed Assets.

(i) "Assumption of Assumed Liabilities" means that certain Assumption of Assumed Liabilities, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit I.

(j) "Bill of Sale" means that certain Bill of Sale, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit J.

(k) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(l) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(m) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder (as Nominee or otherwise) in the Formation Transactions.

(n) "Contributed Assets" means, other than the Excluded Assets, all of the Contributor's right, title and interest in, under and to all of the assets, properties and rights of the Contributor of every kind, nature and description, whether such assets, properties and rights are real, personal or mixed, tangible or intangible, including without limitation:

(i) the Contributor's Contributed Interests;

(ii) cash and cash equivalents;

(iii) all accounts or notes receivable held by the Contributor, and any security, claim, remedy or other right related to any of the foregoing;

(iv) all inventory, finished goods, raw materials, work in progress, packaging, supplies, parts and other inventories;

(v) the Assumed Contracts;

(vi) all Intellectual Property Assets;

(vii) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones and other tangible personal property;

(viii) all permits, including environmental permits, which are held by the Contributor and required for the conduct of the Contributor's business as currently conducted or for the ownership and use of the Contributed Assets;

(ix) all rights to any actions, claims or suits of any nature available to or being pursued by the Contributor to the extent related to the Contributor's business, the Contributed Assets or the Assumed Liabilities, whether arising by way of counterclaim or otherwise;

(x) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees (including any such item relating to the payment of taxes);

(xi) all of the Contributor's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Contributed Assets;

(xii) all insurance benefits, including rights and proceeds, arising from or relating to the Contributor's business, the Contributed Assets or the Assumed Liabilities;

(xiii) originals, or where not available, copies, of all books and records, including, but not limited to, books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, customer and tenant data, other records and data (including all correspondence with any Governmental Authority), strategic plans, internal financial statements, marketing and promotional surveys, and other similar documents and data; and

(xiv) all goodwill and the going concern value of the Contributor's business.

(o) "Contributed Properties" means all Properties owned directly or indirectly, in whole or in part, by the Contributed Entities, as identified on Schedule 4.01(b).

(p) "Elected OP Unit Percentage" means, with respect to the Contribution Consideration to be received by any Nominee, the percentage of the Allocated Share that the Nominee has made a Valid Election to receive in the form of OP Units.

(q) "Elected REIT Share Percentage" means, with respect to the Contribution Consideration to be received by any Nominee, the percentage of the Allocated Share that the Nominee has made a Valid Election to receive in the form of REIT Shares.

(r) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(s) "Environmental Laws" means all federal, state and local Laws governing pollution or the protection of human health or the environment.

(t) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(u) "Excluded Assets" means (i) the assets identified on Schedule 5.05 and (ii) any interest excluded from the contribution hereunder in accordance with Section 5.07.

(v) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit K hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(w) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(x) "Fund Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Contributor, the Contributed Entities or Contributed Properties, taken as a whole.

(y) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(z) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(aa) "Intellectual Property" means all of the following and similar intangible property and related proprietary rights, interests and protections, however arising, pursuant to the Laws of any jurisdiction throughout the world: (a) trademarks, service marks, trade names, brand names, logos, trade dress and other proprietary indicia of goods and services, whether registered or unregistered, and all registrations and applications for registration of such trademarks, including intent-to-use applications, all issuances, extensions and renewals of such registrations and applications and the goodwill connected with the use of and symbolized by any of the foregoing; (b) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or Governmental Authority; (c) original works of authorship in any medium of expression, whether or not published, all copyrights (whether registered or unregistered), all registrations and applications for registration of such copyrights, and all issuances, extensions and renewals of such registrations and applications; (d) confidential or proprietary information, formulas, designs, devices, technology, know-how, research and development, inventions, methods, processes, compositions and other trade secrets, whether or not patentable and whether or not the foregoing has been reduced to a writing or other tangible form, and all improvements, documents and things embodying, incorporating, or referring in any way to the foregoing; (e) patented and patentable designs and inventions, all design, plant and utility patents, letters patent, utility models, pending patent applications and provisional applications and all issuances, divisions, continuations, continuations-in-part, reissues, extensions, reexaminations and renewals of such patents and applications; (f) all other

intellectual property and proprietary rights, of every kind and nature throughout the world and however designated in all media in existence now or hereafter developed (including without limitation, moral rights, character rights, publicity rights, privacy rights and "rental" rights), whether arising by operation of law, contract, license or otherwise; and (g) all rights to sue and recover and retain damages, costs and attorneys' fees for past, present and future infringement, misappropriation, or other unauthorized use, and any other rights relating to any of the foregoing.

(bb) "Intellectual Property Assets" means all Intellectual Property of the Contributor.

(cc) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(dd) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(ee) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(ff) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(gg) "Management Companies" means, collectively RIF V Manager, Sponsor, and RI LLC.

(hh) "Offering Closing Date" means the closing date of the Offering.

(ii) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(jj) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(kk) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the Operating Partnership and each Operating Partnership Subsidiary, taken as a whole.

(ll) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the Contributor or the applicable Contributed Entity.

(mm) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by

appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by Governmental Authorities having jurisdiction over the Contributed Properties; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that do not materially impair the use of the Contributed Properties for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens securing financing or credit arrangements existing as of the Closing Date; (v) Liens arising under Leases in effect as of the Closing Date; (vi) any exceptions contained in any title policy (including any policy issued to a secured lender) relating to the Contributed Properties as of the Closing Date; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP, and which are not, in the aggregate, material to the business, operations and financial condition of the Contributed Properties so encumbered.

(nn) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(oo) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(pp) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Companies immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or Property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(qq) "Properties" means the real properties owned directly or indirectly, in whole or in part, by the Rexford Entities.

(rr) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(ss) "Rexford Entity" means a RIF Fund Entity, the Management Companies and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(tt) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(uu) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii) (A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(vv) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(ww) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(xx) "Tax Matters Agreement" means that certain Tax Matters Agreement, by and among the REIT, the Operating Partnership and the other parties identified as signatories therein.

(yy) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(zz) "Valid Election" means, with respect to any Nominee, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units or REIT Shares as indicated on the properly completed and timely received Consent Form of the Nominee or a Consent Form as to which any deficiencies have been waived by the REIT.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Forms to which the Nominees are a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person (including any Nominee) other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the Operating Partnership may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION . The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that this Section 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant to Section 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the REIT and the Operating Partnership, on the one hand, and the Contributor, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the REIT and the Operating Partnership and the Contributor cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY . Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented,

including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES . The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Contributor and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE . Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS . The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the Operating Partnership or the Contributor.

Section 6.15 CONSENT OF PARTNER, MANAGER or MEMBER. In accordance with the terms of certain of the agreements governing the Contributed Interests, the undersigned, in its capacity as a partner, manager or member of one or more of the Contributed Entities, consents to the applicable transfers contemplated in Section 1.01 hereof and the admission of the Operating Partnership as a substituted partner or member in each applicable Contributed Entity and waives any right of first refusal which the undersigned has with respect of the transfer of any of the Contributed Interests to the Operating Partnership.

Section 6.16 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.17 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the Contributor, at any time prior to the Closing Date; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the Contributor, without the prior written consent of the Contributor.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL FUND I, LLC,
a California limited liability company

By: _____
Name:
Title:

By: _____
Name:
Title:

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation

Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(u) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1—Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 -25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 -75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 2.2**

# CONTRIBUTION AGREEMENT

**by and among**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD INDUSTRIAL REALTY, INC.,**

**and**

**REXFORD INDUSTRIAL FUND II, LLC**

**Dated as of , 2013**

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| OP Material Adverse Effect | Section 6.02(kk) |
| OP Units | Recitals |
| Operating Partnership | Introduction |
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**CONTRIBUTION AGREEMENT**

THIS CONTRIBUTION AGREEMENT is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, and Rexford Industrial Fund II, LLC, a California limited liability company (the "Contributor"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which RIF V REIT will merge with and into the REIT and the equity interest in RIF V REIT will be converted automatically into the right to receive cash, without interest, or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or common units of partnership interest in the Operating Partnership ("OP Units") and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the completion of the transactions described in the preceding paragraphs, the parties to this Agreement wish to effect a transaction pursuant to which (a) the Contributor will contribute to the Operating Partnership all of the Contributor's direct and indirect interests (the "Contributed Interests") in the entities identified under the heading "Contributed Entities—Rexford Industrial Fund II, LLC" on Exhibit A hereto (the "Contributed Entities"), the Contributed Properties and the other Contributed Assets identified herein, and (b) the Operating Partnership shall acquire from the Contributor, all of the Contributor's right, title and interest in and to such Contributed Interests, Contributed Properties and the other Contributed Assets, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units and the assumption by the Operating Partnership of the Assumed Liabilities, all on the terms and subject to the conditions set forth herein;

WHEREAS, concurrently with the execution of this Agreement, each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity, the Contributor, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity") will enter into a contribution agreement with the REIT and the Operating Partnership on substantially the same terms as this Contribution Agreement (the "Other RIF Fund Contribution Agreements");

WHEREAS, in the event that all members of the Contributor or another RIF Fund Entity return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of this Agreement or the applicable Other RIF Fund Contribution Agreement, the REIT may elect to cause the applicable RIF Fund Entity to enter into an agreement and plan of merger with the Operating Partnership pursuant to which such RIF Fund Entity will merge with and into the Operating Partnership and the membership interests in such RIF Fund Entity will be converted automatically into the right to receive cash, REIT Shares and/or OP Units;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and the Contributor to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I
## CONTRIBUTION

Section 1.01 CONTRIBUTION TRANSACTION; ASSIGNMENT AND ASSUMPTION OF ASSUMED LIABILITIES.

(a) At the Closing and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the Contributor hereby contributes, assigns, sets over, transfers, conveys and delivers to the Operating Partnership, absolutely and unconditionally and free and clear of all Liens (other than those arising under Organizational Documents of the applicable Rexford Entities and Permitted Liens with respect to the Contributed Properties), all of its right, title and interest in and to the Contributed Assets, including all rights to indemnification in favor of the Contributor under the Organizational Documents; *provided*, that the Operating Partnership accepts the assignment by the Contributor and agrees to be bound by the terms of the Organizational Documents governing the Contributor's Contributed Interests and undertakes, assumes and agrees punctually and faithfully to perform, pay or discharge when due and otherwise in accordance with its terms, all agreements, covenants, conditions, obligations and liabilities of the Contributor in the applicable Rexford Entities with respect to the Contributor's Contributed Interests on or after the Closing Date.

(b) At the Closing and subject to the terms and conditions contained in this Agreement, the Operating Partnership assumes and agrees to pay, perform and discharge all of the Assumed Liabilities.

(c) Without limiting the foregoing, the Contributor, on behalf of itself and its Affiliates, consents to, and agrees and acknowledges that all requirements and conditions for the transactions contemplated by this Agreement, including the transfer of the Contributed Assets and the admission of the Operating Partnership as a partner or member of each of the Contributed Entities have been satisfied or otherwise waived.

(d) All of the parties hereto agree that, as a result of the assignment and assumptions hereunder, for purposes of the Organizational Documents governing the Contributed Entities, the Operating Partnership shall be a substituted general partner, limited partner, manager or member, as the case may be, of the applicable Contributed Entity.

Section 1.02 CONSIDERATION.

(a) At Closing, subject to the terms and conditions contained in this Agreement, the Contributor shall receive cash, OP Units and/or REIT Shares with an aggregate value equal to the Equity Value represented by the Contributed Assets as set forth on Schedule 1.02 hereto (collectively referred to as the "Contribution Consideration"). The parties acknowledge that, concurrently with the Closing, the Contributor expects to distribute the

Contribution Consideration to its members in accordance with irrevocable elections made by the members of the Contributor in a Consent Form submitted by such members to the Contributor, or, if any such member has failed to submit a Consent Form, in accordance with determinations made by the Contributor. As a means of expediting such distribution, the Operating Partnership agrees to deliver such cash, OP Units and/or REIT Shares directly to such members as the nominees of the Contributor (the "Nominees") in accordance with the allocation set forth onSchedule 1.02. The transfer of OP Units to any Nominee shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement), and the transfer of REIT Shares to any Nominee shall be evidenced by the establishment of a credit to a book-entry account at the REIT's transfer agent. Subject to Section 1.03, the amount of cash, number of OP Units and/or REIT Shares comprising the Contribution Consideration attributable to each Nominee shall be as follows:

(i) Cash. One hundred percent (100%) of the Allocated Share attributable to a Nominee who is not an Accredited Investor shall be paid in cash.

(ii) OP Units. The Elected OP Unit Percentage of the Allocated Share attributable to a Nominee who is an Accredited Investor shall be distributed in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. The Elected REIT Shares Percentage of the Allocated Share attributable to a Nominee who is an Accredited Investor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided, that* to the extent such distribution of REIT Shares to such Nominee would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), such Nominee shall receive (x) the maximum number of whole REIT Shares that would not result in such violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

(b) At Closing, each Nominee receiving OP Units in accordance with the foregoing shall be admitted as a limited partner of the Operating Partnership. By executing and delivering a Consent Form, each Nominee has agreed and accepted all of the terms and conditions of the Operating Partnership Agreement and shall be deemed to have executed and delivered a counterpart signature page to the Operating Partnership Agreement.

Section 1.03 FRACTIONAL INTEREST. No fractional OP Units or REIT Shares shall be issued pursuant to this Agreement or the other Formation Transaction Documentation. All fractional OP Units that a Nominee would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Nominee shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of an OP Unit to which the Nominee would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that a Nominee would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Nominee shall receive the number of whole REIT

Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which the Nominee would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.04 FURTHER ACTION. If, at any time after the Closing, the Operating Partnership shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Operating Partnership the right, title or interest in or to any Contributed Assets, the Contributor shall execute and deliver all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and take and do all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in such Contributed Assets or otherwise to carry out this Agreement.

Section 1.05 CALCULATION OF CONTRIBUTION CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the Closing, all calculations relating to the Contribution Consideration shall be performed in good faith by, or under the direction of, the REIT and the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the Contributor and each Nominee.

## ARTICLE II
## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the contributions contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto as Exhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the Operating Partnership. The obligations of the Operating Partnership to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the Contributor contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Contributor. The Contributor shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Contributor shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Contributor to consummate the transactions contemplated hereby shall have been obtained.

(v) No Fund Material Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a Fund Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. Each Nominee receiving REIT Shares or OP Units shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Nominee that will receive OP Units in the contribution contemplated by this Agreement and that (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of the Contributor. The obligation of the Contributor to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Contributor in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the Operating Partnership contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Operating Partnership. Except as would not have an OP Material Adverse Effect, the Operating Partnership shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the Contributor (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the closing of the contributions contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF CONTRIBUTION CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Closing, the Operating Partnership shall deliver to the Nominees the Contribution Consideration payable in the amounts and form provided in Section 1.02(a) and on Schedule 1.02. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.02(b) shall be evidenced by an entry to the Register. Any certificate representing REIT Shares issuable as Contribution Consideration shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO

BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Operating Partnership (or its successor in interest) shall not be liable to any Nominee for any portion of the Contribution Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered (a) an Assignment and Assumption of Assumed Contracts, (b) a Bill of Sale, (c) an Assumption of Assumed Liabilities, (d) an Assignment and Assumption of Membership Interests, (e) all documents required by a lender in connection with the assumption or prepayment of an Existing Loan at or prior to Closing, duly executed by the applicable party, and (f) any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Contributed Assets, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its allocable portion of such costs and expenses in accordance with the terms of those certain letter agreements identified on Schedule 2.05.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the Operating Partnership and the Contributor under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement such amounts as the Operating Partnership is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Operating Partnership, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Contributor or Nominee, as applicable.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OPERATING PARTNERSHIP

The Operating Partnership hereby represents and warrants to the Contributor as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) The Operating Partnership has been duly formed and is validly existing and in good standing under the Laws of its jurisdiction of formation, and, upon the effectiveness of the Operating Partnership Agreement, will have all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation) by the Operating Partnership has been duly and validly authorized by all necessary actions required of the Operating Partnership. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Operating Partnership, enforceable against the Operating Partnership in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the Operating Partnership in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the Contributor and the Contributed Entities, the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between

the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Operating Partnership, (b) any agreement, document or instrument to which the Operating Partnership or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Operating Partnership, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Operating Partnership Agreement")). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of the Operating Partnership, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the Operating Partnership to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby, to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement in substantially final form.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. The Operating Partnership has not entered into, and covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the Contributor or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the Operating Partnership shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the Operating Partnership contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTORS

Except as disclosed in the Offering Document or the schedules attached hereto, the Contributor hereby represents and warrants to the Operating Partnership that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY.

(a) The Contributor has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The Contributor, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

(b) Schedule 4.01(b) sets forth as of the date hereof with respect to the Contributor (i) each Contributed Entity, (ii) the direct or indirect ownership interest therein of the Contributor, (iii) if not wholly owned by the Contributor, the identity and ownership interest of each of the other owners of such Contributed Entity, (iv) each Contributed Property, (v) the ownership interest therein of the Contributor, (vi) if not wholly owned by the Contributor, the identity and ownership interest of each of the other owners of such Contributed Property. Such Contributed Entity has been duly organized and is validly existing and is in good standing under the Laws of its jurisdiction of organization, and has all requisite power and authority to own, lease and/or operate its Contributed Property and to carry on its business as presently conducted. Such Contributed Entity, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its Contributed Property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Except as set forth on Schedule 4.01(b), each of the Contributor and the Contributed Entities does not own any equity or ownership interest in any other Person.

(c) The Operating Partnership has been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the Contributor of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the Contributor. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Contributor or any Contributed Entity pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor or such Contributed Entity, each enforceable against the Contributor or such Contributed Entity in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 OWNERSHIP OF CONTRIBUTED ASSETS. The Contributor is the sole record owner of all of the Contributed Assets and has the power and authority to transfer, sell, assign and convey to the Operating Partnership the Contributed Assets free and clear of any Liens and, upon delivery of the consideration for the Contributed Assets as provided herein, the Operating Partnership will acquire good and valid title thereto, free and clear of any Liens (other than those Liens created by the Organizational Documents governing Contributed Interests). Except as provided for or contemplated by this Agreement or the other applicable Formation Transaction Documentation, there are no rights to purchase, veto rights with respect to transfers, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (a) relating to any of the Contributed Assets, (b) related to any of the Contributed Entities or (c) to purchase, transfer or to otherwise acquire, or to in any way encumber, any equity interest in any of the Contributed Entities or any of the Contributed Assets (including, without limitation, any securities or obligations of any kind convertible or exchangeable into any of the interests which comprise Contributed Interests). Except as set forth in the Organizational Documents, none of the Contributor or any of the Contributed Entities is a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the Contributor or any Contributed Entity in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the Contributor or the Contributed Entities is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Contributor or the Contributed Entities, (b) any agreement, document or instrument to which the Contributor or any Contributed Entity is a party or by which the Contributor, any Contributed Entity, any Contributed Property or any of the Contributed Assets are bound by or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Contributor (or its assets or properties), any Contributed Entity or any Contributed Property, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.06 LICENSES AND PERMITS. All notices, licenses, permits, certificates and authorizations required for the continued use, occupancy, management, leasing and operation of the Contributed Properties have been obtained or can be obtained without material cost, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the Operating Partnership, except in each case for items that, if not so obtained, obtainable and/or transferred, would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, nor has any one of them received any written notice of violation from any Governmental Authority or written notice of the intention of any entity to revoke any such notice, license, permit, certificate or authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority or other entity and except as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.07 COMPLIANCE WITH LAWS. The Contributor and the Contributed Entities have conducted their respective businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. There has not been committed by the Contributor or the Contributed Entities or, to the knowledge of the Contributor, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 CONTRIBUTED PROPERTIES.

(a) Except as set forth in Schedule 4.08(a), the Contributor or a Contributed Entity is the insured under a policy of title insurance as the owner of, and, to the knowledge of the Contributor, the Contributor or a Contributed Entity is the owner of, good marketable and insurable fee simple title (or, in the case of certain Contributed Properties, a tenancy-in-common estate) to the Contributed Property owned by the Contributor or the Contributed Entity, in each case free and clear of all Liens except for Permitted Liens. Prior to the Closing, neither the Contributor nor any of the Contributed Entities shall take or omit to take any action to cause any Lien to attach to any Contributed Property, except for Permitted Liens and Liens, if any, given to secure mortgage indebtedness encumbering such Contributed Property.

(b) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, (1) neither the Contributor nor any of the Contributed Entities nor, to the knowledge of the Contributor, any other party to any material agreement affecting any Property (other than a Lease (as such term is hereinafter defined) for space within such Property), is in breach or default of any such agreement, (2) to the knowledge of the Contributor, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any such agreement, or would, individually or together with all such other events, reasonably be expected to cause the acceleration of any material obligation of any party thereto or the creation of a Lien upon any asset of the Contributor or the Contributed Entities, except for Permitted Liens, or otherwise reasonably be expected to have a Fund Material Adverse Effect and (3) all agreements affecting any Property required for the continued use, occupancy, management, leasing and operation of such Property (exclusive of space Leases) are valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

(c) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect or that are otherwise disclosed on Schedule 4.08(c), (1) neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any other party to any Lease, is in breach or default of any such Lease, (2) to the knowledge of the Contributor, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any Lease or would permit termination, modification or acceleration under such Lease and (3) to the knowledge of the Contributor, each of the leases (and all amendments thereto or modifications thereof) to which the Contributor or the Contributed Entities is a party or by which the Contributor or the Contributed Entities or any Contributed Property is bound or subject (collectively, the "Leases") is valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity

Section 4.09 INSURANCE. Each of the Contributor or the Contributed Entities has in place the public liability, casualty and other insurance coverage with respect to each Contributed Property owned, leased and/or managed by it as the Contributor reasonably deems necessary and in all cases including such coverage as is required under the terms of any continuing loan or Lease. Each of the insurance policies with respect to each Contributed Property is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the knowledge of the Contributor, neither the Contributor nor the Contributed Entities have received from any insurance company any notices of cancellation or intent to cancel any insurance.

Section 4.10 ENVIRONMENTAL MATTERS. Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, to the knowledge of the Contributor, (A) the Contributor, the Contributed Entities and each Property are in compliance with all Environmental Laws, (B) neither the Contributor nor the Contributed Entities have received any written notice from any Governmental Authority or third party alleging that the Contributor or the Contributed Entities or any Contributed Property is not in compliance with applicable Environmental Laws, and (C) there has not been a release of a hazardous substance on any of the Contributed Properties that would require investigation or remediation under applicable Environmental Laws. The representations and warranties contained in this Section 4.10 constitute the sole and exclusive representations and warranties made by the Contributor concerning environmental matters.

Section 4.11 EMINENT DOMAIN. There is no existing or, to the knowledge of the Contributor, proposed or threatened condemnation, eminent domain or similar proceeding, or private purchase in lieu of such a proceeding which would affect any of the Contributed Properties, except for such proceedings that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.12 EXISTING LOANS. Schedule 4.12 lists, as of the date hereof, all secured loans presently encumbering the Properties or any direct or indirect interest in the Contributor or any Contributed Entities, and any unsecured loans relating thereto to be assumed by the REIT or any Subsidiary of the REIT at Closing (collectively, the "Existing Loans"). Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect or that are otherwise disclosed on Schedule 4.12, no monetary default (beyond applicable notice and cure periods) by any party exists under any of the Existing Loans and the documents entered into in connection therewith (collectively, the "Existing Loan Documents") and no non-monetary default (beyond applicable notice and cure periods) by any party exists under any of such Existing Loan Documents.

Section 4.13 FINANCIAL STATEMENTS. The consolidated financial statements of the Contributor and the Contributed Entities included in the Offering Document have been prepared in all material respects in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), subject, in the case of unaudited statements, to normal year-end audit adjustments, and fairly present in all material respects the financial condition and results of operations of the Contributor and the Contributed Entities as of the dates indicated therein and for the periods ended as indicated therein.

Section 4.14 TAXES.

(a) Contributor has timely and properly filed (or caused to be timely and properly filed) all Tax Returns required to be filed by it and each Contributed Entity (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so) and all such Tax Returns are accurate and complete in all material respects;

(b) Contributor and each Contributed Entity have paid (or have had paid on their behalf) all Taxes as required to be paid by them;

(c) no income or material non-income Tax Returns filed by Contributor or any Contributed Entity are the subject of a pending or ongoing audit, and

(d) no deficiencies for any income or material non-income Taxes have been proposed, asserted or assessed against Contributor or any Contributed Entity, and no requests for waivers of the time to assess any such Taxes are pending. Since its formation, for U.S. federal income tax purposes, each of Contributor and each Contributed Entity has been treated as a partnership or as a disregarded entity, and not as a corporation or an association taxable as a corporation.

Section 4.15 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance there is no action, suit or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor, any of the Contributed Entities or any of the Contributed Properties, or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation which, if adversely determined, would not have a Fund Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor, any of the Contributed Entities or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, which challenges or impairs the ability of the Contributor or any Contributed Entities to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents to be executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters fully covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the Contributor, the Contributed Entities or any officer, director, principal, managing member or general partner of any of the foregoing in their capacity as such which would reasonably be expected to have a Fund Material Adverse Effect. None of the Contributor, the Contributed Entities or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Fund Material Adverse Effect.

Section 4.16 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Contributor's knowledge, threatened against the Contributor, any Contributed Entities or any Contributed Property, nor are any such proceedings contemplated by the Contributor.

Section 4.17 SECURITIES LAW MATTERS. The Contributor acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to the Contributor and any Nominees to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such Contributor and Nominee as an "accredited investor" (within the meaning of Rule 501(a) of Regulation D under the Securities Act) acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by the Contributor and any Nominee electing to receive REIT Shares or OP Units as consideration in the Contribution, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.18 NO BROKER. The Contributor has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.19 OWNERSHIP OF CERTAIN ASSETS. Except as set forth inSchedule 4.19, neither the Contributor nor any of the Contributed Entities owns any loan assets or other securities of any issuer except for equity interests in other Contributed Entities.

Section 4.20 EMPLOYEES. None of the Contributor or any of the Contributed Entities has or has ever had any employees.

Section 4.21 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in thisArticle IV and any other agreement entered into by the Contributor in connection with the Formation Transactions, the Contributor shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.22 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.17) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the Contributor shall use commercially reasonable efforts to (and shall cause each of the Contributed Entities to) conduct its businesses and operate

and maintain the Contributed Properties in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, the Contributor shall not (and shall not permit any of the Contributed Entities to) without the prior written consent of the REIT, which consent may be withheld by the REIT in its sole discretion:

(a) (i) other than distributions to the members of the Contributor in connection with such members' payment of any Taxes related to their ownership of the membership interest of the Contributor or as otherwise contemplated by this Agreement, declare, set aside or pay any dividends or distributions in respect of any Contributed Interests, except in the ordinary course of business consistent with past practice and in accordance with the applicable governing document of the Contributor, (ii) issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any Contributed Interests or make any other changes to the equity capital structure of the Contributor or the Contributed Entities, or (iii) purchase, redeem or otherwise acquire any Contributed Interests or interests of the Contributed Entities or any other securities thereof;

(b) other than in accordance with Section 4.08(a), issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, any limited liability company, partnership interests or other equity interests of the Contributor or of the Contributed Entities or any other assets of the Contributor or the Contributed Entities;

(c) amend, modify or terminate any lease, contract or other instruments relating to a Contributed Property, except in the ordinary course of business consistent with past practice;

(d) amend its certificate of formation and limited liability company agreement;

(e) adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(f) materially alter the manner of keeping the Contributor's or the Contributed Entities' books, accounts or records or the accounting practices therein reflected;

(g) file an entity classification election pursuant to Treasury Regulation Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributor or any Contributed Entity as an association taxable as a corporation for United States federal income tax purposes; make or change any other Tax elections; settle or compromise any claim, notice, audit report or assessment in respect of Taxes; change any annual Tax accounting period; adopt or change any method of Tax accounting; file any amended Tax Return; enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any Tax; surrender of any right to claim a Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(h) terminate or amend any existing insurance policies affecting any Contributed Property that results in a material reduction in insurance coverage for such Contributed Property;

(i) knowingly cause or permit the Contributor or any Contributed Entity to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(j) take any action or fail to take any action the result of which would have a Fund Material Adverse Effect; or

(k) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE CONTRIBUTOR. Each of the Operating Partnership and the Contributor shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Contribution Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the Contributor contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the Contributor distributes such OP Units to the Nominees. As a result, (i) in accordance with Treasury Regulations Section 1.708-1(c)(4), any payment of cash or REIT Shares attributable to a Nominee shall be treated as a sale by such Nominee of its interests in the Contributor and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) Contributor shall cause each such Nominee who receives cash and/or REIT Shares to explicitly agree and consent (the "Sale Consent") to such treatment in their Consent Forms as a condition to electing such consideration. To the extent the Operating Partnership acquires any interests in the Contributor as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property attributable to such interests shall be treated as a distribution by the Contributor in redemption of such interests. Notwithstanding Section 1.02 and any Nominee's election as to the form of its

Contribution Consideration, if any Nominee (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such Nominee's Contribution Consideration shall consist solely of OP Units. Notwithstanding Sections 1.03 and 2.03(a), any cash paid as the Contribution Consideration shall be paid only after the receipt of a Sale Consent from such Nominee.

(b) All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne by the Operating Partnership. The parties agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Transfer Taxes that could be imposed in connection with the transactions contemplated hereby.

(c) The Contributor shall timely file or cause to be timely filed when due all income Tax Returns required to be filed by the Contributor and shall pay or cause to be paid all income Taxes required to be paid.

(d) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all other Tax Returns of the Contributor and all Tax Returns of each Contributed Entity which are due after the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(e) The REIT, the Operating Partnership and the Contributor shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The REIT, the Operating Partnership and the Contributor further agree, upon request, to use their reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed with respect to the transactions contemplated hereby.

(f) Prior to Closing, the Contributor shall deliver to the Operating Partnership a properly executed certificate prepared in accordance with Treasury regulations section 1.1445-2(b) certifying the Contributor's non-foreign status, and if requested by the Operating Partnership, and any similar withholding certificates or other forms under applicable state, local or foreign Tax laws.

(g) The REIT and the Operating Partnership make no representations or warranties to the Contributor, the Nominees or to the Rexford Entities regarding the Tax treatment of the contributions pursuant to this Agreement or of the other Formation Transactions, or with respect to any other Tax consequences to the Contributor or any Contributed Entity of this Agreement or the other Formation Transactions. The Contributor acknowledges that each Contributed Entity, the Contributor and the Nominees are relying solely on their own Tax advisors in connection with this Agreement and the other Formation Transactions.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the Contributor, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, waives and relinquishes all rights and benefits otherwise afforded to the Contributor and such Nominees (a) under the Organizational Documents of the Contributed Entities including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by the other equity holders of the Contributed Entities of the Contributed Assets to the Operating Partnership, the REIT or any Affiliate thereof and any and all notice provisions related thereto, (b) to the extent permissible under applicable Laws, any statutory rights with respect to the Contributed Assets or the Contributed Entities and (c) for claims against the REIT or the Operating Partnership for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The Contributor acknowledges, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents of any Contributed Entity or other agreements among one or more holders of Contributed Assets or one or more of the partners or members of any Contributed Entity. With respect to each Contributed Entity and each Contributed Property, the Contributor expressly gives, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to such Contributed Entity or Contributed Property. In addition, the Contributor agrees, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents of the applicable Contributed Entity to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents of any Contributed Entity, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the Contributor and the Contributed Entities shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05.

Section 5.06 ALTERNATE TRANSACTION. In the event that the REIT determines that a structure change is necessary, advisable or desirable, the REIT may elect, in its sole and absolute discretion, to effect an Alternate Transaction (subject to the limitations in the definition thereof), without the need for the REIT to seek any further consent or action from the Contributor or any Nominee, and the Contributor shall, and it shall cause its members and Subsidiaries to, enter into such agreements as shall be necessary to consummate the Alternate Transaction. Without limiting the foregoing, in the event that all members of the Contributor return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of this Agreement, the REIT may elect to cause the Contributor to enter into an agreement and plan of merger with the Operating Partnership pursuant to which the Contributor will merge with and into the Operating Partnership and the membership interests in the Contributor will be converted automatically into the right to receive cash, REIT Shares and/or OP Units. In the event that an Alternate Transaction is used to effect the transactions contemplated by this Agreement, then the REIT may elect to terminate this Agreement without any liability or obligation to any Person.

Section 5.07 ELIMINATED ASSETS. The parties hereby agree that the Operating Partnership shall have the right, in its sole discretion, to exclude any Contributed Asset, or any interest held directly or indirectly through a Contributed Asset (the "Eliminated Assets"), from this contribution after the date hereof until the Closing, provided that the Operating Partnership shall provide prior written notice to the Contributor regarding such exclusion. Immediately prior to the Closing and after such amounts are reasonably determined, the Contributor and each Contributed Entity shall distribute or cause to be distributed or paid out the Eliminated Assets.

## ARTICLE VI
## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT or the Operating Partnership, to:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the Contributor:

c/o Rexford Industrial, LLC
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Contribution Consideration that would be distributed to a Pre-Formation Participant as a Nominee of the Contributor in accordance with the provisions of the Contributor's Organizational Documents relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Alternate Transaction" means any transaction structure, other than that contemplated by this Agreement, pursuant to which the REIT, the Operating Partnership or any of their Subsidiaries acquire all or a portion of the interests in the Contributor or the Contributed Assets or the assets held directly or indirectly by the applicable Rexford Entities in a transaction pursuant to which the Contributor and/or the Nominees receive the amount of cash, the number of OP Units and/or the number of REIT Shares that were to be received by the Contributor and/or the Nominees pursuant to this Agreement (or a portion thereof equal in value to the value of the portion of such assets acquired by the REIT, the Operating Partnership or any of their Subsidiaries pursuant to such Alternate Transaction); *provided*, that such structure will not (i) result in a breach of the Contributor's or any applicable Contributed Entity's governing documents and (ii) would not give rise to dissenters' or appraisal rights by the members of the Contributor, unless such rights have fully waived by all such members in the Consent Forms.

(e) "Assignment and Assumption of Assumed Contracts" means that certain Assignment and Assumption of Assumed Contracts, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit G.

(f) "Assignment and Assumption of Membership Interests" means that certain Assignment and Assumption of Membership Interests, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit H.

(g) "Assumed Contracts" means all contracts, agreements, commitments, understandings and licenses of the Contributor.

(h) "Assumed Liabilities" means any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by the Contributor of any type, whether accrued, absolute, contingent, matured, unmatured, known or unknown or otherwise, including, without limitation, all such liabilities, whether past, currently existing or hereafter arising, relating to the ownership of Contributed Assets or the businesses conducted with such Contributed Assets.

(i) "Assumption of Assumed Liabilities" means that certain Assumption of Assumed Liabilities, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit I.

(j) "Bill of Sale" means that certain Bill of Sale, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit J.

(k) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(l) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(m) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder (as Nominee or otherwise) in the Formation Transactions.

(n) "Contributed Assets" means, other than the Excluded Assets, all of the Contributor's right, title and interest in, under and to all of the assets, properties and rights of the Contributor of every kind, nature and description, whether such assets, properties and rights are real, personal or mixed, tangible or intangible, including without limitation:

(i) the Contributor's Contributed Interests;

(ii) cash and cash equivalents;

(iii) all accounts or notes receivable held by the Contributor, and any security, claim, remedy or other right related to any of the foregoing;

(iv) all inventory, finished goods, raw materials, work in progress, packaging, supplies, parts and other inventories;

(v) the Assumed Contracts;

(vi) all Intellectual Property Assets;

(vii) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones and other tangible personal property;

(viii) all permits, including environmental permits, which are held by the Contributor and required for the conduct of the Contributor's business as currently conducted or for the ownership and use of the Contributed Assets;

(ix) all rights to any actions, claims or suits of any nature available to or being pursued by the Contributor to the extent related to the Contributor's business, the Contributed Assets or the Assumed Liabilities, whether arising by way of counterclaim or otherwise;

(x) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees (including any such item relating to the payment of taxes);

(xi) all of the Contributor's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Contributed Assets;

(xii) all insurance benefits, including rights and proceeds, arising from or relating to the Contributor's business, the Contributed Assets or the Assumed Liabilities;

(xiii) originals, or where not available, copies, of all books and records, including, but not limited to, books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, customer and tenant data, other records and data (including all correspondence with any Governmental Authority), strategic plans, internal financial statements, marketing and promotional surveys, and other similar documents and data; and

(xiv) all goodwill and the going concern value of the Contributor's business.

(o) "Contributed Properties" means all Properties owned directly or indirectly, in whole or in part, by the Contributed Entities, as identified on Schedule 4.01(b).

(p) "Elected OP Unit Percentage" means, with respect to the Contribution Consideration to be received by any Nominee, the percentage of the Allocated Share that the Nominee has made a Valid Election to receive in the form of OP Units.

(q) "Elected REIT Share Percentage" means, with respect to the Contribution Consideration to be received by any Nominee, the percentage of the Allocated Share that the Nominee has made a Valid Election to receive in the form of REIT Shares.

(r) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(s) "Environmental Laws" means all federal, state and local Laws governing pollution or the protection of human health or the environment.

(t) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(u) "Excluded Assets" means (i) the assets identified on Schedule 5.05 and (ii) any interest excluded from the contribution hereunder in accordance with Section 5.07.

(v) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit K hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(w) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(x) "Fund Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Contributor, the Contributed Entities or Contributed Properties, taken as a whole.

(y) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(z) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(aa) "Intellectual Property" means all of the following and similar intangible property and related proprietary rights, interests and protections, however arising, pursuant to the Laws of any jurisdiction throughout the world: (a) trademarks, service marks, trade names, brand names, logos, trade dress and other proprietary indicia of goods and services, whether registered or unregistered, and all registrations and applications for registration of such trademarks, including intent-to-use applications, all issuances, extensions and renewals of such registrations and applications and the goodwill connected with the use of and symbolized by any of the foregoing; (b) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or Governmental Authority; (c) original works of authorship in any medium of expression, whether or not published, all copyrights (whether registered or unregistered), all registrations and applications for registration of such copyrights, and all issuances, extensions and renewals of such registrations and applications; (d) confidential or proprietary information, formulas, designs, devices, technology, know-how, research and development, inventions, methods, processes, compositions and other trade secrets, whether or not patentable and whether or not the foregoing has been reduced to a writing or other tangible form, and all improvements, documents and things embodying, incorporating, or referring in any way to the foregoing; (e) patented and patentable designs and inventions, all design, plant and utility patents, letters patent, utility models, pending patent applications and provisional applications and all issuances, divisions, continuations, continuations-in-part, reissues, extensions, reexaminations and renewals of such patents and applications; (f) all other intellectual property and proprietary rights, of every kind and nature throughout the world and however designated in all media in existence now or hereafter developed (including without limitation, moral rights, character rights, publicity rights, privacy rights and "rental" rights), whether arising by operation of law, contract, license or otherwise; and (g) all rights to sue and recover and retain damages, costs and attorneys' fees for past, present and future infringement, misappropriation, or other unauthorized use, and any other rights relating to any of the foregoing.

(bb) "Intellectual Property Assets" means all Intellectual Property of the Contributor.

(cc) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(dd) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(ee) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(ff) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(gg) "Management Companies" means, collectively RIF V Manager, Sponsor, and RI LLC.

(hh) "Offering Closing Date" means the closing date of the Offering.

(ii) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(jj) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(kk) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the Operating Partnership and each Operating Partnership Subsidiary, taken as a whole.

(ll) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the Contributor or the applicable Contributed Entity.

(mm) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by Governmental Authorities having jurisdiction over the Contributed Properties; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that

do not materially impair the use of the Contributed Properties for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens securing financing or credit arrangements existing as of the Closing Date; (v) Liens arising under Leases in effect as of the Closing Date; (vi) any exceptions contained in any title policy (including any policy issued to a secured lender) relating to the Contributed Properties as of the Closing Date; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP, and which are not, in the aggregate, material to the business, operations and financial condition of the Contributed Properties so encumbered.

(nn) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(oo) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(pp) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Companies immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or Property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(qq) "Properties" means the real properties owned directly or indirectly, in whole or in part, by the Rexford Entities.

(rr) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(ss) "Rexford Entity" means a RIF Fund Entity, the Management Companies and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(tt) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(uu) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii) (A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(vv) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(ww) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(xx) "Tax Matters Agreement" means that certain Tax Matters Agreement, by and among the REIT, the Operating Partnership and the other parties identified as signatories therein.

(yy) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(zz) "Valid Election" means, with respect to any Nominee, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units or REIT Shares as indicated on the properly completed and timely received Consent Form of the Nominee or a Consent Form as to which any deficiencies have been waived by the REIT.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Forms to which the Nominees are a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person (including any Nominee) other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the Operating Partnership may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably

waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that this Section 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant to Section 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the REIT and the Operating Partnership, on the one hand, and the Contributor, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the REIT and the Operating Partnership and the Contributor cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Contributor and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the Operating Partnership or the Contributor.

Section 6.15 CONSENT OF PARTNER, MANAGER or MEMBER. In accordance with the terms of certain of the agreements governing the Contributed Interests, the undersigned, in its capacity as a partner, manager or member of one or more of the Contributed Entities, consents to the applicable transfers contemplated in Section 1.01 hereof and the admission of the Operating Partnership as a substituted partner or member in each applicable Contributed Entity and waives any right of first refusal which the undersigned has with respect of the transfer of any of the Contributed Interests to the Operating Partnership.

Section 6.16 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.17 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the Contributor, at any time prior to the Closing Date; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the Contributor, without the prior written consent of the Contributor.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL FUND II, LLC,
a California limited liability company

By: _____
Name:
Title:

By: _____
Name:
Title:

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation

Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(u) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 - Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| Total Equity Value | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 2.3**

# CONTRIBUTION AGREEMENT

**by and among**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD INDUSTRIAL REALTY, INC.,**

**and**

**REXFORD INDUSTRIAL FUND III, LLC**

**Dated as of , 2013**

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| Fund Material Adverse Effect | Section 6.02(x) |
| Fund V Subsequent Investment Amount | Section 6.02(y) |
| Governmental Authority | Section 6.02(z) |
| Intellectual Property | Section 6.02(aa) |
| Intellectual Property Assets | Section 6.02(bb) |
| Interim Period | Section 6.02(cc) |
| JAMS | Section 6.08(b) |
| Laws | Section 6.02(dd) |

| | |
|---|---|
| Leases | Section 4.08(b) |
| Liens | Section 6.02(ee) |
| Lock-Up Agreement | Section 6.02(ff) |
| Management Companies | Section 6.02(gg) |
| Nominees | Section 1.02(a) |
| Offering | Recitals |
| Offering Closing Date | Section 6.02(hh) |
| Offering Document | Section 6.02(ii) |
| Offering Price | Section 6.02(jj) |
| OP Material Adverse Effect | Section 6.02(kk) |
| OP Units | Recitals |
| Operating Partnership | Introduction |
| Operating Partnership Agreement | Section 3.05 |
| Operating Partnership Subsidiary | Section 3.01(b) |
| Organizational Documents | Section 6.02(ll) |
| Other RIF Fund Contribution Agreements | Recitals |
| Outside Date | Section 2.06 |
| Permitted Liens | Section 6.02(mm) |
| Person | Section 6.02(nn) |
| Pre-Formation Interests | Section 6.02(oo) |
| Pre-Formation Participants | Section 6.02(pp) |
| Properties | Section 6.02(qq) |
| Register | Section 1.02(a) |
| Registration Rights Agreement | Section 6.02(rr) |
| REIT | Introduction |
| REIT Shares | Recitals |
| Rexford Entity | Section 6.02(ss) |
| RI LLC | Recitals |
| RIF V Fund | Recitals |
| RIF V Manager | Recitals |
| RIF V REIT | Recitals |
| RIF Fund Entity | Recitals |
| Sale Consent | Section 5.03(a) |
| SEC | Section 2.01(a)(i) |
| Securities Act | Section 6.02(tt) |
| Sponsor | Recitals |
| Subsidiary | Section 6.02(uu) |
| Target Asset | Section 6.02(vv) |
| Tax | Section 6.02(ww) |
| Tax Matters Agreement | Section 6.02(xx) |
| Tax Return | Section 6.02(yy) |
| Transfer Taxes | Section 5.03(b) |
| Valid Election | Section 6.02(zz) |

## CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, and Rexford Industrial Fund III, LLC, a California limited liability company (the "Contributor"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

## RECITALS

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which RIF V REIT will merge with and into the REIT and the equity interest in RIF V REIT will be converted automatically into the right to receive cash, without interest, or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or common units of partnership interest in the Operating Partnership ("OP Units") and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the completion of the transactions described in the preceding paragraphs, the parties to this Agreement wish to effect a transaction pursuant to which (a) the Contributor will contribute to the Operating Partnership all of the Contributor's direct and indirect interests (the "Contributed Interests") in the entities identified under the heading "Contributed Entities—Rexford Industrial Fund III, LLC" on Exhibit A hereto (the "Contributed Entities"), the Contributed Properties and the other Contributed Assets identified herein, and (b) the Operating Partnership shall acquire from the Contributor, all of the Contributor's right, title and interest in and to such Contributed Interests, Contributed Properties and the other Contributed Assets, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units and the assumption by the Operating Partnership of the Assumed Liabilities, all on the terms and subject to the conditions set forth herein;

WHEREAS, concurrently with the execution of this Agreement, each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC and Rexford Industrial Fund IV, LLC (each such entity, the Contributor, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity") will enter into a contribution agreement with the REIT and the Operating Partnership on substantially the same terms as this Contribution Agreement (the "Other RIF Fund Contribution Agreements");

WHEREAS, in the event that all members of the Contributor or another RIF Fund Entity return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of this Agreement or the applicable Other RIF Fund Contribution Agreement, the REIT may elect to cause the applicable RIF Fund Entity to enter into an agreement and plan of merger with the Operating Partnership pursuant to which such RIF Fund Entity will merge with and into the Operating Partnership and the membership interests in such RIF Fund Entity will be converted automatically into the right to receive cash, REIT Shares and/or OP Units;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and the Contributor to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I
## CONTRIBUTION

Section 1.01 CONTRIBUTION TRANSACTION; ASSIGNMENT AND ASSUMPTION OF ASSUMED LIABILITIES.

(a) At the Closing and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the Contributor hereby contributes, assigns, sets over, transfers, conveys and delivers to the Operating Partnership, absolutely and unconditionally and free and clear of all Liens (other than those arising under Organizational Documents of the applicable Rexford Entities and Permitted Liens with respect to the Contributed Properties), all of its right, title and interest in and to the Contributed Assets, including all rights to indemnification in favor of the Contributor under the Organizational Documents; *provided*, that the Operating Partnership accepts the assignment by the Contributor and agrees to be bound by the terms of the Organizational Documents governing the Contributor's Contributed Interests and undertakes, assumes and agrees punctually and faithfully to perform, pay or discharge when due and otherwise in accordance with its terms, all agreements, covenants, conditions, obligations and liabilities of the Contributor in the applicable Rexford Entities with respect to the Contributor's Contributed Interests on or after the Closing Date.

(b) At the Closing and subject to the terms and conditions contained in this Agreement, the Operating Partnership assumes and agrees to pay, perform and discharge all of the Assumed Liabilities.

(c) Without limiting the foregoing, the Contributor, on behalf of itself and its Affiliates, consents to, and agrees and acknowledges that all requirements and conditions for the transactions contemplated by this Agreement, including the transfer of the Contributed Assets and the admission of the Operating Partnership as a partner or member of each of the Contributed Entities have been satisfied or otherwise waived.

(d) All of the parties hereto agree that, as a result of the assignment and assumptions hereunder, for purposes of the Organizational Documents governing the Contributed Entities, the Operating Partnership shall be a substituted general partner, limited partner, manager or member, as the case may be, of the applicable Contributed Entity.

Section 1.02 CONSIDERATION.

(a) At Closing, subject to the terms and conditions contained in this Agreement, the Contributor shall receive cash, OP Units and/or REIT Shares with an aggregate value equal to the Equity Value represented by the Contributed Assets as set forth on Schedule 1.02 hereto (collectively referred to as the "Contribution Consideration"). The parties

acknowledge that, concurrently with the Closing, the Contributor expects to distribute the Contribution Consideration to its members in accordance with irrevocable elections made by the members of the Contributor in a Consent Form submitted by such members to the Contributor, or, if any such member has failed to submit a Consent Form, in accordance with determinations made by the Contributor. As a means of expediting such distribution, the Operating Partnership agrees to deliver such cash, OP Units and/or REIT Shares directly to such members as the nominees of the Contributor (the "Nominees") in accordance with the allocation set forth on Schedule 1.02. The transfer of OP Units to any Nominee shall be evidenced by an amendment to the OP Agreement (the "Amendment"), and the transfer of REIT Shares to any Nominee shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement). Subject to Section 1.03, the amount of cash, number of OP Units and/or REIT Shares comprising the Contribution Consideration attributable to each Nominee shall be as follows:

(i) Cash. One hundred percent (100%) of the Allocated Share attributable to a Nominee who is not an Accredited Investor shall be paid in cash.

(ii) OP Units. The Elected OP Unit Percentage of the Allocated Share attributable to a Nominee who is an Accredited Investor shall be distributed in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. The Elected REIT Shares Percentage of the Allocated Share attributable to a Nominee who is an Accredited Investor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided, that* to the extent such distribution of REIT Shares to such Nominee would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), such Nominee shall receive (x) the maximum number of whole REIT Shares that would not result in such violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

(b) At Closing, each Nominee receiving OP Units in accordance with the foregoing shall be admitted as a limited partner of the Operating Partnership. By executing and delivering a Consent Form, each Nominee has agreed and accepted all of the terms and conditions of the Operating Partnership Agreement and shall be deemed to have executed and delivered a counterpart signature page to the Operating Partnership Agreement.

Section 1.03 FRACTIONAL INTEREST. No fractional OP Units or REIT Shares shall be issued pursuant to this Agreement or the other Formation Transaction Documentation. All fractional OP Units that a Nominee would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Nominee shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of an OP Unit to which the Nominee would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that a Nominee would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Nominee shall receive the number of whole REIT

Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which the Nominee would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.04 FURTHER ACTION. If, at any time after the Closing, the Operating Partnership shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Operating Partnership the right, title or interest in or to any Contributed Assets, the Contributor shall execute and deliver all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and take and do all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in such Contributed Assets or otherwise to carry out this Agreement.

Section 1.05 CALCULATION OF CONTRIBUTION CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the Closing, all calculations relating to the Contribution Consideration shall be performed in good faith by, or under the direction of, the REIT and the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the Contributor and each Nominee.

## ARTICLE II
## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the contributions contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto as Exhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the Operating Partnership. The obligations of the Operating Partnership to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the Contributor contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Contributor. The Contributor shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Contributor shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Contributor to consummate the transactions contemplated hereby shall have been obtained.

(v) No Fund Material Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a Fund Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. Each Nominee receiving REIT Shares or OP Units shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Nominee that will receive OP Units in the contribution contemplated by this Agreement and that (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of the Contributor. The obligation of the Contributor to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Contributor in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the Operating Partnership contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Operating Partnership. Except as would not have an OP Material Adverse Effect, the Operating Partnership shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the Contributor (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the closing of the contributions contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF CONTRIBUTION CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Closing, the Operating Partnership shall deliver to the Nominees the Contribution Consideration payable in the amounts and form provided in Section 1.02(a) and on Schedule 1.02. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.02(b) shall be evidenced by an entry to the Register. Any certificate representing REIT Shares issuable as Contribution Consideration shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO

BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Operating Partnership (or its successor in interest) shall not be liable to any Nominee for any portion of the Contribution Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered (a) an Assignment and Assumption of Assumed Contracts, (b) a Bill of Sale, (c) an Assumption of Assumed Liabilities, (d) an Assignment and Assumption of Membership Interests, (e) all documents required by a lender in connection with the assumption or prepayment of an Existing Loan at or prior to Closing, duly executed by the applicable party, and (f) any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Contributed Assets, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its allocable portion of such costs and expenses in accordance with the terms of those certain letter agreements identified on Schedule 2.05.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the Operating Partnership and the Contributor under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement such amounts as the Operating Partnership is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Operating Partnership, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Contributor or Nominee, as applicable.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OPERATING PARTNERSHIP

The Operating Partnership hereby represents and warrants to the Contributor as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) The Operating Partnership has been duly formed and is validly existing and in good standing under the Laws of its jurisdiction of formation, and, upon the effectiveness of the Operating Partnership Agreement, will have all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws,

is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation) by the Operating Partnership has been duly and validly authorized by all necessary actions required of the Operating Partnership. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Operating Partnership, enforceable against the Operating Partnership in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the Operating Partnership in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the Contributor and the Contributed Entities, the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Operating Partnership, (b) any agreement, document or instrument to which the Operating Partnership or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Operating Partnership, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Operating Partnership Agreement")). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of the Operating Partnership, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the Operating Partnership to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby, to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement in substantially final form.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. The Operating Partnership has not entered into, and covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the Contributor or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the Operating Partnership shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the Operating Partnership contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTORS

Except as disclosed in the Offering Document or the schedules attached hereto, the Contributor hereby represents and warrants to the Operating Partnership that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY.

(a) The Contributor has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The Contributor, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

(b) Schedule 4.01(b) sets forth as of the date hereof with respect to the Contributor (i) each Contributed Entity, (ii) the direct or indirect ownership interest therein of the Contributor, (iii) if not wholly owned by the Contributor, the identity and ownership interest of each of the other owners of such Contributed Entity, (iv) each Contributed Property, (v) the ownership interest therein of the Contributor, (vi) if not wholly owned by the Contributor, the identity and ownership interest of each of the other owners of such Contributed Property. Such Contributed Entity has been duly organized and is validly existing and is in good standing under the Laws of its jurisdiction of organization, and has all requisite power and authority to own, lease and/or operate its Contributed Property and to carry on its business as presently conducted. Such Contributed Entity, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its Contributed Property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Except as set forth on Schedule 4.01(b), each of the Contributor and the Contributed Entities does not own any equity or ownership interest in any other Person.

(c) The Operating Partnership has been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the Contributor of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the Contributor. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Contributor or any Contributed Entity pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor or such Contributed Entity, each enforceable against the Contributor or such Contributed Entity in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 OWNERSHIP OF CONTRIBUTED ASSETS. The Contributor is the sole record owner of all of the Contributed Assets and has the power and authority to transfer, sell, assign and convey to the Operating Partnership the Contributed Assets free and clear of any Liens and, upon delivery of the consideration for the Contributed Assets as provided herein, the Operating Partnership will acquire good and valid title thereto, free and clear of any Liens (other than those Liens created by the Organizational Documents governing Contributed Interests). Except as provided for or contemplated by this Agreement or the other applicable Formation Transaction Documentation, there are no rights to purchase, veto rights with respect to transfers, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (a) relating to any of the Contributed Assets, (b) related to any of the Contributed Entities or (c) to purchase, transfer or to otherwise acquire, or to in any way encumber, any equity interest in any of the Contributed Entities or any of the Contributed Assets (including, without limitation, any securities or obligations of any kind convertible or exchangeable into any of the interests which comprise Contributed Interests). Except as set forth in the Organizational Documents, none of the Contributor or any of the Contributed Entities is a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the Contributor or any Contributed Entity in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the Contributor or the Contributed Entities is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Contributor or the Contributed Entities, (b) any agreement, document or instrument to which the Contributor or any Contributed Entity is a party or by which the Contributor, any Contributed Entity, any Contributed Property or any of the Contributed Assets are bound by or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Contributor (or its assets or properties), any Contributed Entity or any Contributed Property, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.06 LICENSES AND PERMITS. All notices, licenses, permits, certificates and authorizations required for the continued use, occupancy, management, leasing and operation of the Contributed Properties have been obtained or can be obtained without material cost, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the Operating Partnership, except in each case for items that, if not so obtained, obtainable and/or transferred, would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, nor has any one of them received any written notice of violation from any Governmental Authority or written notice of the intention of any entity to revoke any such notice, license, permit, certificate or authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority or other entity and except as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.07 COMPLIANCE WITH LAWS. The Contributor and the Contributed Entities have conducted their respective businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. There has not been committed by the Contributor or the Contributed Entities or, to the knowledge of the Contributor, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 CONTRIBUTED PROPERTIES.

(a) Except as set forth in Schedule 4.08(a), the Contributor or a Contributed Entity is the insured under a policy of title insurance as the owner of, and, to the knowledge of the Contributor, the Contributor or a Contributed Entity is the owner of, good marketable and insurable fee simple title (or, in the case of certain Contributed Properties, a tenancy-in-common estate) to the Contributed Property owned by the Contributor or the Contributed Entity, in each case free and clear of all Liens except for Permitted Liens. Prior to the Closing, neither the Contributor nor any of the Contributed Entities shall take or omit to take any action to cause any Lien to attach to any Contributed Property, except for Permitted Liens and Liens, if any, given to secure mortgage indebtedness encumbering such Contributed Property.

(b) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, (1) neither the Contributor nor any of the Contributed Entities nor, to the knowledge of the Contributor, any other party to any material agreement affecting any Property (other than a Lease (as such term is hereinafter defined) for space within such Property), is in breach or default of any such agreement, (2) to the knowledge of the Contributor, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any such agreement, or would, individually or together with all such other events, reasonably be expected to cause the acceleration of any material obligation of any party thereto or the creation of a Lien upon any asset of the Contributor or the Contributed Entities, except for Permitted Liens, or otherwise reasonably be expected to have a Fund Material Adverse Effect and (3) all agreements affecting any Property required for the continued use, occupancy, management, leasing and operation of such Property (exclusive of space Leases) are valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

(c) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect or that are otherwise disclosed on Schedule 4.08(c), (1) neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any other party to any Lease, is in breach or default of any such Lease, (2) to the knowledge of the Contributor, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any Lease or would permit termination, modification or acceleration under such Lease and (3) to the knowledge of the Contributor, each of the leases (and all amendments thereto or modifications thereof) to which the Contributor or the Contributed Entities is a party or by which the Contributor or the Contributed Entities or any Contributed Property is bound or subject (collectively, the "Leases") is valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.09 INSURANCE. Each of the Contributor or the Contributed Entities has in place the public liability, casualty and other insurance coverage with respect to each Contributed Property owned, leased and/or managed by it as the Contributor reasonably deems necessary and in all cases including such coverage as is required under the terms of any continuing loan or Lease. Each of the insurance policies with respect to each Contributed Property is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the knowledge of the Contributor, neither the Contributor nor the Contributed Entities have received from any insurance company any notices of cancellation or intent to cancel any insurance.

Section 4.10 ENVIRONMENTAL MATTERS. Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, to the knowledge of the Contributor, (A) the Contributor, the Contributed Entities and each Property are in compliance with all Environmental Laws, (B) neither the Contributor nor the Contributed Entities have received any written notice from any Governmental Authority or third party alleging that the Contributor or the Contributed Entities or any Contributed Property is not in compliance with applicable Environmental Laws, and (C) there has not been a release of a hazardous substance on any of the Contributed Properties that would require investigation or remediation under applicable Environmental Laws. The representations and warranties contained in this Section 4.10 constitute the sole and exclusive representations and warranties made by the Contributor concerning environmental matters.

Section 4.11 EMINENT DOMAIN. There is no existing or, to the knowledge of the Contributor, proposed or threatened condemnation, eminent domain or similar proceeding, or private purchase in lieu of such a proceeding which would affect any of the Contributed Properties, except for such proceedings that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.12 EXISTING LOANS. Schedule 4.12 lists, as of the date hereof, all secured loans presently encumbering the Properties or any direct or indirect interest in the Contributor or any Contributed Entities, and any unsecured loans relating thereto to be assumed by the REIT or any Subsidiary of the REIT at Closing (collectively, the "Existing Loans"). Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect or that are otherwise disclosed on Schedule 4.12, no monetary default (beyond applicable notice and cure periods) by any party exists under any of the Existing Loans and the documents entered into in connection therewith (collectively, the "Existing Loan Documents") and no non-monetary default (beyond applicable notice and cure periods) by any party exists under any of such Existing Loan Documents.

Section 4.13 FINANCIAL STATEMENTS. The consolidated financial statements of the Contributor and the Contributed Entities included in the Offering Document have been prepared in all material respects in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), subject, in the case of unaudited statements, to normal year-end audit adjustments, and fairly present in all material respects the financial condition and results of operations of the Contributor and the Contributed Entities as of the dates indicated therein and for the periods ended as indicated therein.

Section 4.14 TAXES

(a) Contributor has timely and properly filed (or caused to be timely and properly filed) all Tax Returns required to be filed by it and each Contributed Entity (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so) and all such Tax Returns are accurate and complete in all material respects;

(b) Contributor and each Contributed Entity have paid (or have had paid on their behalf) all Taxes as required to be paid by them;

(c) no income or material non-income Tax Returns filed by Contributor or any Contributed Entity are the subject of a pending or ongoing audit, and

(d) no deficiencies for any income or material non-income Taxes have been proposed, asserted or assessed against Contributor or any Contributed Entity, and no requests for waivers of the time to assess any such Taxes are pending. Since its formation, for U.S. federal income tax purposes, each of Contributor and each Contributed Entity has been treated as a partnership or as a disregarded entity, and not as a corporation or an association taxable as a corporation.

Section 4.15 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance there is no action, suit or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor, any of the Contributed Entities or any of the Contributed Properties, or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation which, if adversely determined, would not have a Fund Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor, any of the Contributed Entities or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, which challenges or impairs the ability of the Contributor or any Contributed Entities to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents to be executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters fully covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the Contributor, the Contributed Entities or any officer, director, principal, managing member or general partner of any of the foregoing in their capacity as such which would reasonably be expected to have a Fund Material Adverse Effect. None of the Contributor, the Contributed Entities or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Fund Material Adverse Effect.

Section 4.16 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Contributor's knowledge, threatened against the Contributor, any Contributed Entities or any Contributed Property, nor are any such proceedings contemplated by the Contributor.

Section 4.17 SECURITIES LAW MATTERS. The Contributor acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to the Contributor and any Nominees to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such Contributor and Nominee as an "accredited investor" (within the meaning of Rule 501(a) of Regulation D under the Securities Act) acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by the Contributor and any Nominee electing to receive REIT Shares or OP Units as consideration in the Contribution, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.18 NO BROKER. The Contributor has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.19 OWNERSHIP OF CERTAIN ASSETS. Except as set forth inSchedule 4.19, neither the Contributor nor any of the Contributed Entities owns any loan assets or other securities of any issuer except for equity interests in other Contributed Entities.

Section 4.20 EMPLOYEES. None of the Contributor or any of the Contributed Entities has or has ever had any employees.

Section 4.21 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in thisArticle IV and any other agreement entered into by the Contributor in connection with the Formation Transactions, the Contributor shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.22 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.17) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the Contributor shall use commercially reasonable efforts to (and shall cause each of the Contributed Entities to) conduct its businesses and operate and maintain the Contributed Properties in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, the Contributor shall not (and shall not permit any of the Contributed Entities to) without the prior written consent of the REIT, which consent may be withheld by the REIT in its sole discretion:

(a) (i) other than distributions to the members of the Contributor in connection with such members' payment of any Taxes related to their ownership of the membership interest of the Contributor or as otherwise contemplated by this Agreement, declare, set aside or pay any dividends or distributions in respect of any Contributed Interests, except in the ordinary course of business consistent with past practice and in accordance with the applicable governing document of the Contributor, (ii) issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any Contributed Interests or make any other changes to the equity capital structure of the Contributor or the Contributed Entities, or (iii) purchase, redeem or otherwise acquire any Contributed Interests or interests of the Contributed Entities or any other securities thereof;

(b) other than in accordance with Section 4.08(a), issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, any limited liability company, partnership interests or other equity interests of the Contributor or of the Contributed Entities or any other assets of the Contributor or the Contributed Entities;

(c) amend, modify or terminate any lease, contract or other instruments relating to a Contributed Property, except in the ordinary course of business consistent with past practice;

(d) amend its certificate of formation and limited liability company agreement;

(e) adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(f) materially alter the manner of keeping the Contributor's or the Contributed Entities' books, accounts or records or the accounting practices therein reflected;

(g) file an entity classification election pursuant to Treasury Regulation Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributor or any Contributed Entity as an association taxable as a corporation for United States federal income tax purposes; make or change any other Tax elections; settle or compromise any claim, notice, audit report or assessment in respect of Taxes; change any annual

Tax accounting period; adopt or change any method of Tax accounting; file any amended Tax Return; enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any Tax; surrender of any right to claim a Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(h) terminate or amend any existing insurance policies affecting any Contributed Property that results in a material reduction in insurance coverage for such Contributed Property;

(i) knowingly cause or permit the Contributor or any Contributed Entity to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(j) take any action or fail to take any action the result of which would have a Fund Material Adverse Effect; or

(k) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE CONTRIBUTOR. Each of the Operating Partnership and the Contributor shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Contribution Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the Contributor contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the Contributor distributes such OP Units to the Nominees. As a result, (i) in accordance with Treasury Regulations Section 1.708-1(c)(4), any payment of cash or REIT Shares attributable to a Nominee shall be treated as a sale by such Nominee of its interests in the Contributor and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) Contributor shall cause each such Nominee who receives cash and/or REIT Shares to explicitly agree and consent (the "Sale Consent") to such treatment in their Consent Forms as a condition to electing such consideration. To the extent the Operating Partnership acquires any interests in the Contributor as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property

attributable to such interests shall be treated as a distribution by the Contributor in redemption of such interests. Notwithstanding Section 1.02 and any Nominee's election as to the form of its Contribution Consideration, if any Nominee (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such Nominee's Contribution Consideration shall consist solely of OP Units. Notwithstanding Sections 1.03 and 2.03(a), any cash paid as the Contribution Consideration shall be paid only after the receipt of a Sale Consent from such Nominee.

(b) All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne by the Operating Partnership. The parties agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Transfer Taxes that could be imposed in connection with the transactions contemplated hereby.

(c) The Contributor shall timely file or cause to be timely filed when due all income Tax Returns required to be filed by the Contributor and shall pay or cause to be paid all income Taxes required to be paid.

(d) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all other Tax Returns of the Contributor and all Tax Returns of each Contributed Entity which are due after the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(e) The REIT, the Operating Partnership and the Contributor shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The REIT, the Operating Partnership and the Contributor further agree, upon request, to use their reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed with respect to the transactions contemplated hereby.

(f) Prior to Closing, the Contributor shall deliver to the Operating Partnership a properly executed certificate prepared in accordance with Treasury regulations section 1.1445-2(b) certifying the Contributor's non-foreign status, and if requested by the Operating Partnership, and any similar withholding certificates or other forms under applicable state, local or foreign Tax laws.

(g) The REIT and the Operating Partnership make no representations or warranties to the Contributor, the Nominees or to the Rexford Entities regarding the Tax treatment of the contributions pursuant to this Agreement or of the other Formation Transactions, or with respect to any other Tax consequences to the Contributor or any Contributed Entity of this Agreement or the other Formation Transactions. The Contributor acknowledges that each Contributed Entity, the Contributor and the Nominees are relying solely on their own Tax advisors in connection with this Agreement and the other Formation Transactions.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the Contributor, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, waives and relinquishes all rights and benefits otherwise afforded to the Contributor and such Nominees (a) under the Organizational Documents of the Contributed Entities including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by the other equity holders of the Contributed Entities of the Contributed Assets to the Operating Partnership, the REIT or any Affiliate thereof and any and all notice provisions related thereto, (b) to the extent permissible under applicable Laws, any statutory rights with respect to the Contributed Assets or the Contributed Entities and (c) for claims against the REIT or the Operating Partnership for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The Contributor acknowledges, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents of any Contributed Entity or other agreements among one or more holders of Contributed Assets or one or more of the partners or members of any Contributed Entity. With respect to each Contributed Entity and each Contributed Property, the Contributor expressly gives, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to such Contributed Entity or Contributed Property. In addition, the Contributor agrees, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents of the applicable Contributed Entity to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents of any Contributed Entity, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the Contributor and the Contributed Entities shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05.

Section 5.06 ALTERNATE TRANSACTION. In the event that the REIT determines that a structure change is necessary, advisable or desirable, the REIT may elect, in its sole and absolute discretion, to effect an Alternate Transaction (subject to the limitations in the definition thereof), without the need for the REIT to seek any further consent or action from the Contributor or any Nominee, and the Contributor shall, and it shall cause its members and Subsidiaries to, enter into such agreements as shall be necessary to consummate the Alternate Transaction. Without limiting the foregoing, in the event that all members of the Contributor return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of this Agreement, the REIT may elect to cause the Contributor to enter into an agreement and plan of merger with the Operating Partnership pursuant to which the Contributor will merge with and into the Operating Partnership and the membership interests in the Contributor will be converted automatically into the right to receive cash, REIT Shares and/or OP Units. In the event that an Alternate Transaction is used to effect the transactions contemplated by this Agreement, then the REIT may elect to terminate this Agreement without any liability or obligation to any Person.

Section 5.07 ELIMINATED ASSETS. The parties hereby agree that the Operating Partnership shall have the right, in its sole discretion, to exclude any Contributed Asset, or any interest held directly or indirectly through a Contributed Asset (the "Eliminated Assets"), from this contribution after the date hereof until the Closing, provided that the Operating Partnership shall provide prior written notice to the Contributor regarding such exclusion. Immediately prior to the Closing and after such amounts are reasonably determined, the Contributor and each Contributed Entity shall distribute or cause to be distributed or paid out the Eliminated Assets.

## ARTICLE VI
## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT or the Operating Partnership, to:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the Contributor:

c/o Rexford Industrial, LLC
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Contribution Consideration that would be distributed to a Pre-Formation Participant as a Nominee of the Contributor in accordance with the provisions of the Contributor's Organizational Documents relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Alternate Transaction" means any transaction structure, other than that contemplated by this Agreement, pursuant to which the REIT, the Operating Partnership or any of their Subsidiaries acquire all or a portion of the interests in the Contributor or the Contributed Assets or the assets held directly or indirectly by the applicable Rexford Entities in a transaction pursuant to which the Contributor and/or the Nominees receive the amount of cash, the number of OP Units and/or the number of REIT Shares that were to be received by the Contributor and/or the Nominees pursuant to this Agreement (or a portion thereof equal in value to the value of the portion of such assets acquired by the REIT, the Operating Partnership or any of their Subsidiaries pursuant to such Alternate Transaction); *provided*, that such structure will not (i) result in a breach of the Contributor's or any applicable Contributed Entity's governing documents and (ii) would not give rise to dissenters' or appraisal rights by the members of the Contributor, unless such rights have fully waived by all such members in the Consent Forms.

(e) "Assignment and Assumption of Assumed Contracts" means that certain Assignment and Assumption of Assumed Contracts, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit G.

(f) "Assignment and Assumption of Membership Interests" means that certain Assignment and Assumption of Membership Interests, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit H.

(g) "Assumed Contracts" means all contracts, agreements, commitments, understandings and licenses of the Contributor.

(h) "Assumed Liabilities" means any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by the Contributor of any type, whether accrued, absolute, contingent, matured, unmatured, known or unknown or otherwise, including, without limitation, all such liabilities, whether past, currently existing or hereafter arising, relating to the ownership of Contributed Assets or the businesses conducted with such Contributed Assets.

(i) "Assumption of Assumed Liabilities" means that certain Assumption of Assumed Liabilities, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit I.

(j) "Bill of Sale" means that certain Bill of Sale, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit J.

(k) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(l) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(m) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder (as Nominee or otherwise) in the Formation Transactions.

(n) "Contributed Assets" means, other than the Excluded Assets, all of the Contributor's right, title and interest in, under and to all of the assets, properties and rights of the Contributor of every kind, nature and description, whether such assets, properties and rights are real, personal or mixed, tangible or intangible, including without limitation:

(i) the Contributor's Contributed Interests;

(ii) cash and cash equivalents;

(iii) all accounts or notes receivable held by the Contributor, and any security, claim, remedy or other right related to any of the foregoing;

(iv) all inventory, finished goods, raw materials, work in progress, packaging, supplies, parts and other inventories;

(v) the Assumed Contracts;

(vi) all Intellectual Property Assets;

(vii) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones and other tangible personal property;

(viii) all permits, including environmental permits, which are held by the Contributor and required for the conduct of the Contributor's business as currently conducted or for the ownership and use of the Contributed Assets;

(ix) all rights to any actions, claims or suits of any nature available to or being pursued by the Contributor to the extent related to the Contributor's business, the Contributed Assets or the Assumed Liabilities, whether arising by way of counterclaim or otherwise;

(x) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees (including any such item relating to the payment of taxes);

(xi) all of the Contributor's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Contributed Assets;

(xii) all insurance benefits, including rights and proceeds, arising from or relating to the Contributor's business, the Contributed Assets or the Assumed Liabilities;

(xiii) originals, or where not available, copies, of all books and records, including, but not limited to, books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, customer and tenant data, other records and data (including all correspondence with any Governmental Authority), strategic plans, internal financial statements, marketing and promotional surveys, and other similar documents and data; and

(xiv) all goodwill and the going concern value of the Contributor's business.

(o) "Contributed Properties" means all Properties owned directly or indirectly, in whole or in part, by the Contributed Entities, as identified on Schedule 4.01(b).

(p) "Elected OP Unit Percentage" means, with respect to the Contribution Consideration to be received by any Nominee, the percentage of the Allocated Share that the Nominee has made a Valid Election to receive in the form of OP Units.

(q) "Elected REIT Share Percentage" means, with respect to the Contribution Consideration to be received by any Nominee, the percentage of the Allocated Share that the Nominee has made a Valid Election to receive in the form of REIT Shares.

(r) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(s) "Environmental Laws" means all federal, state and local Laws governing pollution or the protection of human health or the environment.

(t) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(u) "Excluded Assets" means (i) the assets identified on Schedule 5.05 and (ii) any interest excluded from the contribution hereunder in accordance with Section 5.07.

(v) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit K hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(w) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(x) Fund Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Contributor, the Contributed Entities or Contributed Properties, taken as a whole.

(y) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(z) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(aa) "Intellectual Property" means all of the following and similar intangible property and related proprietary rights, interests and protections, however arising, pursuant to the Laws of any jurisdiction throughout the world: (a) trademarks, service marks, trade names, brand names, logos, trade dress and other proprietary indicia of goods and services, whether registered or unregistered, and all registrations and applications for registration of such trademarks, including intent-to-use applications, all issuances, extensions and renewals of such registrations and applications and the goodwill connected with the use of and symbolized by any of the foregoing; (b) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or Governmental Authority; (c) original works of authorship in any medium of expression, whether or not published, all copyrights (whether registered or unregistered), all registrations and applications for registration of such copyrights, and all issuances, extensions and renewals of such registrations and applications; (d) confidential or proprietary information, formulas, designs, devices, technology, know-how, research and development, inventions, methods, processes, compositions and other trade secrets, whether or not patentable and whether or not the foregoing has been reduced to a writing or other tangible form, and all improvements, documents and things embodying, incorporating, or referring in any way to the foregoing; (e) patented and patentable designs and inventions, all design, plant and utility patents, letters patent, utility models, pending patent applications and provisional applications and all issuances, divisions, continuations, continuations-in-part, reissues,

extensions, reexaminations and renewals of such patents and applications; (f) all other intellectual property and proprietary rights, of every kind and nature throughout the world and however designated in all media in existence now or hereafter developed (including without limitation, moral rights, character rights, publicity rights, privacy rights and "rental" rights), whether arising by operation of law, contract, license or otherwise; and (g) all rights to sue and recover and retain damages, costs and attorneys' fees for past, present and future infringement, misappropriation, or other unauthorized use, and any other rights relating to any of the foregoing.

(bb) "Intellectual Property Assets" means all Intellectual Property of the Contributor.

(cc) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(dd) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(ee) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(ff) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(gg) "Management Companies" means, collectively RIF V Manager, Sponsor, and RI LLC.

(hh) "Offering Closing Date" means the closing date of the Offering.

(ii) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(jj) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(kk) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the Operating Partnership and each Operating Partnership Subsidiary, taken as a whole.

(ll) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the Contributor or the applicable Contributed Entity.

(mm) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by Governmental Authorities having jurisdiction over the Contributed Properties; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that do not materially impair the use of the Contributed Properties for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens securing financing or credit arrangements existing as of the Closing Date; (v) Liens arising under Leases in effect as of the Closing Date; (vi) any exceptions contained in any title policy (including any policy issued to a secured lender) relating to the Contributed Properties as of the Closing Date; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP, and which are not, in the aggregate, material to the business, operations and financial condition of the Contributed Properties so encumbered.

(nn) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(oo) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(pp) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Companies immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or Property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(qq) "Properties" means the real properties owned directly or indirectly, in whole or in part, by the Rexford Entities.

(rr) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(ss) "Rexford Entity" means a RIF Fund Entity, the Management Companies and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(tt) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(uu) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general

partner, managing member or other similar interest, or (ii)(A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(vv) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(ww) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(xx) "Tax Matters Agreement" means that certain Tax Matters Agreement, by and among the REIT, the Operating Partnership and the other parties identified as signatories therein.

(yy) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(zz) "Valid Election" means, with respect to any Nominee, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units or REIT Shares as indicated on the properly completed and timely received Consent Form of the Nominee or a Consent Form as to which any deficiencies have been waived by the REIT.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Forms to which the Nominees are a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person (including any Nominee) other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the Operating Partnership may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that thisSection 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant toSection 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the REIT and the Operating Partnership, on the one hand, and the Contributor, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the REIT and the Operating Partnership and the Contributor cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings

of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute

defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Contributor and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the Operating Partnership or the Contributor.

Section 6.15 CONSENT OF PARTNER, MANAGER or MEMBER. In accordance with the terms of certain of the agreements governing the Contributed Interests, the undersigned, in its capacity as a partner, manager or member of one or more of the Contributed Entities, consents to the applicable transfers contemplated in Section 1.01 hereof and the admission of the Operating Partnership as a substituted partner or member in each applicable Contributed Entity and waives any right of first refusal which the undersigned has with respect of the transfer of any of the Contributed Interests to the Operating Partnership.

Section 6.16 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.17 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the Contributor, at any time prior to the Closing Date; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the Contributor, without the prior written consent of the Contributor.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, L.P., a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, INC., a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL FUND III, LLC, a California limited liability company

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation

Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(u) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 – Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

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**Exhibit 2.4**

# CONTRIBUTION AGREEMENT

**by and among**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD INDUSTRIAL REALTY, INC.,**

**and**

**REXFORD INDUSTRIAL FUND IV, LLC**

**Dated as of , 2013**

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| Formation Transaction Documentation | Section 6.02(v) |
| Formation Transactions | Section 6.02(w) |
| Fund Material Adverse Effect | Section 6.02(x) |
| Fund V Subsequent Investment Amount | Section 6.02(y) |
| Governmental Authority | Section 6.02(z) |
| Intellectual Property | Section 6.02(aa) |
| Intellectual Property Assets | Section 6.02(bb) |
| Interim Period | Section 6.02(cc) |
| JAMS | Section 6.08(b) |
| Laws | Section 6.02(dd) |

| | |
|---|---|
| Leases | Section 4.08(b) |
| Liens | Section 6.02(ee) |
| Lock-Up Agreement | Section 6.02(ff) |
| Management Companies | Section 6.02(gg) |
| Nominees | Section 1.02(a) |
| Offering | Recitals |
| Offering Closing Date | Section 6.02(hh) |
| Offering Document | Section 6.02(ii) |
| Offering Price | Section 6.02(jj) |
| OP Material Adverse Effect | Section 6.02(kk) |
| OP Units | Recitals |
| Operating Partnership | Introduction |
| Operating Partnership Agreement | Section 3.05 |
| Operating Partnership Subsidiary | Section 3.01(b) |
| Organizational Documents | Section 6.02(ll) |
| Other RIF Fund Contribution Agreements | Recitals |
| Outside Date | Section 2.06 |
| Permitted Liens | Section 6.02(mm) |
| Person | Section 6.02(nn) |
| Pre-Formation Interests | Section 6.02(oo) |
| Pre-Formation Participants | Section 6.02(pp) |
| Properties | Section 6.02(qq) |
| Register | Section 1.02(a) |
| Registration Rights Agreement | Section 6.02(rr) |
| REIT | Introduction |
| REIT Shares | Recitals |
| Rexford Entity | Section 6.02(ss) |
| RI LLC | Recitals |
| RIF V Fund | Recitals |
| RIF V Manager | Recitals |
| RIF V REIT | Recitals |
| RIF Fund Entity | Recitals |
| Sale Consent | Section 5.03(a) |
| SEC | Section 2.01(a)(i) |
| Securities Act | Section 6.02(tt) |
| Sponsor | Recitals |
| Subsidiary | Section 6.02(uu) |
| Target Asset | Section 6.02(vv) |
| Tax | Section 6.02(ww) |
| Tax Matters Agreement | Section 6.02(xx) |
| Tax Return | Section 6.02(yy) |
| Transfer Taxes | Section 5.03(b) |
| Valid Election | Section 6.02(zz) |

**CONTRIBUTION AGREEMENT**

THIS CONTRIBUTION AGREEMENT is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, and Rexford Industrial Fund IV, LLC, a California limited liability company (the "Contributor"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which RIF V REIT will merge with and into the REIT and the equity interest in RIF V REIT will be converted automatically into the right to receive cash, without interest, or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or common units of partnership interest in the Operating Partnership ("OP Units") and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the completion of the transactions described in the preceding paragraphs, the parties to this Agreement wish to effect a transaction pursuant to which (a) the Contributor will contribute to the Operating Partnership all of the Contributor's direct and indirect interests (the "Contributed Interests") in the entities identified under the heading "Contributed Entities—Rexford Industrial Fund IV, LLC" on Exhibit A hereto (the "Contributed Entities"), the Contributed Properties and the other Contributed Assets identified herein, and (b) the Operating Partnership shall acquire from the Contributor, all of the Contributor's right, title and interest in and to such Contributed Interests, Contributed Properties and the other Contributed Assets, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units and the assumption by the Operating Partnership of the Assumed Liabilities, all on the terms and subject to the conditions set forth herein;

WHEREAS, concurrently with the execution of this Agreement, each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC and Rexford Industrial Fund III, LLC (each such entity, the Contributor, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity") will enter into a contribution agreement with the REIT and the Operating Partnership on substantially the same terms as this Contribution Agreement (the "Other RIF Fund Contribution Agreements");

WHEREAS, in the event that all members of the Contributor or another RIF Fund Entity return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of this Agreement or the applicable Other RIF Fund Contribution Agreement, the REIT may elect to cause the applicable RIF Fund Entity to enter into an agreement and plan of merger with the Operating Partnership pursuant to which such RIF Fund Entity will merge with and into the Operating Partnership and the membership interests in such RIF Fund Entity will be converted automatically into the right to receive cash, REIT Shares and/or OP Units;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and the Contributor to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I
## CONTRIBUTION

Section 1.01 CONTRIBUTION TRANSACTION; ASSIGNMENT AND ASSUMPTION OF ASSUMED LIABILITIES.

(a) At the Closing and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the Contributor hereby contributes, assigns, sets over, transfers, conveys and delivers to the Operating Partnership, absolutely and unconditionally and free and clear of all Liens (other than those arising under Organizational Documents of the applicable Rexford Entities and Permitted Liens with respect to the Contributed Properties), all of its right, title and interest in and to the Contributed Assets, including all rights to indemnification in favor of the Contributor under the Organizational Documents; *provided*, that the Operating Partnership accepts the assignment by the Contributor and agrees to be bound by the terms of the Organizational Documents governing the Contributor's Contributed Interests and undertakes, assumes and agrees punctually and faithfully to perform, pay or discharge when due and otherwise in accordance with its terms, all agreements, covenants, conditions, obligations and liabilities of the Contributor in the applicable Rexford Entities with respect to the Contributor's Contributed Interests on or after the Closing Date.

(b) At the Closing and subject to the terms and conditions contained in this Agreement, the Operating Partnership assumes and agrees to pay, perform and discharge all of the Assumed Liabilities.

(c) Without limiting the foregoing, the Contributor, on behalf of itself and its Affiliates, consents to, and agrees and acknowledges that all requirements and conditions for the transactions contemplated by this Agreement, including the transfer of the Contributed Assets and the admission of the Operating Partnership as a partner or member of each of the Contributed Entities have been satisfied or otherwise waived.

(d) All of the parties hereto agree that, as a result of the assignment and assumptions hereunder, for purposes of the Organizational Documents governing the Contributed Entities, the Operating Partnership shall be a substituted general partner, limited partner, manager or member, as the case may be, of the applicable Contributed Entity.

Section 1.02 CONSIDERATION.

(a) At Closing, subject to the terms and conditions contained in this Agreement, the Contributor shall receive cash, OP Units and/or REIT Shares with an aggregate value equal to the Equity Value represented by the Contributed Assets as set forth on Schedule 1.02 hereto (collectively referred to as the "Contribution Consideration"). The parties acknowledge that, concurrently with the Closing, the Contributor expects to distribute the

Contribution Consideration to its members in accordance with irrevocable elections made by the members of the Contributor in a Consent Form submitted by such members to the Contributor, or, if any such member has failed to submit a Consent Form, in accordance with determinations made by the Contributor. As a means of expediting such distribution, the Operating Partnership agrees to deliver such cash, OP Units and/or REIT Shares directly to such members as the nominees of the Contributor (the "Nominees") in accordance with the allocation set forth onSchedule 1.02. The transfer of OP Units to any Nominee shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement), and the transfer of REIT Shares to any Nominee shall be evidenced by the establishment of a credit to a book-entry account at the REIT's transfer agent. Subject to Section 1.03, the amount of cash, number of OP Units and/or REIT Shares comprising the Contribution Consideration attributable to each Nominee shall be as follows:

(i) Cash. One hundred percent (100%) of the Allocated Share attributable to a Nominee who is not an Accredited Investor shall be paid in cash.

(ii) OP Units. The Elected OP Unit Percentage of the Allocated Share attributable to a Nominee who is an Accredited Investor shall be distributed in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. The Elected REIT Shares Percentage of the Allocated Share attributable to a Nominee who is an Accredited Investor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided, that* to the extent such distribution of REIT Shares to such Nominee would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), such Nominee shall receive (x) the maximum number of whole REIT Shares that would not result in such violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

(b) At Closing, each Nominee receiving OP Units in accordance with the foregoing shall be admitted as a limited partner of the Operating Partnership. By executing and delivering a Consent Form, each Nominee has agreed and accepted all of the terms and conditions of the Operating Partnership Agreement and shall be deemed to have executed and delivered a counterpart signature page to the Operating Partnership Agreement.

Section 1.03 FRACTIONAL INTEREST. No fractional OP Units or REIT Shares shall be issued pursuant to this Agreement or the other Formation Transaction Documentation. All fractional OP Units that a Nominee would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Nominee shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of an OP Unit to which the Nominee would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that a Nominee would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Nominee shall receive the number of whole REIT

Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which the Nominee would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.04 FURTHER ACTION. If, at any time after the Closing, the Operating Partnership shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Operating Partnership the right, title or interest in or to any Contributed Assets, the Contributor shall execute and deliver all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and take and do all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in such Contributed Assets or otherwise to carry out this Agreement.

Section 1.05 CALCULATION OF CONTRIBUTION CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the Closing, all calculations relating to the Contribution Consideration shall be performed in good faith by, or under the direction of, the REIT and the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the Contributor and each Nominee.

## ARTICLE II
## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the contributions contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto as Exhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the Operating Partnership. The obligations of the Operating Partnership to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the Contributor contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Contributor. The Contributor shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Contributor shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Contributor to consummate the transactions contemplated hereby shall have been obtained.

(v) No Fund Material Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a Fund Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. Each Nominee receiving REIT Shares or OP Units shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Nominee that will receive OP Units in the contribution contemplated by this Agreement and that (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of the Contributor. The obligation of the Contributor to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Contributor in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the Operating Partnership contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Operating Partnership. Except as would not have an OP Material Adverse Effect, the Operating Partnership shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the Contributor (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the closing of the contributions contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF CONTRIBUTION CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Closing, the Operating Partnership shall deliver to the Nominees the Contribution Consideration payable in the amounts and form provided in Section 1.02(a) and on Schedule 1.02. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.02(b) shall be evidenced by an entry to the Register. Any certificate representing REIT Shares issuable as Contribution Consideration shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO

BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Operating Partnership (or its successor in interest) shall not be liable to any Nominee for any portion of the Contribution Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered (a) an Assignment and Assumption of Assumed Contracts, (b) a Bill of Sale, (c) an Assumption of Assumed Liabilities, (d) an Assignment and Assumption of Membership Interests, (e) all documents required by a lender in connection with the assumption or prepayment of an Existing Loan at or prior to Closing, duly executed by the applicable party, and (f) any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Contributed Assets, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its allocable portion of such costs and expenses in accordance with the terms of those certain letter agreements identified on Schedule 2.05.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the Operating Partnership and the Contributor under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement such amounts as the Operating Partnership is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Operating Partnership, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Contributor or Nominee, as applicable.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OPERATING PARTNERSHIP

The Operating Partnership hereby represents and warrants to the Contributor as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) The Operating Partnership has been duly formed and is validly existing and in good standing under the Laws of its jurisdiction of formation, and, upon the effectiveness of the Operating Partnership Agreement, will have all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation) by the Operating Partnership has been duly and validly authorized by all necessary actions required of the Operating Partnership. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Operating Partnership, enforceable against the Operating Partnership in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the Operating Partnership in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the Contributor and the Contributed Entities, the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between

the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Operating Partnership, (b) any agreement, document or instrument to which the Operating Partnership or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Operating Partnership, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Operating Partnership Agreement")). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of the Operating Partnership, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the Operating Partnership to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby, to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement in substantially final form.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. The Operating Partnership has not entered into, and covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the Contributor or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the Operating Partnership shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the Operating Partnership contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTORS

Except as disclosed in the Offering Document or the schedules attached hereto, the Contributor hereby represents and warrants to the Operating Partnership that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY.

(a) The Contributor has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The Contributor, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

(b) Schedule 4.01(b) sets forth as of the date hereof with respect to the Contributor (i) each Contributed Entity, (ii) the direct or indirect ownership interest therein of the Contributor, (iii) if not wholly owned by the Contributor, the identity and ownership interest of each of the other owners of such Contributed Entity, (iv) each Contributed Property, (v) the ownership interest therein of the Contributor, (vi) if not wholly owned by the Contributor, the identity and ownership interest of each of the other owners of such Contributed Property. Such Contributed Entity has been duly organized and is validly existing and is in good standing under the Laws of its jurisdiction of organization, and has all requisite power and authority to own, lease and/or operate its Contributed Property and to carry on its business as presently conducted. Such Contributed Entity, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its Contributed Property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Except as set forth on Schedule 4.01(b), each of the Contributor and the Contributed Entities does not own any equity or ownership interest in any other Person.

(c) The Operating Partnership has been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the Contributor of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the Contributor. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Contributor or any Contributed Entity pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor or such Contributed Entity, each enforceable against the Contributor or such Contributed Entity in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 OWNERSHIP OF CONTRIBUTED ASSETS. The Contributor is the sole record owner of all of the Contributed Assets and has the power and authority to transfer, sell, assign and convey to the Operating Partnership the Contributed Assets free and clear of any Liens and, upon delivery of the consideration for the Contributed Assets as provided herein, the Operating Partnership will acquire good and valid title thereto, free and clear of any Liens (other than those Liens created by the Organizational Documents governing Contributed Interests). Except as provided for or contemplated by this Agreement or the other applicable Formation Transaction Documentation, there are no rights to purchase, veto rights with respect to transfers, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (a) relating to any of the Contributed Assets, (b) related to any of the Contributed Entities or (c) to purchase, transfer or to otherwise acquire, or to in any way encumber, any equity interest in any of the Contributed Entities or any of the Contributed Assets (including, without limitation, any securities or obligations of any kind convertible or exchangeable into any of the interests which comprise Contributed Interests). Except as set forth in the Organizational Documents, none of the Contributor or any of the Contributed Entities is a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the Contributor or any Contributed Entity in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the Contributor or the Contributed Entities is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Contributor or the Contributed Entities, (b) any agreement, document or instrument to which the Contributor or any Contributed Entity is a party or by which the Contributor, any Contributed Entity, any Contributed Property or any of the Contributed Assets are bound by or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Contributor (or its assets or properties), any Contributed Entity or any Contributed Property, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.06 LICENSES AND PERMITS. All notices, licenses, permits, certificates and authorizations required for the continued use, occupancy, management, leasing and operation of the Contributed Properties have been obtained or can be obtained without material cost, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the Operating Partnership, except in each case for items that, if not so obtained, obtainable and/or transferred, would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, nor has any one of them received any written notice of violation from any Governmental Authority or written notice of the intention of any entity to revoke any such notice, license, permit, certificate or authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority or other entity and except as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.07 COMPLIANCE WITH LAWS. The Contributor and the Contributed Entities have conducted their respective businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. There has not been committed by the Contributor or the Contributed Entities or, to the knowledge of the Contributor, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 CONTRIBUTED PROPERTIES.

(a) Except as set forth in Schedule 4.08(a), the Contributor or a Contributed Entity is the insured under a policy of title insurance as the owner of, and, to the knowledge of the Contributor, the Contributor or a Contributed Entity is the owner of, good marketable and insurable fee simple title (or, in the case of certain Contributed Properties, a tenancy-in-common estate) to the Contributed Property owned by the Contributor or the Contributed Entity, in each case free and clear of all Liens except for Permitted Liens. Prior to the Closing, neither the Contributor nor any of the Contributed Entities shall take or omit to take any action to cause any Lien to attach to any Contributed Property, except for Permitted Liens and Liens, if any, given to secure mortgage indebtedness encumbering such Contributed Property.

(b) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, (1) neither the Contributor nor any of the Contributed Entities nor, to the knowledge of the Contributor, any other party to any material agreement affecting any Property (other than a Lease (as such term is hereinafter defined) for space within such Property), is in breach or default of any such agreement, (2) to the knowledge of the Contributor, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any such agreement, or would, individually or together with all such other events, reasonably be expected to cause the acceleration of any material obligation of any party thereto or the creation of a Lien upon any asset of the Contributor or the Contributed Entities, except for Permitted Liens, or otherwise reasonably be expected to have a Fund Material Adverse Effect and (3) all agreements affecting any Property required for the continued use, occupancy, management, leasing and operation of such Property (exclusive of space Leases) are valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

(c) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect or that are otherwise disclosed on Schedule 4.08(c), (1) neither the Contributor, nor the Contributed Entities, nor, to the knowledge of the Contributor, any other party to any Lease, is in breach or default of any such Lease, (2) to the knowledge of the Contributor, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any Lease or would permit termination, modification or acceleration under such Lease and (3) to the knowledge of the Contributor, each of the leases (and all amendments thereto or modifications thereof) to which the Contributor or the Contributed Entities is a party or by which the Contributor or the Contributed Entities or any Contributed Property is bound or subject (collectively, the "Leases") is valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.09 INSURANCE. Each of the Contributor or the Contributed Entities has in place the public liability, casualty and other insurance coverage with respect to each Contributed Property owned, leased and/or managed by it as the Contributor reasonably deems necessary and in all cases including such coverage as is required under the terms of any continuing loan or Lease. Each of the insurance policies with respect to each Contributed Property is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the knowledge of the Contributor, neither the Contributor nor the Contributed Entities have received from any insurance company any notices of cancellation or intent to cancel any insurance.

Section 4.10 ENVIRONMENTAL MATTERS. Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, to the knowledge of the Contributor, (A) the Contributor, the Contributed Entities and each Property are in compliance with all Environmental Laws, (B) neither the Contributor nor the Contributed Entities have received any written notice from any Governmental Authority or third party alleging that the Contributor or the Contributed Entities or any Contributed Property is not in compliance with applicable Environmental Laws, and (C) there has not been a release of a hazardous substance on any of the Contributed Properties that would require investigation or remediation under applicable Environmental Laws. The representations and warranties contained in this Section 4.10 constitute the sole and exclusive representations and warranties made by the Contributor concerning environmental matters.

Section 4.11 EMINENT DOMAIN. There is no existing or, to the knowledge of the Contributor, proposed or threatened condemnation, eminent domain or similar proceeding, or private purchase in lieu of such a proceeding which would affect any of the Contributed Properties, except for such proceedings that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.12 EXISTING LOANS. Schedule 4.12 lists, as of the date hereof, all secured loans presently encumbering the Properties or any direct or indirect interest in the Contributor or any Contributed Entities, and any unsecured loans relating thereto to be assumed by the REIT or any Subsidiary of the REIT at Closing (collectively, the "Existing Loans"). Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect or that are otherwise disclosed on Schedule 4.12, no monetary default (beyond applicable notice and cure periods) by any party exists under any of the Existing Loans and the documents entered into in connection therewith (collectively, the "Existing Loan Documents") and no non-monetary default (beyond applicable notice and cure periods) by any party exists under any of such Existing Loan Documents.

Section 4.13 FINANCIAL STATEMENTS. The consolidated financial statements of the Contributor and the Contributed Entities included in the Offering Document have been prepared in all material respects in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), subject, in the case of unaudited statements, to normal year-end audit adjustments, and fairly present in all material respects the financial condition and results of operations of the Contributor and the Contributed Entities as of the dates indicated therein and for the periods ended as indicated therein.

Section 4.14 TAXES.

(a) Contributor has timely and properly filed (or caused to be timely and properly filed) all Tax Returns required to be filed by it and each Contributed Entity (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so) and all such Tax Returns are accurate and complete in all material respects;

(b) Contributor and each Contributed Entity have paid (or have had paid on their behalf) all Taxes as required to be paid by them;

(c) no income or material non-income Tax Returns filed by Contributor or any Contributed Entity are the subject of a pending or ongoing audit, and

(d) no deficiencies for any income or material non-income Taxes have been proposed, asserted or assessed against Contributor or any Contributed Entity, and no requests for waivers of the time to assess any such Taxes are pending. Since its formation, for U.S. federal income tax purposes, each of Contributor and each Contributed Entity has been treated as a partnership or as a disregarded entity, and not as a corporation or an association taxable as a corporation.

Section 4.15 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance there is no action, suit or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor, any of the Contributed Entities or any of the Contributed Properties, or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation which, if adversely determined, would not have a Fund Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor, any of the Contributed Entities or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, which challenges or impairs the ability of the Contributor or any Contributed Entities to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents to be executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters fully covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the Contributor, the Contributed Entities or any officer, director, principal, managing member or general partner of any of the foregoing in their capacity as such which would reasonably be expected to have a Fund Material Adverse Effect. None of the Contributor, the Contributed Entities or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Fund Material Adverse Effect.

Section 4.16 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Contributor's knowledge, threatened against the Contributor, any Contributed Entities or any Contributed Property, nor are any such proceedings contemplated by the Contributor.

Section 4.17 SECURITIES LAW MATTERS. The Contributor acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to the Contributor and any Nominees to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such Contributor and Nominee as an "accredited investor" (within the meaning of Rule 501(a) of Regulation D under the Securities Act) acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by the Contributor and any Nominee electing to receive REIT Shares or OP Units as consideration in the Contribution, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.18 NO BROKER. The Contributor has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.19 OWNERSHIP OF CERTAIN ASSETS. Except as set forth inSchedule 4.19, neither the Contributor nor any of the Contributed Entities owns any loan assets or other securities of any issuer except for equity interests in other Contributed Entities.

Section 4.20 EMPLOYEES. None of the Contributor or any of the Contributed Entities has or has ever had any employees.

Section 4.21 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in thisArticle IV and any other agreement entered into by the Contributor in connection with the Formation Transactions, the Contributor shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.22 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.17) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the Contributor shall use commercially reasonable efforts to (and shall cause each of the Contributed Entities to) conduct its businesses and operate and maintain the Contributed Properties in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, the Contributor shall not (and shall not permit any of the Contributed Entities to) without the prior written consent of the REIT, which consent may be withheld by the REIT in its sole discretion:

(a) (i) other than distributions to the members of the Contributor in connection with such members' payment of any Taxes related to their ownership of the membership interest of the Contributor or as otherwise contemplated by this Agreement, declare, set aside or pay any dividends or distributions in respect of any Contributed Interests, except in the ordinary course of business consistent with past practice and in accordance with the applicable governing document of the Contributor, (ii) issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any Contributed Interests or make any other changes to the equity capital structure of the Contributor or the Contributed Entities, or (iii) purchase, redeem or otherwise acquire any Contributed Interests or interests of the Contributed Entities or any other securities thereof;

(b) other than in accordance with Section 4.08(a), issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, any limited liability company, partnership interests or other equity interests of the Contributor or of the Contributed Entities or any other assets of the Contributor or the Contributed Entities;

(c) amend, modify or terminate any lease, contract or other instruments relating to a Contributed Property, except in the ordinary course of business consistent with past practice;

(d) amend its certificate of formation and limited liability company agreement;

(e) adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(f) materially alter the manner of keeping the Contributor's or the Contributed Entities' books, accounts or records or the accounting practices therein reflected;

(g) file an entity classification election pursuant to Treasury Regulation Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributor or any Contributed Entity as an association taxable as a corporation for United States federal income tax purposes; make or change any other Tax elections; settle or compromise any claim, notice, audit report or assessment in respect of Taxes; change any annual

Tax accounting period; adopt or change any method of Tax accounting; file any amended Tax Return; enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any Tax; surrender of any right to claim a Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(h) terminate or amend any existing insurance policies affecting any Contributed Property that results in a material reduction in insurance coverage for such Contributed Property;

(i) knowingly cause or permit the Contributor or any Contributed Entity to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(j) take any action or fail to take any action the result of which would have a Fund Material Adverse Effect; or

(k) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE CONTRIBUTOR. Each of the Operating Partnership and the Contributor shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Contribution Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the Contributor contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the Contributor distributes such OP Units to the Nominees. As a result, (i) in accordance with Treasury Regulations Section 1.708-1(c)(4), any payment of cash or REIT Shares attributable to a Nominee shall be treated as a sale by such Nominee of its interests in the Contributor and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) Contributor shall cause each such Nominee who receives cash and/or REIT Shares to explicitly agree and consent (the "Sale Consent") to such treatment in their Consent Forms as a condition to electing such consideration. To the extent the Operating Partnership acquires any interests in the Contributor as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property

attributable to such interests shall be treated as a distribution by the Contributor in redemption of such interests. Notwithstanding Section 1.02 and any Nominee's election as to the form of its Contribution Consideration, if any Nominee (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such Nominee's Contribution Consideration shall consist solely of OP Units. Notwithstanding Sections 1.03 and 2.03(a), any cash paid as the Contribution Consideration shall be paid only after the receipt of a Sale Consent from such Nominee.

(b) All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne by the Operating Partnership. The parties agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Transfer Taxes that could be imposed in connection with the transactions contemplated hereby.

(c) The Contributor shall timely file or cause to be timely filed when due all income Tax Returns required to be filed by the Contributor and shall pay or cause to be paid all income Taxes required to be paid.

(d) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all other Tax Returns of the Contributor and all Tax Returns of each Contributed Entity which are due after the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(e) The REIT, the Operating Partnership and the Contributor shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The REIT, the Operating Partnership and the Contributor further agree, upon request, to use their reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed with respect to the transactions contemplated hereby.

(f) Prior to Closing, the Contributor shall deliver to the Operating Partnership a properly executed certificate prepared in accordance with Treasury regulations section 1.1445-2(b) certifying the Contributor's non-foreign status, and if requested by the Operating Partnership, and any similar withholding certificates or other forms under applicable state, local or foreign Tax laws.

(g) The REIT and the Operating Partnership make no representations or warranties to the Contributor, the Nominees or to the Rexford Entities regarding the Tax treatment of the contributions pursuant to this Agreement or of the other Formation Transactions,

or with respect to any other Tax consequences to the Contributor or any Contributed Entity of this Agreement or the other Formation Transactions. The Contributor acknowledges that each Contributed Entity, the Contributor and the Nominees are relying solely on their own Tax advisors in connection with this Agreement and the other Formation Transactions.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the Contributor, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, waives and relinquishes all rights and benefits otherwise afforded to the Contributor and such Nominees (a) under the Organizational Documents of the Contributed Entities including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by the other equity holders of the Contributed Entities of the Contributed Assets to the Operating Partnership, the REIT or any Affiliate thereof and any and all notice provisions related thereto, (b) to the extent permissible under applicable Laws, any statutory rights with respect to the Contributed Assets or the Contributed Entities and (c) for claims against the REIT or the Operating Partnership for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The Contributor acknowledges, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents of any Contributed Entity or other agreements among one or more holders of Contributed Assets or one or more of the partners or members of any Contributed Entity. With respect to each Contributed Entity and each Contributed Property, the Contributor expressly gives, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to such Contributed Entity or Contributed Property. In addition, the Contributor agrees, on its own behalf and, to the extent permitted to do so pursuant to a Consent Form or otherwise, on behalf of each Nominee, that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents of the applicable Contributed Entity to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents of any Contributed Entity, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the Contributor and the Contributed Entities shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05.

Section 5.06 ALTERNATE TRANSACTION. In the event that the REIT determines that a structure change is necessary, advisable or desirable, the REIT may elect, in its sole and absolute discretion, to effect an Alternate Transaction (subject to the limitations in the definition thereof), without the need for the REIT to seek any further consent or action from the Contributor or any Nominee, and the Contributor shall, and it shall cause its members and Subsidiaries to, enter into such agreements as shall be necessary to consummate the Alternate Transaction. Without limiting the foregoing, in the event that all members of the Contributor return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of this Agreement, the REIT may elect to cause the Contributor to enter into an agreement and plan of merger with the Operating Partnership pursuant to which the Contributor will merge with and into the Operating Partnership and the membership interests in the Contributor will be converted automatically into the right to receive cash, REIT Shares and/or OP Units. In the event that an Alternate Transaction is used to effect the transactions contemplated by this Agreement, then the REIT may elect to terminate this Agreement without any liability or obligation to any Person.

Section 5.07 ELIMINATED ASSETS. The parties hereby agree that the Operating Partnership shall have the right, in its sole discretion, to exclude any Contributed Asset, or any interest held directly or indirectly through a Contributed Asset (the "Eliminated Assets"), from this contribution after the date hereof until the Closing, provided that the Operating Partnership shall provide prior written notice to the Contributor regarding such exclusion. Immediately prior to the Closing and after such amounts are reasonably determined, the Contributor and each Contributed Entity shall distribute or cause to be distributed or paid out the Eliminated Assets.

## ARTICLE VI

## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT or the Operating Partnership, to:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the Contributor:

c/o Rexford Industrial, LLC
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Contribution Consideration that would be distributed to a Pre-Formation Participant as a Nominee of the Contributor in accordance with the provisions of the Contributor's Organizational Documents relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Alternate Transaction" means any transaction structure, other than that contemplated by this Agreement, pursuant to which the REIT, the Operating Partnership or any of their Subsidiaries acquire all or a portion of the interests in the Contributor or the Contributed Assets or the assets held directly or indirectly by the applicable Rexford Entities in a transaction pursuant to which the Contributor and/or the Nominees receive the amount of cash, the number of OP Units and/or the number of REIT Shares that were to be received by the Contributor and/or the Nominees pursuant to this Agreement (or a portion thereof equal in value to the value of the portion of such assets acquired by the REIT, the Operating Partnership or any of their Subsidiaries pursuant to such Alternate Transaction); *provided*, that such structure will not (i) result in a breach of the Contributor's or any applicable Contributed Entity's governing documents and (ii) would not give rise to dissenters' or appraisal rights by the members of the Contributor, unless such rights have fully waived by all such members in the Consent Forms.

(e) "Assignment and Assumption of Assumed Contracts" means that certain Assignment and Assumption of Assumed Contracts, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit G.

(f) "Assignment and Assumption of Membership Interests" means that certain Assignment and Assumption of Membership Interests, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit H.

(g) "Assumed Contracts" means all contracts, agreements, commitments, understandings and licenses of the Contributor.

(h) "Assumed Liabilities" means any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by the Contributor of any type, whether accrued, absolute, contingent, matured, unmatured, known or unknown or otherwise, including, without limitation, all such liabilities, whether past, currently existing or hereafter arising, relating to the ownership of Contributed Assets or the businesses conducted with such Contributed Assets.

(i) "Assumption of Assumed Liabilities" means that certain Assumption of Assumed Liabilities, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit I.

(j) "Bill of Sale" means that certain Bill of Sale, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit J.

(k) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(l) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(m) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder (as Nominee or otherwise) in the Formation Transactions.

(n) "Contributed Assets" means, other than the Excluded Assets, all of the Contributor's right, title and interest in, under and to all of the assets, properties and rights of the Contributor of every kind, nature and description, whether such assets, properties and rights are real, personal or mixed, tangible or intangible, including without limitation:

(i) the Contributor's Contributed Interests;

(ii) cash and cash equivalents;

(iii) all accounts or notes receivable held by the Contributor, and any security, claim, remedy or other right related to any of the foregoing;

(iv) all inventory, finished goods, raw materials, work in progress, packaging, supplies, parts and other inventories;

(v) the Assumed Contracts;

(vi) all Intellectual Property Assets;

(vii) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones and other tangible personal property;

(viii) all permits, including environmental permits, which are held by the Contributor and required for the conduct of the Contributor's business as currently conducted or for the ownership and use of the Contributed Assets;

(ix) all rights to any actions, claims or suits of any nature available to or being pursued by the Contributor to the extent related to the Contributor's business, the Contributed Assets or the Assumed Liabilities, whether arising by way of counterclaim or otherwise;

(x) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees (including any such item relating to the payment of taxes);

(xi) all of the Contributor's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Contributed Assets;

(xii) all insurance benefits, including rights and proceeds, arising from or relating to the Contributor's business, the Contributed Assets or the Assumed Liabilities;

(xiii) originals, or where not available, copies, of all books and records, including, but not limited to, books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, customer and tenant data, other records and data (including all correspondence with any Governmental Authority), strategic plans, internal financial statements, marketing and promotional surveys, and other similar documents and data; and

(xiv) all goodwill and the going concern value of the Contributor's business.

(o) "Contributed Properties" means all Properties owned directly or indirectly, in whole or in part, by the Contributed Entities, as identified on Schedule 4.01(b).

(p) "Elected OP Unit Percentage" means, with respect to the Contribution Consideration to be received by any Nominee, the percentage of the Allocated Share that the Nominee has made a Valid Election to receive in the form of OP Units.

(q) "Elected REIT Share Percentage" means, with respect to the Contribution Consideration to be received by any Nominee, the percentage of the Allocated Share that the Nominee has made a Valid Election to receive in the form of REIT Shares.

(r) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(s) "Environmental Laws" means all federal, state and local Laws governing pollution or the protection of human health or the environment.

(t) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(u) "Excluded Assets" means (i) the assets identified on Schedule 5.05 and (ii) any interest excluded from the contribution hereunder in accordance with Section 5.07.

(v) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit K hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(w) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(x) "Fund Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Contributor, the Contributed Entities or Contributed Properties, taken as a whole.

(y) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(z) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(aa) "Intellectual Property" means all of the following and similar intangible property and related proprietary rights, interests and protections, however arising, pursuant to the Laws of any jurisdiction throughout the world: (a) trademarks, service marks, trade names, brand names, logos, trade dress and other proprietary indicia of goods and services, whether registered or unregistered, and all registrations and applications for registration of such trademarks, including intent-to-use applications, all issuances, extensions and renewals of such registrations and applications and the goodwill connected with the use of and symbolized by any of the foregoing; (b) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or Governmental Authority; (c) original works of authorship in any medium of expression, whether or not published, all copyrights (whether registered or unregistered), all registrations and applications for registration of such copyrights, and all issuances, extensions and renewals of such registrations and applications; (d) confidential or proprietary information, formulas, designs, devices, technology, know-how, research and development, inventions, methods, processes, compositions and other trade secrets, whether or not patentable and whether or not the foregoing has been reduced to a writing or other tangible form, and all improvements, documents and things embodying, incorporating, or referring in any way to the foregoing; (e) patented and patentable designs and inventions, all design, plant and utility patents, letters patent, utility models, pending patent applications and provisional applications and all issuances, divisions, continuations, continuations-in-part, reissues, extensions, reexaminations and renewals of such patents and applications; (f) all other

intellectual property and proprietary rights, of every kind and nature throughout the world and however designated in all media in existence now or hereafter developed (including without limitation, moral rights, character rights, publicity rights, privacy rights and "rental" rights), whether arising by operation of law, contract, license or otherwise; and (g) all rights to sue and recover and retain damages, costs and attorneys' fees for past, present and future infringement, misappropriation, or other unauthorized use, and any other rights relating to any of the foregoing.

(bb) "Intellectual Property Assets" means all Intellectual Property of the Contributor.

(cc) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(dd) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(ee) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(ff) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(gg) "Management Companies" means, collectively RIF V Manager, Sponsor, and RI LLC.

(hh) "Offering Closing Date" means the closing date of the Offering.

(ii) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(jj) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(kk) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the Operating Partnership and each Operating Partnership Subsidiary, taken as a whole.

(ll) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the Contributor or the applicable Contributed Entity.

(mm) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by

appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by Governmental Authorities having jurisdiction over the Contributed Properties; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that do not materially impair the use of the Contributed Properties for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens securing financing or credit arrangements existing as of the Closing Date; (v) Liens arising under Leases in effect as of the Closing Date; (vi) any exceptions contained in any title policy (including any policy issued to a secured lender) relating to the Contributed Properties as of the Closing Date; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP, and which are not, in the aggregate, material to the business, operations and financial condition of the Contributed Properties so encumbered.

(nn) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(oo) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(pp) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Companies immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or Property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(qq) "Properties" means the real properties owned directly or indirectly, in whole or in part, by the Rexford Entities.

(rr) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(ss) "Rexford Entity" means a RIF Fund Entity, the Management Companies and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(tt) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(uu) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii) (A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(vv) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(ww) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(xx) "Tax Matters Agreement" means that certain Tax Matters Agreement, by and among the REIT, the Operating Partnership and the other parties identified signatories therein.

(yy) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(zz) "Valid Election" means, with respect to any Nominee, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units or REIT Shares as indicated on the properly completed and timely received Consent Form of the Nominee or a Consent Form as to which any deficiencies have been waived by the REIT.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Forms to which the Nominees are a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person (including any Nominee) other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the Operating Partnership may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that thisSection 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant toSection 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the REIT and the Operating Partnership, on the one hand, and the Contributor, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the REIT and the Operating Partnership and the Contributor cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented,

including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Contributor and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the Operating Partnership or the Contributor.

Section 6.15 CONSENT OF PARTNER, MANAGER or MEMBER. In accordance with the terms of certain of the agreements governing the Contributed Interests, the undersigned, in its capacity as a partner, manager or member of one or more of the Contributed Entities, consents to the applicable transfers contemplated in Section 1.01 hereof and the admission of the Operating Partnership as a substituted partner or member in each applicable Contributed Entity and waives any right of first refusal which the undersigned has with respect of the transfer of any of the Contributed Interests to the Operating Partnership.

Section 6.16 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.17 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the Contributor, at any time prior to the Closing Date; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the Contributor, without the prior written consent of the Contributor.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL FUND IV, LLC,
a California limited liability company

By: _____
Name:
Title:

By: _____
Name:
Title:

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation

Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(u) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 – Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance – Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 2.5**

# AGREEMENT AND PLAN OF MERGER

**by and among**

**REXFORD INDUSTRIAL REALTY, INC.,**

**and**

**REXFORD INDUSTRIAL FUND V REIT, LLC**

**Dated as of , 2013**

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| Surviving Entity | Section 1.01 |
| Target Asset | Section 6.02(ii) |
| Tax | Section 6.02(jj) |
| Tax Return | Section 6.02(kk) |
| Underwriting Agreement | Section 6.02(ll) |

**AGREEMENT AND PLAN OF MERGER**

THIS AGREEMENT AND PLAN OF MERGER is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT") and Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company (the "RIF V REIT"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, pursuant to this Agreement, RIF V REIT will merge with and into the REIT (the "Merger") and the equity interest in the RIF V REIT (the "RIF V REIT Interests") will be converted automatically into the right to receive cash, without interest, or shares of common stock of the REIT, par value $.01 per share (REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership"), pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will (a) be converted automatically into the right to receive cash, without interest, REIT Shares and/or common units of partnership interest in the Operating Partnership ("OP Units") and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, the REIT and the Operating Partnership will enter into separate contribution agreements (the "RIF Fund Contribution Agreements") with each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity may be referred to herein as a "Contributor;" each such entity, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity"), pursuant to which (a) each Contributor will contribute to the Operating Partnership all of such Contributor's direct and indirect interests in the entities identified as "Contributed Entities" on Exhibit A hereto (the "Contributed Interests") and the other contributed properties and contributed assets identified in each such RIF Fund Contribution Agreement, and (b) the Operating Partnership shall acquire from each Contributor, all of such Contributor's right, title and interest in and to such Contributed Interests and the other contributed properties and contributed assets, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units and the assumption by the Operating Partnership of the assumed liabilities identified in each such RIF Fund Contribution Agreement all on the terms and subject to the conditions set forth therein;

WHEREAS, in the event that all members of a Contributor return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of the applicable RIF Fund Contribution Agreement, the REIT may elect to cause the applicable Contributor to enter into an agreement and plan of merger with the Operating Partnership pursuant to which such Contributor will merge with and into the Operating Partnership and the membership interests in such Contributor will be converted automatically into the right to receive cash, REIT Shares and/or OP Units;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering;

WHEREAS, all necessary approvals have been obtained by each of the REIT and the RIF V REIT to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I
## THE MERGER

Section 1.01 THE MERGER. At the Effective Time, and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the RIF V REIT shall be merged with and into the REIT whereby the separate existence of the RIF V REIT shall cease, and the REIT shall continue its existence under Maryland law as the surviving entity (hereinafter sometimes referred to as the "Surviving Entity").

Section 1.02 EFFECTIVE TIME. Subject to and upon the terms and conditions of this Agreement, concurrently with or as soon as practicable after (i) the execution by the REIT and the Operating Partnership of the Underwriting Agreement and (ii) the satisfaction or waiver of the conditions set forth in Article II, the REIT and the RIF V REIT shall file articles of merger or similar documents with respect to the Merger (the "Certificate of Merger") as may be required by applicable Laws, with the State Department of Assessments and Taxation of Maryland ("SDAT") and the Secretary of State of the State of Delaware providing that the Merger shall become effective upon filing or at such later date and time set forth in the Certificate of Merger with respect to such Merger that is not more than 30 days after the Certificate of Merger is accepted by the SDAT (the "Effective Time"), together with any certificates and other filings or recordings related thereto, in such forms as are required by, and executed in accordance with the relevant provisions of applicable Laws.

Section 1.03 EFFECT OF THE MERGER. At the Effective Time, the effect of the Merger shall be as provided in this Agreement, the Certificate of Merger and applicable Laws.

Section 1.04 ORGANIZATIONAL DOCUMENTS. At the Effective Time, (i) the charter of the REIT, as in effect immediately prior to the Effective Time (the "REIT Charter"), shall be the charter of the Surviving Entity until thereafter amended as provided therein or in accordance with Maryland General Corporation Law (the "MGCL"), and (ii) the bylaws of the REIT, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Entity until thereafter amended as provided therein or in accordance with the MGCL.

Section 1.05 CONVERSION OF THE RIF V REIT INTERESTS.

(a) Under and subject to the terms and conditions of the respective Formation Transaction Documentation, each Pre-Formation Participant is irrevocably bound to accept and entitled to receive, as a result of and upon consummation of the Merger or other Formation Transactions, a specified share of the Rexford Entities as a whole in the form of the right to receive cash or REIT Shares as calculated in this Section 1.05.

(b) At the Effective Time, by virtue of the Merger and without any action on the part of the parties hereto, except as set forth in this Agreement, each RIF V REIT Interest shall be converted automatically into the right to receive cash or REIT Shares with an aggregate value equal to the portion of the Equity Value of the assets of RIF V Fund represented by such RIF V REIT Interest (collectively, but, for the avoidance of doubt, excluding any consideration payable to such Pre-Formation Participants pursuant to the Formation Transactions, in respect of

Pre-Formation Interests in any Rexford Entity other than the RIF V REIT, referred to as the "Merger Consideration"). The portion of the Equity Value of the assets of RIF V Fund "represented by" a RIF V REIT Interest shall be calculated using the same methodology used to calculate the Allocated Share of a holder of such RIF V REIT Interest.

(c) Subject to Section 1.07, the amount of cash or REIT Shares comprising the Merger Consideration for each RIF V REIT Interest so converted shall be as follows:

(i) Cash. One hundred percent (100%) of the Allocated Share attributable to a Pre-Formation Participant who is not an Accredited Investor shall be paid in cash.

(ii) REIT Shares. The Allocated Share attributable to a Pre-Formation Participant who is an Accredited Investor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to such Allocated Share divided by the Offering Price**;** *provided, that* to the extent such distribution of REIT Shares to such Pre-Formation Participant would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), such Pre-Formation Participant shall receive (x) the maximum number of whole REIT Shares that would not result in such a violation of the Ownership Limits, and (y) an amount of cash equal to the product of the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x) multiplied by the Offering Price.

Section 1.06 CANCELLATION AND RETIREMENT OF RIF V REIT INTERESTS. From and after the Effective Time, (i) each RIF V REIT Interest converted into the right to receive the Merger Consideration pursuant to Section 1.05(a) shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of such RIF V REIT Interest so converted shall thereafter cease to have any rights as a member of the RIF V REIT except the right to receive the Merger Consideration applicable thereto, and (ii) each RIF V REIT Interest issued and outstanding that is owned by the REIT, the Operating Partnership or any of their direct or indirect wholly-owned Subsidiaries shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist and no consideration shall be delivered hereunder in exchange therefor.

Section 1.07 FRACTIONAL INTERESTS. No fractional REIT Shares shall be issued in the Merger or the other Formation Transactions. All fractional REIT Shares that a holder of RIF V REIT Interests would otherwise be entitled to receive as a result of the Merger and the other Formation Transactions shall be aggregated, and each holder shall receive the number of whole REIT Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such holder would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional REIT Share.

Section 1.08 FURTHER ACTION. If, at any time after the Effective Time, the Surviving Entity shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are

necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Entity the right, title or interest in, to or under any of the rights, properties or assets of the RIF V REIT acquired or to be acquired by the Surviving Entity as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the Surviving Entity shall be authorized to execute and deliver, in the name and on behalf of the RIF V REIT all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and to take and do, in the name and on behalf of any RIF V REIT Interests all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Entity or otherwise to carry out this Agreement.

Section 1.09 CALCULATION OF MERGER CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the filing of the Certificate of Merger, all calculations relating to the Merger Consideration shall be performed in good faith by, or under the direction of, the REIT, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the holders of RIF V REIT Interests.

## ARTICLE II
## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Effective Time of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto asExhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the REIT. The obligations of the REIT to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the REIT in whole or in part):

(i) Representations and Warranties. The representations and warranties of the RIF V REIT contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the RIF V REIT. The RIF V REIT shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the RIF V REIT shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the RIF V REIT to consummate the transactions contemplated hereby shall have been obtained.

(v) No RIF V REIT Material Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a RIF V REIT Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. Each of the Pre-Formation Participants owning interests in the RIF V REIT shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(c) Conditions to the Obligations of the RIF V REIT. The obligation of the RIF V REIT to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the RIF V REIT in whole or in part):

(i) Representations and Warranties. Except as would not have a REIT Material Adverse Effect, the representations and warranties of the REIT contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the REIT. Except as would not have a REIT Material Adverse Effect, the REIT shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit D hereto. This condition may not be waived by any party hereto.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the filing of the Certificate of Merger, the Effective Time and the closing of the Merger contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit E. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF MERGER CONSIDERATION.

(a) As soon as reasonably practicable after the Effective Time, the Surviving Entity (or its successor in interest) shall deliver to each holder of RIF V REIT Interests, whose RIF V REIT Interests have been converted into the right to receive the Merger Consideration pursuant to Section 1.05(b) hereof, the Merger Consideration payable to such holder in the amounts and form provided in Section 1.05(c) hereof. Any certificate representing REIT Shares issuable as Merger Consideration shall bear the following legend:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.
>
> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN

FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A

TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Surviving Entity (or its successor in interest) shall not be liable to any holder of a RIF V REIT Interest for any portion of the Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

(c) It is intended that the Merger contemplated by this Agreement shall be treated as a "reorganization" within the meaning of Section 368(a) of the Code, and the regulations promulgated thereunder, and that this Agreement will be, and is, adopted as a plan of reorganization.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered any other documents reasonably requested by the REIT or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the RIF V REIT Interests, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its allocable portion of such costs and expenses in accordance with the terms of those certain letter agreements identified on Schedule 2.05.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the REIT and the RIF V REIT under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under

this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The REIT shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement to any holder of a RIF V REIT Interest such amounts required to be deducted and withheld with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the RIF V REIT Interest in respect of which such deduction and withholding was made.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE REIT

The REIT hereby represents and warrants to the RIF V REIT as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) The REIT has been duly incorporated and is validly existing and in good standing under the Laws of its jurisdiction of incorporation and, upon the effectiveness of the REIT Charter, will have all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a REIT Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the REIT (each a "REIT Subsidiary"), (ii) the ownership interest therein of the REIT, and (iii) if not wholly owned by the REIT, the identity and ownership interest of each of the other owners of such REIT Subsidiary. Each REIT Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a REIT Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of the REIT pursuant to this

Agreement or the other Formation Transaction Documentation) by the REIT has been duly and validly authorized by all necessary actions required of the REIT. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the REIT pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the REIT, enforceable against the REIT in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except for the filing of the Certificate of Merger in accordance with Section 1.02 hereof or in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the REIT in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a REIT Material Adverse Effect, or (b) those consents under the Organizational Documents of the applicable Rexford Entity (including the RIF V REIT), the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have a REIT Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the REIT, (b) any agreement, document or instrument to which the REIT or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the REIT, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a REIT Material Adverse Effect.

Section 3.05 VALIDITY OF REIT SHARES. Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the REIT Charter).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the REIT, threatened against the REIT or any REIT Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of the REIT, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have a REIT Material Adverse Effect, or (b) to challenge or impair the ability of the REIT to

execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby, to such an extent as would result in a REIT Material Adverse Effect.

Section 3.07 REIT CHARTER; OPERATING PARTNERSHIP AGREEMENT. Attached as Exhibit F hereto is a true and correct copy of the REIT Charter in substantially final form. Attached hereto as Exhibit B hereto is a true and correct copy of the Amended and Restated Agreement of Limited Partnership of the Operating Partnership, as in effect immediately prior to the Effective Time (the "Operating Partnership Agreement").

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the REIT and the REIT Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. The REIT has not entered into, and covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the RIF V REIT or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the REIT shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the REIT contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE RIF V REIT

Except as disclosed in the Offering Document or the schedules attached hereto, the RIF V REIT represents and warrants to the REIT that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY.

(a) The RIF V REIT has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of the RIF V REIT pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The RIF V REIT, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect.

(b) Schedule 4.01(b) sets forth as of the date hereof with respect to the RIF V REIT (i) each direct or indirect Subsidiary of the RIF V REIT (each a "RIF V REIT Subsidiary" and, collectively the "RIF V REIT Subsidiaries"), (ii) the direct or indirect ownership interest therein of the RIF V REIT, (iii) if not wholly owned by the RIF V REIT, the identity and ownership interest of each of the other owners of such Subsidiary, and (iv) each real property owned directly or indirectly, in whole or in part, by such Subsidiary (each a "Property"). Such RIF V REIT Subsidiary has been duly organized and is validly existing and is in good standing under the Laws of its jurisdiction of organization, and has all requisite power and authority to own, lease and/or operate its Property and to carry on its business as presently conducted. Such RIF V REIT Subsidiary, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its Property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect. Except as set forth on Schedule 4.01(b), each of the RIF V REIT and RIF V REIT Subsidiaries does not own any equity or ownership interest in any other Person.

(c) The REIT has been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the RIF V REIT of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the RIF V REIT pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the RIF V REIT. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the RIF V REIT or any RIF V REIT Subsidiary pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the RIF V REIT or such RIF V REIT Subsidiary, each enforceable against the RIF V REIT or such RIF V REIT Subsidiary in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 CAPITALIZATION. Schedule 4.03 sets forth as of the date hereof the ownership of the RIF V REIT. All of the issued and outstanding equity interests of the RIF V REIT and each RIF V REIT Subsidiary are duly authorized, validly issued and fully paid; and are not subject to preemptive rights or appraisal, dissenters' or other similar rights under the Organizational Documents of or any contract to which the RIF V REIT is a party or otherwise bound, except for such preemptive rights, transfer restrictions, or appraisal, dissenters' or other similar rights as would not prevent the Merger. There are no outstanding rights to purchase, subscriptions, warrants, options or any other security convertible into or exchangeable for equity interests in the RIF V REIT or its RIF V REIT Subsidiaries. Except as set forth in the

Organizational Documents, none of RIF V REIT or any of its RIF V REIT Subsidiaries is a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except for the filing of the Certificate of Merger in accordance with Section 1.02 hereof or as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the RIF V REIT or its RIF V REIT Subsidiaries in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the RIF V REIT or its RIF V REIT Subsidiaries is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the RIF V REIT or its RIF V REIT Subsidiaries or (b) any agreement, document or instrument to which the RIF V REIT or its RIF V REIT Subsidiaries is a party or by which the RIF V REIT or its RIF V REIT Subsidiaries or any of their respective assets or properties are bound by or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the RIF V REIT (or its assets or properties), or its RIF V REIT Subsidiaries, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect.

Section 4.06 LICENSES AND PERMITS. All notices, licenses, permits, certificates and authorizations required for the continued use, occupancy, management, leasing and operation of the Properties have been obtained or can be obtained without material cost, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the REIT, except in each case for items that, if not so obtained, obtainable and/or transferred, would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect. Neither the RIF V REIT, nor its RIF V REIT Subsidiaries, nor, to the knowledge of the RIF V REIT, any third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect, nor has any one of them received any written notice of violation from any Governmental Authority or written notice of the intention of any entity to revoke any such notice, license, permit, certificate or

authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority or other entity and except as would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect.

Section 4.07 COMPLIANCE WITH LAWS. The RIF V REIT and its RIF V REIT Subsidiaries have conducted their respective businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect. Neither the RIF V REIT, nor its RIF V REIT Subsidiaries, nor, to the knowledge of the RIF V REIT, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect. There has not been committed by the RIF V REIT or its RIF V REIT Subsidiary or, to the knowledge of RIF V REIT, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 PROPERTIES.

(a) Except as set forth in Schedule 4.08(a), the RIF V REIT or its RIF V REIT Subsidiary is the insured under a policy of title insurance as the owner of, and, to the knowledge of the RIF V REIT, the RIF V REIT or its RIF V REIT Subsidiary is the owner of, good, marketable and insurable fee simple title (or, in the case of certain Properties, the leasehold estate or tenancy-in-common estate) to the Property owned by the RIF V REIT or its RIF V REIT Subsidiary, in each case free and clear of all Liens except for Permitted Liens. Prior to the Effective Time, neither the RIF V REIT nor any of its RIF V REIT Subsidiaries shall take or omit to take any action to cause any Lien to attach to any Property, except for Permitted Liens and Liens, if any, given to secure mortgage indebtedness encumbering such Property.

(b) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect, (1) neither the RIF V REIT nor any of its RIF V REIT Subsidiaries nor, to the knowledge of the RIF V REIT, any other party to any material agreement affecting any Property (other than a Lease (as such term is hereinafter defined) for space within such Property), is in breach or default of any such agreement, (2) to the knowledge of the RIF V REIT, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any such agreement, or would, individually or together with all such other events, reasonably be expected to cause the acceleration of any material obligation of any party thereto or the creation of a Lien upon any asset of the RIF V REIT or its RIF V REIT Subsidiary, except for Permitted Liens, or otherwise reasonably be expected to have a RIF V REIT Material Adverse Effect and (3) all agreements affecting any Property required for the continued use, occupancy, management, leasing and operation of such Property (exclusive of space Leases) are valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

(c) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect or that are otherwise disclosed on Schedule 4.08(c), (1) neither the RIF V REIT, nor its RIF V REIT Subsidiaries, nor, to the knowledge of the RIF V REIT, any other party to any Lease, is in breach or default of any such Lease, (2) to the knowledge of the RIF V REIT, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any Lease or would permit termination, modification or acceleration under such Lease and (3) to the knowledge of the RIF V REIT, each of the Leases (and all amendments thereto or modifications thereof) to which the RIF V REIT or its RIF V REIT Subsidiaries is a party or by which the RIF V REIT or its RIF V REIT Subsidiaries or any Property is bound or subject (collectively, the "Leases") is valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.09 INSURANCE. Each of the RIF V REIT or its RIF V REIT Subsidiaries has in place the public liability, casualty and other insurance coverage with respect to each Property owned, leased and/or managed by it as the RIF V REIT reasonably deems necessary and in all cases including such coverage as is required under the terms of any continuing loan or Lease. Each of the insurance policies with respect to each Property is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the knowledge of the RIF V REIT, neither the RIF V REIT nor its RIF V REIT Subsidiaries have received from any insurance company any notices of cancellation or intent to cancel any insurance.

Section 4.10 ENVIRONMENTAL MATTERS. Except for matters that would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect, to the knowledge of the RIF V REIT, (A) the RIF V REIT and its RIF V REIT Subsidiaries and each Property are in compliance with all Environmental Laws, (B) neither the RIF V REIT nor its RIF V REIT Subsidiaries have received any written notice from any Governmental Authority or third party alleging that the RIF V REIT or any of its RIF V REIT Subsidiaries or any Property is not in compliance with applicable Environmental Laws, and (C) there has not been a release of a hazardous substance on any of the Properties that would require investigation or remediation under applicable Environmental Laws. The representations and warranties contained in this Section 4.10 constitute the sole and exclusive representations and warranties made by the RIF V REIT concerning environmental matters.

Section 4.11 EMINENT DOMAIN. There is no existing or, to the knowledge of the RIF V REIT, proposed or threatened condemnation, eminent domain or similar proceeding, or private purchase in lieu of such a proceeding which would affect any of the Properties, except for such proceedings that would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect.

Section 4.12 EXISTING LOANS. Schedule 4.12 lists, as of the date hereof, all secured loans presently encumbering the Properties or any direct or indirect interest in the RIF V REIT or any RIF V REIT Subsidiary, and any unsecured loans relating thereto to be assumed by the REIT or any Subsidiary of the REIT at Closing (collectively, the "Existing Loans"). Except for

matters that would not, individually or in the aggregate, reasonably be expected to have a RIF V REIT Material Adverse Effect or that are otherwise disclosed on Schedule 4.12, no monetary default (beyond applicable notice and cure periods) by any party exists under any of the Existing Loans and the documents entered into in connection therewith (collectively, the "Existing Loan Documents") and no non-monetary default (beyond applicable notice and cure periods) by any party exists under any of such Existing Loan Documents.

Section 4.13 FINANCIAL STATEMENTS. The consolidated financial statements of the RIF V REIT and the RIF V REIT Subsidiaries included in the Offering Document have been prepared in all material respects in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), subject, in the case of unaudited statements, to normal year-end audit adjustments, and fairly present in all material respects the financial condition and results of operations of the RIF V REIT and the RIF V REIT Subsidiaries as of the dates indicated therein and for the periods ended as indicated therein.

Section 4.14 TAXES.

(a) The RIF V REIT has timely and properly filed (or caused to be timely and properly filed) all Tax Returns required to be filed by it and each of its RIF V REIT Subsidiaries (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so), and all such Tax Returns are accurate and complete in all material respects.

(b) The RIF V REIT and each of its RIF V REIT Subsidiaries have timely paid (or have had paid on their behalf) all Taxes as required to be paid by them.

(c) No income or material non-income Tax returns filed by the RIF V REIT or any of its RIF V REIT Subsidiaries are the subject of a pending or ongoing audit.

(d) No deficiencies for any income or material non-income Taxes have been proposed, asserted or assessed against the RIF V REIT or any of its RIF V REIT Subsidiaries. No requests for waivers of the time to assess any such Taxes are pending.

(e) The RIF V REIT:

(i) for all taxable years commencing the RIF V REIT's taxable year ended December 31, 2010 through December 31, 2012, has been subject to taxation as a "real estate investment trust" within the meaning of Section 856 of the Code and has satisfied all requirements to qualify as a real estate investment trust for such years;

(ii) has operated since January 1, 2013 to the date hereof in a manner consistent with the requirements for qualification and taxation as a real estate investment trust;

(iii) intends to continue to operate in such a manner as to qualify as a REIT for its taxable year that will end with the Merger; and

(iv) has not taken or omitted to take any action that could reasonably be expected to result in a challenge by any tax authority to its status as a real estate investment trust.

(f) Since its inception neither the RIF V REIT nor any of its Subsidiaries has incurred any liability for Taxes under Sections 857(b)(1), 857(b)(6)(A), 860(c) or 4981 of the Code which have not been previously paid.

(g) As of the closing of the Formation Transactions, the RIF V REIT has no earnings and profits accumulated in any non-REIT year (within the meaning of Section 857(a)(2)(B) of the Code).

(h) Neither the RIF V REIT nor any of its Subsidiaries holds any asset the disposition of which would be subject to (or to rules similar to) Section 1374 of the Code.

(i) No RIF V REIT Subsidiary is a corporation for United States federal income tax purposes. Each RIF V REIT Subsidiary that is a partnership, joint venture or limited liability company has been since its formation treated for United States federal income tax purposes as a partnership or disregarded entity, as the case may be, and not as a corporation or an association taxable as a corporation.

(j) Neither RIF V REIT nor any of its RIF V REIT Subsidiaries has taken or agreed to take any action that would prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code, and neither the RIF V REIT nor any of its RIF V REIT Subsidiaries is aware of any agreement, plan or other circumstance that would prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

Section 4.15 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the RIF V REIT, threatened against or affecting the RIF V REIT, any of its RIF V REIT Subsidiaries or any of the Properties, or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation which, if adversely determined, would not have a RIF V REIT Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the RIF V REIT, threatened against or affecting the RIF V REIT, any of its RIF V REIT Subsidiaries or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, which challenges or impairs the ability of the RIF V REIT or any RIF V REIT Subsidiary to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents to be executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters fully covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the RIF V REIT, its RIF V REIT Subsidiaries or any officer, director, principal, managing member or general partner of any of the foregoing in their capacity as such, which would reasonably be expected to have a RIF V REIT Material Adverse Effect. None of RIF V REIT, its RIF V REIT Subsidiaries or any officer, director, principal, managing member, general

partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a RIF V REIT Material Adverse Effect.

Section 4.16 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the RIF V REIT's knowledge, threatened against the RIF V REIT, any RIF V REIT Subsidiary or any Property, nor are any such proceedings contemplated by the RIF V REIT.

Section 4.17 SECURITIES LAW MATTERS. The RIF V REIT acknowledges that: (i) the REIT intends the offer and issuance of any REIT Shares to any Pre-Formation Participants to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such equity holder as an "accredited investor" (within the meaning of Rule 501(a) of Regulation D under the Securities Act) acquiring any REIT Shares in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares pursuant to the terms of this Agreement, the REIT is relying on the representations made by each equity holder receiving REIT Shares as consideration in the Merger, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.18 NO BROKER. The RIF V REIT has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.19 OWNERSHIP OF CERTAIN ASSETS. Except as set forth inSchedule 4.19, neither the RIF V REIT nor any of its RIF V REIT Subsidiaries owns any loan assets or other securities of any issuer except for equity interests in other RIF V REIT Subsidiaries.

Section 4.20 EMPLOYEES. None of the RIF V REIT or any of the RIF V REIT Subsidiaries has or has ever had any employees.

Section 4.21 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in thisArticle IV and any other agreement entered into by the RIF V REIT in connection with the Formation Transactions, the RIF V REIT shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.22 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.17) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the RIF V REIT shall use commercially reasonable efforts to (and shall cause each of its RIF V REIT Subsidiaries to) conduct its businesses and operate and maintain the Properties in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, the RIF V REIT shall not (and shall not permit any of its RIF V REIT Subsidiaries to) without the prior written consent of the REIT, which consent may be withheld by the REIT in its sole discretion:

(a) (i) declare, set aside or pay any dividends or distributions in respect of any RIF V REIT Interests, except (A) in the ordinary course of business consistent with past practice and in accordance with the applicable governing document of the RIF V REIT or (B) dividends or distributions, including under Sections 858 or 860 of the Code, reasonably necessary for the RIF V REIT to maintain its status as a real estate investment trust under the Code and avoid or reduce the imposition of any corporate level tax or excise Tax under the Code, including dividends or distributions described in Section 5.03(a), (ii) issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any RIF V REIT Interests or make any other changes to the equity capital structure of the RIF V REIT or its RIF V REIT Subsidiaries, or (iii) purchase, redeem or otherwise acquire any RIF V REIT Interests or interests of its RIF V REIT Subsidiaries or any other securities thereof except as permitted under the applicable governing document of the RIF V REIT to preserve the RIF V REIT's status as a real estate investment trust under the Code;

(b) other than in accordance with Section 4.08(a), issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, any limited liability company, partnership interests or other equity interests of the RIF V REIT or of its RIF V REIT Subsidiaries or any other assets of the RIF V REIT or its RIF V REIT Subsidiaries;

(c) amend, modify or terminate any lease, contract or other instruments relating to the Property, except in the ordinary course of business consistent with past practice;

(d) amend its certificate of formation and limited liability company agreement;

(e) adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(f) materially alter the manner of keeping the RIF V REIT's or its RIF V REIT Subsidiaries' books, accounts or records or the accounting practices therein reflected;

(g) file an entity classification election pursuant to Treasury Regulation Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the any RIF V REIT Subsidiaries as an association taxable as a corporation for United States federal income tax purposes; make or change any other Tax elections; settle or compromise any claim, notice, audit report or assessment in respect of Taxes; change any annual Tax accounting period; adopt or change any method of Tax accounting; file any amended Tax Return; enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any Tax; surrender of any right to claim a Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(h) terminate or amend any existing insurance policies affecting any Property that results in a material reduction in insurance coverage for the Property;

(i) knowingly cause or permit the RIF V REIT or any of the RIF V REIT Subsidiaries to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(j) take any action or fail to take any action the result of which would have a RIF V REIT Material Adverse Effect; or

(k) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE REIT AND THE RIF V REIT. Each of the REIT and the RIF V REIT shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) Prior to Closing, the RIF V REIT shall declare and pay a dividend in respect of the RIF V REIT Interests in accordance with the applicable governing document of the RIF V REIT in an amount reasonably estimated by the Company to equal or exceed the amount necessary for the RIF V REIT to maintain its status as a real estate investment trust under the Code and avoid the imposition of any corporate level tax or excise Tax under the Code for the taxable year of the RIF V REIT ending on the Closing of the Merger.

(b) The REIT and the RIF V REIT shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or

other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(c) The REIT shall prepare or cause to be prepared and file or cause to be filed all income Tax Returns of the RIF V REIT and each of its Subsidiaries which are due after the Closing Date. All such income Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable Law.

(d) The REIT shall prepare or cause to be prepared all other Tax Returns of the RIF V REIT and each of its Subsidiaries.

(e) The REIT and the RIF V REIT will each use its reasonable best efforts to cause the Merger to qualify, and will use its reasonable best efforts not to, and not to permit or cause any of its Subsidiaries to, take any action that could reasonably be expected to prevent or impede the Merger from qualifying, as a reorganization within the meaning of Section 368 of the Code.

(f) Unless otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code, each of the REIT and the RIF V REIT shall report the Merger as a "reorganization" within the meaning of Section 368(a) of the Code for federal income tax purposes.

(g) Following the Merger, the REIT will comply with the record-keeping and information filing requirements of Treasury Regulation Section 1.368-3.

(h) Prior to Closing, the RIF V REIT shall deliver to the REIT a properly executed certificate prepared in accordance with Treasury Regulations section 1.1445-2(b) certifying the non-foreign status of each holder of RIF V REIT Interests and any similar affidavits or other forms required under applicable state, local or foreign Tax Laws.

(i) The REIT makes no representations or warranties to the RIF V REIT or any holder of a RIF V REIT Interest regarding the Tax treatment of the Merger or the other Formation Transactions, or with respect to any other Tax consequences to the RIF V REIT or any holder of a RIF V REIT Interest of this Agreement, the Merger or the other Formation Transactions. The RIF V REIT acknowledges that the RIF V REIT and the holders of RIF V REIT Interests are relying solely on their own Tax advisors in connection with this Agreement, the Merger and the other Formation Transactions and agreements contemplated hereby.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the RIF V REIT waives and relinquishes all rights and benefits otherwise afforded to the RIF V REIT (a) under its Organizational Documents including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by any equity holder of the RIF V REIT of their RIF

V REIT Interests to the REIT or any Affiliate thereof and any and all notice provisions related thereto and (b) for claims against the REIT or the Operating Partnership for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The RIF V REIT acknowledges that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents of the RIF V REIT or other agreements among one or more holders of RIF V REIT Interests or one or more of the members of the RIF V REIT. With respect to the RIF V REIT and each Property in which RIF V REIT Interests represent a direct or indirect interest, the RIF V REIT expressly gives all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to the RIF V REIT or such Property. In addition, the RIF V REIT agrees that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents of the RIF V REIT to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents of the RIF V REIT, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the RIF V REIT and its RIF V REIT Subsidiaries shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05.

Section 5.06 ALTERNATE TRANSACTION. In the event that the REIT determines that a structure change is necessary, advisable or desirable, the REIT may elect, in its sole and absolute discretion, to effect an Alternate Transaction (subject to the limitations in the definition thereof), without the need for the REIT to seek any further consent or action from the RIF V REIT, and the RIF V REIT shall, and it shall cause its members and Subsidiaries to, enter into such agreements as shall be necessary to consummate an Alternate Transaction. In the event that an Alternate Transaction is used to effect the transactions contemplated by this Agreement, then the REIT may elect to terminate this Agreement without any liability or obligation to any Person.

Section 5.07 ELIMINATED ASSETS. The parties hereby agree that the REIT shall have the right, in its sole discretion, to exclude any Properties or other interests or assets held directly or indirectly by the RIF V REIT (the "Eliminated Assets") from the Merger after the date hereof until the Effective Time, provided that the REIT shall provide prior written notice to the RIF V REIT regarding such exclusion. Immediately prior to the Closing and after such amounts are reasonably determined, the RIF V REIT and its RIF V REIT Subsidiaries shall distribute or cause to be distributed or paid out the Eliminated Assets.

## ARTICLE VI

## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b), or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the RIF V REIT:

c/o Rexford Industrial, LLC
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Merger Consideration that would be distributed to a Pre-Formation Participant that is the holder of an interest in a Rexford Entity in accordance with the provisions of the existing Organizational Documents of such entity relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming (x) the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target

Assets' respective Equity Value(s), and (y) the sale of additional assets that are owned directly or indirectly by RIF V Fund or RIF V REIT for an aggregate value equal to the Fund V Subsequent Investment Amount (which, for the sake of clarity, is the Equity Value attributable to Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by RIF V Fund and RIF V REIT during the Interim Period, as further described in the definition of Equity Value set forth in Schedule 6.02(c) hereto).

(d) "Alternate Transaction" means any transaction structure, other than that contemplated by this Agreement, pursuant to which the REIT, the Operating Partnership or any of their Subsidiaries acquire all or a portion of the interests in the RIF V REIT or the assets held directly or indirectly by the RIF V REIT in a transaction pursuant to which each holder of RIF V REIT Interests receives the amount of cash and/or the number of REIT Shares that was to be received by such holder pursuant to this Agreement (or a portion thereof equal in value to the value of the portion of such assets acquired by the REIT, the Operating Partnership or any of their Subsidiaries pursuant to such Alternate Transaction); provided, that such structure will not (i) result in a breach of the RIF V REIT's or any applicable RIF V REIT Subsidiary's governing documents and (ii) would not give rise to dissenters' or appraisal rights by the members of the RIF V REIT, unless such rights have fully waived by all such members in the Consent Forms.

(e) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(f) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(g) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder in the Formation Transactions.

(h) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(i) "Environmental Laws" means all federal, state and local Laws governing pollution or the protection of human health or the environment.

(j) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(k) "Excluded Assets" means the assets identified on Schedule 5.05.

(l) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit G hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(m) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(n) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(o) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(p) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(q) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(r) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(s) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(t) "Management Companies" means, collectively RIF V Manager, Sponsor, and RI LLC.

(u) "Offering Closing Date" means the closing date of the Offering.

(v) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(w) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(x) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the RIF V REIT or each RIF V REIT Subsidiary, as applicable.

(y) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by Governmental Authorities having jurisdiction over the Properties; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that do not

materially impair the use of the Properties for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens securing financing or credit arrangements existing as of the Closing Date; (v) Liens arising under Leases in effect as of the Closing Date; (vi) any exceptions contained in any title policy (including any policy issued to a secured lender) relating to the Properties as of the Closing Date; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP, and which are not, in the aggregate, material to the business, operations and financial condition of the Properties so encumbered.

(z) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(aa) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(bb) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Companies immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or Property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(cc) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(dd) "REIT Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the REIT and each REIT Subsidiary, taken as a whole.

(ee) "Rexford Entity" means a RIF Fund Entity, the Management Companies and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(ff) "RIF V REIT Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the RIF V REIT, RIF V REIT Subsidiaries or Properties, taken as a whole.

(gg) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(hh) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii) (A) ten percent (10%) or more of the

voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(ii) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(jj) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(kk) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(ll) "Underwriting Agreement" means that certain underwriting agreement, by and between the REIT, the Operating Partnership and certain underwriters set forth therein, pursuant to which the REIT will issue and sell shares in the Offering.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Forms to which the parties hereto are a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the REIT may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such

courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that this Section 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant to Section 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the REIT, on the one hand, and the RIF V REIT, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the REIT and the RIF V REIT cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the REIT in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the REIT shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the RIF V REIT and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the REIT is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the REIT or the RIF V REIT.

Section 6.15 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.16 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the RIF V REIT, at any time prior to the Effective Time; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the RIF V REIT without the prior written consent of the RIF V REIT.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL FUND V REIT, LLC

By: _____
Name:
Title:

By: _____
Name:
Title:

*[Signature Page to REIT Merger Agreement]*

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(k) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1—Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance – Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance – Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 2.6**

# AGREEMENT AND PLAN OF MERGER

**by and among**

**REXFORD INDUSTRIAL REALTY, INC.,**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**and**

**REXFORD INDUSTRIAL FUND V, LP**

**Dated as of , 2013**

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**AGREEMENT AND PLAN OF MERGER**

THIS AGREEMENT AND PLAN OF MERGER is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership and a subsidiary of the REIT (the "Operating Partnership") and Rexford Industrial Fund V, LP, a Delaware limited partnership (the "RIF V Fund"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, pursuant to this Agreement, the RIF V Fund will merge with and into the Operating Partnership (the "Merger") and the partnership interests in the RIF V Fund (the "RIF V Fund Interests") will be (a) converted automatically into the right to receive cash, without interest, shares of common stock of the REIT, par value $.01 per share ("REIT Shares") and/or common units of partnership interest in the Operating Partnership ("OP Units") and (b) in the case of the RIF V Fund Interests held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC (the "RIF V REIT") will enter into an agreement and plan of merger with the REIT pursuant to which the RIF V REIT will merge with and into the REIT and the equity interest in the RIF V REIT will be converted automatically into the right to receive cash, without interest, or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, the REIT and the Operating Partnership will enter into separate contribution agreements (the "RIF Fund Contribution Agreements") with each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity may be referred to herein as a "Contributor;" each such entity, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity"), pursuant to which (a) each Contributor will contribute to the Operating Partnership all of such Contributor's direct and indirect interests in the entities identified as "Contributed Entities" on Exhibit A hereto (the "Contributed Interests") and the other contributed properties and contributed assets identified in each such RIF Fund Contribution Agreement, and (b) the Operating Partnership shall acquire from each Contributor, all of such Contributor's right, title and interest in and to such Contributed Interests and the other contributed properties and contributed assets, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units and the assumption by the Operating Partnership of the assumed liabilities identified in each such RIF Fund Contribution Agreement all on the terms and subject to the conditions set forth therein;

WHEREAS, in the event that all members of a Contributor return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of the applicable RIF Fund Contribution Agreement, the REIT may elect to cause the applicable Contributor to enter into an agreement and plan of merger with the Operating Partnership pursuant to which such Contributor will merge with and into the Operating Partnership and the membership interests in such Contributor will be converted automatically into the right to receive cash, REIT Shares and/or OP Units;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering;

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership, the REIT and the RIF V Fund to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I
## THE MERGER

Section 1.01 THE MERGER. At the Effective Time, and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the RIF V Fund shall be merged with and into the Operating Partnership whereby the separate existence of the RIF V Fund shall cease, and the Operating Partnership shall continue its existence under Maryland law as the surviving entity (hereinafter sometimes referred to as the "Surviving Entity").

Section 1.02 EFFECTIVE TIME. Subject to and upon the terms and conditions of this Agreement, concurrently with or as soon as practicable after (i) the execution by the REIT and the Operating Partnership of the Underwriting Agreement and (ii) the satisfaction or waiver of the conditions set forth in Article II, the Operating Partnership and the RIF V Fund shall file articles of merger or similar documents with respect to the Merger (the "Certificate of Merger") as may be required by applicable Laws, with the State Department of Assessments and Taxation of Maryland ("SDAT") and the Secretary of State of the State of Delaware providing that the Merger shall become effective upon filing or at such later date and time set forth in the Certificate of Merger with respect to such Merger that is not more than 30 days after the Certificate of Merger is accepted for record by the SDAT (the "Effective Time"), together with any certificates and other filings or recordings related thereto, in such forms as are required by, and executed in accordance with the relevant provisions of applicable Laws.

Section 1.03 EFFECT OF THE MERGER. At the Effective Time, the effect of the Merger shall be as provided in this Agreement, the Certificate of Merger and applicable Laws.

Section 1.04 ORGANIZATIONAL DOCUMENTS. At the Effective Time, (i) the certificate of limited partnership of the Operating Partnership, as in effect immediately prior to the Effective Time, shall be the certificate of limited partnership of the Surviving Entity until thereafter amended as provided therein or in accordance with the Maryland Revised Uniform Limited Partnership Act (the "MLPA"), and (ii) the Amended and Restated Agreement of Limited Partnership of the Operating Partnership, as in effect immediately prior to the Effective Time (the "Operating Partnership Agreement"), shall be the agreement of limited partnership of the Surviving Entity until thereafter amended as provided therein or in accordance with the MLPA.

Section 1.05 CONVERSION OF RIF V FUND INTERESTS.

(a) Under and subject to the terms and conditions of the respective Formation Transaction Documentation, each Pre-Formation Participant is irrevocably bound to accept and entitled to receive, as a result of and upon consummation of the Merger or other Formation Transactions, a specified share of the Rexford Entities as a whole in the form of the right to receive cash, REIT Shares and/or OP Units as calculated in this Section 1.05.

(b) At the Effective Time, by virtue of the Merger and without any action on the part of the parties hereto, except as set forth in this Agreement, each RIF V Fund Interest shall be converted automatically into the right to receive cash, OP Units and/or REIT Shares with an aggregate value equal to the portion of the Equity Value of the assets of RIF V Fund represented by such RIF V Fund Interest (collectively, but, for the avoidance of doubt, excluding any consideration payable to such Pre-Formation Participants pursuant to the Formation Transactions in respect of Pre-Formation Interests in any Rexford Entity other than the RIF V Fund referred to as the "Merger Consideration") and each holder that receives OP Units in the Merger shall, upon receipt of such OP Units and the delivery of a Consent Form or a counterpart signature page to the Operating Partnership Agreement and such other documents and instruments as may be required in the sole discretion of the REIT to effect such holder's admission as a limited partner of the Operating Partnership, be admitted as a limited partner of the Operating Partnership in accordance with the MLPA and the Operating Partnership Agreement. The portion of the Equity Value of the assets of RIF V Fund "represented by" a RIF V Fund Interest shall be calculated using the same methodology used to calculate the Allocated Share of a holder of such RIF V Fund Interest.

(c) Subject to Section 1.07, the amount of cash, number of OP Units and/or REIT Shares comprising the Merger Consideration for each RIF V Fund Interest so converted shall be as follows:

(i) Cash. One hundred percent (100%) of the Allocated Share attributable to a Pre-Formation Participant who is not an Accredited Investor shall be paid in cash.

(ii) OP Units. The Elected OP Unit Percentage of the Allocated Share attributable to a Pre-Formation Participant who is an Accredited Investor shall be distributed in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. The Elected REIT Shares Percentage of the Allocated Share attributable to a Pre-Formation Participant who is an Accredited Investor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided, that* to the extent such distribution of REIT Shares to such Pre-Formation Participant would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT Charter (the "Ownership Limits"), such Pre-Formation Participant shall receive (x) the maximum number of whole REIT Shares that would not result in such a violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

Section 1.06 CANCELLATION AND RETIREMENT OF RIF V FUND INTERESTS. From and after the Effective Time, (i) each RIF V Fund Interest converted into the right to receive the Merger Consideration pursuant to Section 1.05(b) shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of such RIF V Fund Interest so converted shall thereafter cease to have any rights as a member of the RIF V Fund except the right to receive the Merger Consideration applicable thereto, and (ii) each RIF V Fund Interest issued and outstanding that is owned by the REIT or the Operating Partnership, or any of its direct or indirect wholly-owned Subsidiaries, shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist and no consideration shall be delivered hereunder in exchange therefor.

Section 1.07 FRACTIONAL INTERESTS. No fractional OP Units or REIT Shares shall be issued in the Merger or the other Formation Transactions. All fractional OP Units that a holder of RIF V Fund Interests would otherwise be entitled to receive as a result of the Merger and the other Formation Transactions shall be aggregated, and each holder shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such holder would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that a holder of RIF V Fund Interests would otherwise be entitled to receive as a result of the Merger and the other Formation Transactions shall be aggregated, and each holder shall receive the number of whole REIT Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such holder would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.08 FURTHER ACTION. If, at any time after the Effective Time, the Surviving Entity shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Entity the right, title or interest in, to or under any of the rights, properties or assets of the RIF V Fund acquired or to be acquired by the Surviving Entity as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the Surviving Entity shall be authorized to execute and deliver, in the name and on behalf of the RIF V Fund all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and to take and do, in the name and on behalf of any RIF V Fund Interests all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Entity or otherwise to carry out this Agreement.

Section 1.09 CALCULATION OF MERGER CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the filing of the Certificate of Merger, all calculations relating to the Merger Consideration shall be performed in good faith by, or under the direction of, the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the holders of RIF V Fund Interests.

## ARTICLE II
## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Effective Time of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto asExhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the Operating Partnership. The obligations of the Operating Partnership to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the RIF V Fund contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the RIF V Fund. The RIF V Fund shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the RIF V Fund shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the RIF V Fund to consummate the transactions contemplated hereby shall have been obtained.

(v) No Fund Material Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a Fund Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. Each of the Pre-Formation Participants owning interests in the RIF V Fund shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Pre-Formation Participant that will receive OP Units in the Merger and that (1) owns, directly or indirectly, an interest in any Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of the RIF V Fund. The obligation of the RIF V Fund to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the RIF V Fund in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the Operating Partnership contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Operating Partnership. Except as would not have an OP Material Adverse Effect, the Operating Partnership shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit F hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the RIF V Fund (1) owns, directly or indirectly, an interest in any Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the filing of the Certificate of Merger, the Effective Time and the closing of the Merger

contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth onExhibit E. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF MERGER CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Effective Time, the Surviving Entity (or its successor in interest) shall deliver to each holder of RIF V Fund Interests, whose RIF V Fund Interests have been converted into the right to receive the Merger Consideration pursuant to Section 1.05(b) hereof, the Merger Consideration payable to such holder in the amounts and form provided in Section 1.05(c) hereof. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.05(b) shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement). Any certificate representing REIT Shares issuable as Merger Consideration shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN

EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE

CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Surviving Entity (or its successor in interest) shall not be liable to any holder of a RIF V Fund Interest for any portion of the Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the RIF V Fund Interests, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its allocable portion of such costs and expenses in accordance with the terms of those certain letter agreements identified on Schedule 2.05.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the Operating Partnership and the RIF V Fund under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement to any holder of a RIF V Fund Interest such amounts required to be deducted and withheld with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the RIF V Fund Interest in respect of which such deduction and withholding was made.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OPERATING PARTNERSHIP

The Operating Partnership hereby represents and warrants to the RIF V Fund as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) The Operating Partnership has been duly formed and is validly existing and in good standing under the Laws of its jurisdiction of formation and, upon the effectiveness of the Operating Partnership Agreement, will have all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation) by the Operating Partnership has been duly and validly authorized by all necessary actions required of the Operating Partnership. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Operating Partnership, enforceable against the Operating Partnership in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except for the filing of the Certificate of Merger in accordance with Section 1.02 hereof or in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the Operating Partnership in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the applicable Rexford Entity (including the RIF V Fund), the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Operating Partnership, (b) any agreement, document or instrument to which the Operating Partnership or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Operating Partnership, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Operating Partnership Agreement). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the REIT Charter).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of the Operating Partnership, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the Operating Partnership to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached hereto as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement, as in effect immediately prior to the Effective Time.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. The Operating Partnership has not entered into, and covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the RIF V Fund or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the Operating Partnership shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the Operating Partnership contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE RIF V FUND

Except as disclosed in the Offering Document or the schedules attached hereto, the RIF V Fund represents and warrants to the Operating Partnership that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY.

(a) The RIF V Fund has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of the RIF V Fund pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The RIF V Fund, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

(b) Schedule 4.01(b) sets forth as of the date hereof with respect to the RIF V Fund (i) each direct or indirect Subsidiary of the RIF V Fund (each a "RIF V Fund Subsidiary" and, collectively the "RIF V Fund Subsidiaries"), (ii) the direct or indirect ownership interest therein of the RIF V Fund, (iii) if not wholly owned by the RIF V Fund, the identity and ownership interest of each of the other owners of such Subsidiary, and (iv) each real property owned directly or indirectly, in whole or in part, by the RIF V Fund or such Subsidiary (each a "Property"). Such RIF V Fund Subsidiary has been duly organized and is validly existing and is in good standing under the Laws of its jurisdiction of organization, and has all requisite power and authority to own, lease and/or operate its Property and to carry on its business as presently conducted. Such RIF V Fund Subsidiary, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its Property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Except as set forth on Schedule 4.01(b), each of the RIF V Fund and the RIF V Fund Subsidiaries does not own any equity or ownership interest in any other Person.

(c) The Operating Partnership has been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the RIF V Fund of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the RIF V Fund pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the RIF V Fund. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the RIF V Fund or any RIF V Fund Subsidiary pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the RIF V Fund or such RIF V Fund Subsidiary, each enforceable against the RIF V Fund or such RIF V Fund Subsidiary in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 CAPITALIZATION. Schedule 4.03 sets forth as of the date hereof the ownership of the RIF V Fund. All of the issued and outstanding equity interests of the RIF V Fund and each RIF V Fund Subsidiary are duly authorized, validly issued and fully paid; and are not subject to preemptive rights or appraisal, dissenters' or other similar rights under the Organizational Documents of or any contract to which the RIF V is a party or otherwise bound, except for such preemptive rights, transfer restrictions, or appraisal, dissenters' or other similar rights as would not prevent the Merger. There are no outstanding rights to purchase, subscriptions, warrants, options or any other security convertible into or exchangeable for equity interests in the RIF V Fund or its RIF V Fund Subsidiaries. Except as set forth in the Organizational Documents, none of RIF V Fund or any of its RIF V Fund Subsidiaries is a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except for the filing of the Certificate of Merger in accordance with Section 1.02 hereof or as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the RIF V Fund or its RIF V Fund Subsidiaries in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the RIF V Fund or its RIF V Fund Subsidiaries is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the RIF V Fund or its RIF V Fund Subsidiaries or (b) any agreement, document or instrument to which the RIF V Fund or its RIF V Fund Subsidiaries is a party or by which the RIF V Fund or its RIF V Fund Subsidiaries or any of their respective assets or properties are bound by or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the RIF V Fund or its RIF V Fund Subsidiaries (or its assets or properties), except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.06 LICENSES AND PERMITS. All notices, licenses, permits, certificates and authorizations required for the continued use, occupancy, management, leasing and operation of the Properties have been obtained or can be obtained without material cost, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the Operating Partnership, except in each case for items that, if not so obtained, obtainable and/or transferred, would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the RIF V Fund, nor its RIF V Fund Subsidiaries, nor, to the knowledge of the RIF V Fund, any third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, nor has any one of them received any written notice of violation from any Governmental Authority or written notice of the intention of any entity to revoke any such notice, license, permit, certificate or authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority or other entity and except as would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.07 COMPLIANCE WITH LAWS. The RIF V Fund and its RIF V Fund Subsidiaries have conducted their respective businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. Neither the RIF V Fund, nor its RIF V Fund Subsidiaries, nor, to the knowledge of the RIF V Fund, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect. There has not been committed by the RIF V Fund or its RIF V Fund Subsidiary or, to the knowledge of RIF V Fund, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 PROPERTIES.

(a) Except as set forth in Schedule 4.08(a), the RIF V Fund or its RIF V Fund Subsidiary is the insured under a policy of title insurance as the owner of, and, to the knowledge of the RIF V Fund, the RIF V Fund or its RIF V Fund Subsidiary is the owner of, good, marketable and insurable fee simple title (or, in the case of certain Properties, a tenancy-in-common estate) to the Property owned by the RIF V Fund or its RIF V Fund Subsidiary, in each case free and clear of all Liens except for Permitted Liens. Prior to the Effective Time, neither the RIF V Fund nor any of its RIF V Fund Subsidiaries shall take or omit to take any action to cause any Lien to attach to any Property, except for Permitted Liens and Liens, if any, given to secure mortgage indebtedness encumbering such Property.

(b) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, (1) neither the RIF V Fund nor any of its RIF V Fund Subsidiaries nor, to the knowledge of the RIF V Fund, any other party to any material agreement affecting any Property (other than a Lease (as such term is hereinafter defined) for space within such Property), is in breach or default of any such agreement, (2) to the knowledge of the RIF V Fund, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any such agreement, or would, individually or together with all such other events, reasonably be expected to cause the acceleration of any material obligation of any party thereto or the creation of a Lien upon any asset of the RIF V Fund or its RIF V Fund Subsidiary, except for Permitted Liens, or otherwise reasonably be expected to have a Fund Material Adverse Effect and (3) all agreements affecting any Property required for the continued use, occupancy, management, leasing and operation of such Property (exclusive of space Leases) are valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

(c) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect or that are otherwise disclosed on Schedule 4.08(c), (1) neither the RIF V Fund, nor its RIF V Fund Subsidiaries, nor, to the knowledge of the RIF V Fund, any other party to any Lease, is in breach or default of any such Lease, (2) to the knowledge of the RIF V Fund, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any Lease or would permit termination, modification or acceleration under such Lease and (3) to the knowledge of the RIF V Fund, each of the Leases (and all amendments thereto or modifications thereof) to which the RIF V Fund or its RIF V Fund Subsidiaries is a party or by which the RIF V Fund or its RIF V Fund Subsidiaries or any Property is bound or subject (collectively, the "Leases") is valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.09 INSURANCE . Each of the RIF V Fund or its RIF V Fund Subsidiaries has in place the public liability, casualty and other insurance coverage with respect to each Property owned, leased and/or managed by it as the RIF V Fund reasonably deems necessary and in all cases including such coverage as is required under the terms of any continuing loan or Lease. Each of the insurance policies with respect to each Property is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the knowledge of the RIF V Fund, neither the RIF V Fund nor its RIF V Fund Subsidiaries have received from any insurance company any notices of cancellation or intent to cancel any insurance.

Section 4.10 ENVIRONMENTAL MATTERS . Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect, to the knowledge of the RIF V Fund, (A) the RIF V Fund and its RIF V Fund Subsidiaries and each Property are in compliance with all Environmental Laws, (B) neither the RIF V Fund nor its RIF V Fund Subsidiaries have received any written notice from any Governmental Authority or third party alleging that the RIF V Fund or any of its RIF V Fund Subsidiaries or any Property is not in compliance with applicable Environmental Laws, and (C) there has not been a release of a hazardous substance on any of the Properties that would require investigation or remediation under applicable Environmental Laws. The representations and warranties contained in this Section 4.10 constitute the sole and exclusive representations and warranties made by the RIF V Fund concerning environmental matters.

Section 4.11 EMINENT DOMAIN. There is no existing or, to the knowledge of the RIF V Fund, proposed or threatened condemnation, eminent domain or similar proceeding, or private purchase in lieu of such a proceeding which would affect any of the Properties, except for such proceedings that would not, individually or in the aggregate, reasonably be expected to have a Fund Material Adverse Effect.

Section 4.12 EXISTING LOANS. Schedule 4.12 lists, as of the date hereof, all secured loans presently encumbering the Properties or any direct or indirect interest in the RIF V Fund or any RIF V Fund Subsidiary, and any unsecured loans relating thereto to be assumed by the REIT or any Subsidiary of the REIT at Closing (collectively, the "Existing Loans"). Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Fund

Material Adverse Effect or that are otherwise disclosed on Schedule 4.12, no monetary default (beyond applicable notice and cure periods) by any party exists under any of the Existing Loans and the documents entered into in connection therewith (collectively, the "Existing Loan Documents") and no non-monetary default (beyond applicable notice and cure periods) by any party exists under any of such Existing Loan Documents.

Section 4.13 FINANCIAL STATEMENTS. The consolidated financial statements of the RIF V Fund and the RIF V Fund Subsidiaries included in the Offering Document have been prepared in all material respects in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), subject, in the case of unaudited statements, to normal year-end audit adjustments, and fairly present in all material respects the financial condition and results of operations of the RIF V Fund and the RIF V Fund Subsidiaries as of the dates indicated therein and for the periods ended as indicated therein.

Section 4.14 TAXES.

(a) The RIF V Fund has timely and properly filed (or caused to be timely and properly filed) all Tax Returns required to be filed by it and each RIF V Fund Subsidiary (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so), and all such Tax Returns are accurate and complete in all material respects.

(b) RIF V Fund and each RIF V Fund Subsidiary have paid (or have had paid on their behalf) all Taxes as required to be paid by them.

(c) No income or material non-income Tax Returns filed by the RIF V Fund or any RIF V Fund Subsidiary are the subject of a pending or ongoing audit.

(d) No deficiencies for any income or material non-income Taxes have been proposed, asserted or assessed against the RIF V Fund or any RIF V Fund Subsidiary, and no requests for waivers of the time to assess any such Taxes are pending. Since its formation, for U.S. federal income tax purposes each of RIF V Fund and each RIF V Fund Subsidiary has been treated as a partnership or as a disregarded entity, and not as a corporation or an association taxable as a corporation.

Section 4.15 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the RIF V Fund, threatened against or affecting the RIF V Fund, any of its RIF V Fund Subsidiaries or any of the Properties, or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation which, if adversely determined, would not have a Fund Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the RIF V Fund, threatened against or affecting the RIF V Fund, any of its RIF V Fund Subsidiaries or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, which challenges or impairs the ability of the RIF V Fund or any RIF V Fund Subsidiary to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents to be executed

by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters fully covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the RIF V Fund, its RIF V Fund Subsidiaries or any officer, director, principal, managing member or general partner of any of the foregoing in their capacity as such, which would reasonably be expected to have a Fund Material Adverse Effect. None of RIF V Fund, its RIF V Fund Subsidiaries or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Fund Material Adverse Effect.

Section 4.16 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the RIF V Fund's knowledge, threatened against the RIF V Fund, any RIF V Fund Subsidiary or any Property, nor are any such proceedings contemplated by the RIF V Fund.

Section 4.17 SECURITIES LAW MATTERS. The RIF V Fund acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to any Pre-Formation Participants to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such equity holder as an "accredited investor" (within the meaning of Rule 501(a) of Regulation D under the Securities Act) acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by each equity holder electing to receive REIT Shares or OP Units as consideration in the Merger, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.18 NO BROKER. The RIF V Fund has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.19 OWNERSHIP OF CERTAIN ASSETS. Except as set forth inSchedule 4.19, neither the RIF V Fund nor any of its RIF V Fund Subsidiaries owns any loan assets or other securities of any issuer except for equity interests in other RIF V Fund Subsidiaries.

Section 4.20 EMPLOYEES. None of the RIF V Fund or any of the RIF V Fund Subsidiaries has or has ever had any employees.

Section 4.21 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in thisArticle IV and any other agreement entered into by the RIF V Fund in connection with the Formation Transactions, the RIF V Fund shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.22 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.17) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the RIF V Fund shall use commercially reasonable efforts to (and shall cause each of its RIF V Fund Subsidiaries to) conduct its businesses and operate and maintain the Properties in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, the RIF V Fund shall not (and shall not permit any of its RIF V Fund Subsidiaries to) without the prior written consent of the Operating Partnership, which consent may be withheld by the Operating Partnership in its sole discretion:

(a) (i) other than distributions to the members of the RIF V Fund in connection with such members' payment of any Taxes related to their ownership of the membership interest of the RIF V Fund or as otherwise contemplated by this Agreement, declare, set aside or pay any dividends or distributions in respect of any RIF V Fund Interests, except in the ordinary course of business consistent with past practice and in accordance with the applicable governing document of the RIF V Fund, including distributions by RIF V Fund reasonably necessary to enable RIF V REIT to pay dividends to maintain its status as a real estate investment trust under the Code and avoid the imposition of any income Tax or excise Tax under the Code or any provision of state, local or foreign Tax law, (ii) issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any RIF V Fund Interests or make any other changes to the equity capital structure of the RIF V Fund or its RIF V Fund Subsidiaries, or (iii) purchase, redeem or otherwise acquire any RIF V Fund Interests or interests of its RIF V Fund Subsidiaries or any other securities thereof;

(b) other than in accordance with Section 4.08(a), issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, any limited liability company, partnership interests or other equity interests of the RIF V Fund or of its RIF V Fund Subsidiaries or any other assets of the RIF V Fund or its RIF V Fund Subsidiaries;

(c) amend, modify or terminate any lease, contract or other instruments relating to the Property, except in the ordinary course of business consistent with past practice;

(d) amend its certificate of formation and limited liability company agreement;

(e) adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(f) materially alter the manner of keeping the RIF V Fund's or its RIF V Fund Subsidiaries' books, accounts or records or the accounting practices therein reflected;

(g) file an entity classification election pursuant to Treasury Regulation Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the RIF V Fund or any RIF V Fund Subsidiaries as an association taxable as a corporation for United States federal income tax purposes; make or change any other Tax elections; settle or compromise any claim, notice, audit report or assessment in respect of Taxes; change any annual Tax accounting period; adopt or change any method of Tax accounting; file any amended Tax Return; enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any Tax; surrender of any right to claim a Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(h) terminate or amend any existing insurance policies affecting any Property that results in a material reduction in insurance coverage for the Property;

(i) knowingly cause or permit the RIF V Fund or any of the RIF V Fund Subsidiaries to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(j) take any action or fail to take any action the result of which would have a Fund Material Adverse Effect; or

(k) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE RIF V FUND. Each of the Operating Partnership and RIF V Fund shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Merger Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the RIF V Fund contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the RIF V Fund distributes such OP Units to the holders of RIF V Fund Interests. As a result, (i) in accordance with Treasury Regulations Section 1.708-1(c)(4), any payment of cash or REIT Shares attributable to a holder of RIF V Fund Interests shall be treated as a sale by such holder of its interests in the RIF V Fund and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) RIF V Fund shall cause each such holder of RIF V Fund Interests who receives cash and/or REIT Shares to explicitly agree and consent (the "Sale Consent") to such treatment in their Consent Forms as a condition to electing such consideration. To the extent the Operating Partnership acquires any interests in the RIF V Fund as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property attributable to such interests shall be treated as a distribution by the RIF V Fund in redemption of such interests. Notwithstanding Section 1.05 and any holder's election as to the form of its Merger Consideration, if any holder of RIF V Fund Interests (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such holder's Merger Consideration shall consist solely of OP Units. Notwithstanding Section 1.07 and Section 2.03(a), any cash paid as the Merger Consideration holder of RIF V Fund Interests shall be paid only after the receipt of a Sale Consent from such holder of RIF V Fund Interests.

(b) All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne by the Operating Partnership. The parties agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Transfer Taxes that could be imposed in connection with the transactions contemplated hereby.

(c) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the RIF V Fund and all Tax Returns of each RIF V Fund Subsidiary which are due after the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(d) The Operating Partnership and the RIF V Fund shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership and the RIF V Fund further agree, upon request, to use

their reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed with respect to the transactions contemplated hereby.

(e) Prior to Closing, the RIF V Fund shall deliver to the REIT a properly executed certificate prepared in accordance with Treasury Regulations section 1.1445-2(b) certifying the non-foreign status of the RIF V Fund and of each holder of the RIF V Fund Interests and any similar affidavits or other forms required under applicable state, local or foreign Tax Laws.

(f) The Operating Partnership makes no representations or warranties to the RIF V Fund, the Pre-Formation Participants or to the Rexford Entities regarding the Tax treatment of the Merger pursuant to this Agreement or of the other Formation Transactions, or with respect to any other Tax consequences to the RIF V Fund or any Rexford Entity of this Agreement or the other Formation Transactions. The RIF V Fund acknowledges that each Rexford Entity, the RIF V Fund and the Pre-Formation Participants holding are relying solely on their own Tax advisors in connection with this Agreement and the other Formation Transactions and agreements contemplated hereby.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the RIF V Fund waives and relinquishes all rights and benefits otherwise afforded to the RIF V Fund (a) under its Organizational Documents including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by any equity holder of the RIF V Fund of their RIF V Fund Interests to the REIT or any Affiliate thereof and any and all notice provisions related thereto and (b) for claims against the REIT or the Operating Partnership for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The RIF V Fund acknowledges that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents of the RIF V Fund or other agreements among one or more holders of RIF V Fund Interests or one or more of the members of the RIF V Fund. With respect to the RIF V Fund and each Property in which the RIF V Fund Interests represent a direct or indirect interest, the RIF V Fund expressly gives all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to the RIF V Fund or such Property. In addition, the RIF V Fund agrees that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents of the RIF V Fund to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents of the RIF V Fund, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the RIF V Fund and its Subsidiaries shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05.

Section 5.06 ALTERNATE TRANSACTION. In the event that the Operating Partnership determines that a structure change is necessary, advisable or desirable, the Operating Partnership may elect, in its sole and absolute discretion, to effect an Alternate Transaction (subject to the limitations in the definition thereof), without the need for the Operating Partnership to seek any further consent or action from the RIF V Fund, and the RIF V Fund shall, and it shall cause its partners and Subsidiaries to, enter into such agreements as shall be necessary to consummate an Alternate Transaction. In the event that an Alternate Transaction is used to effect the transactions contemplated by this Agreement, then the Operating Partnership may elect to terminate this Agreement without any liability or obligation to any Person.

Section 5.07 ELIMINATED ASSETS. The parties hereby agree that the Operating Partnership shall have the right, in its sole discretion, to exclude any Properties or other interests or assets held directly or indirectly by the RIF V Fund (the "Eliminated Assets") from the Merger after the date hereof until the Effective Time, provided that the Operating Partnership shall provide prior written notice to the RIF V Fund regarding such exclusion. Immediately prior to the Closing and after such amounts are reasonably determined, the RIF V Fund and its Subsidiaries shall distribute or cause to be distributed or paid out the Eliminated Assets.

## ARTICLE VI

## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the Operating Partnership:

Rexford Industrial Realty, L.P.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the RIF V Fund:

c/o Rexford Industrial, LLC
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Merger Consideration that would be distributed to a Pre-Formation Participant that is the holder of an interest in a Rexford Entity in accordance with the provisions of the existing Organizational Documents of such entity relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming (x) the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s), and (y) the sale of additional assets that are owned directly or indirectly by RIF V Fund or RIF V REIT for an aggregate value equal to the Fund V Subsequent Investment Amount (which, for the sake of clarity, is the Equity Value attributable to Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by RIF V Fund and RIF V REIT during the Interim Period, as further described in the definition of Equity Value set forth in Schedule 6.02(c) hereto).

(d) "Alternate Transaction" means any transaction structure, other than that contemplated by this Agreement, pursuant to which the REIT, the Operating Partnership or any of their Subsidiaries acquire all or a portion of the interests in the RIF V Fund or the assets held directly or indirectly by the RIF V Fund in a transaction pursuant to which each holder of RIF V Fund Interests receives the amount of cash, the number of OP Units and/or the number of REIT Shares that were to be received by such holder pursuant to this Agreement (or a portion thereof equal in value to the value of the portion of such assets acquired by the REIT, the Operating Partnership or any of their Subsidiaries pursuant to such Alternate Transaction); provided, that such structure will not (i) result in a breach of the RIF V Fund's or any applicable RIF V Fund Subsidiary's governing documents and (ii) would not give rise to dissenters' or appraisal rights by the members of the RIF V Fund, unless such rights have fully waived by all such members in the Consent Forms.

(e) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(f) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(g) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder in the Formation Transactions.

(h) "Elected OP Unit Percentage" means, with respect to the Merger Consideration to be received by any Pre-Formation Participant, the percentage of the Allocated Share that the Pre-Formation Participant has made a Valid Election to receive in the form of OP Units.

(i) "Elected REIT Shares Percentage" means, with respect to the Merger Consideration to be received by any Pre-Formation Participant, the percentage of the Allocated Share that the Pre-Formation Participant has made a Valid Election to receive in the form of REIT Shares.

(j) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(k) "Environmental Laws" means all federal, state and local Laws governing pollution or the protection of human health or the environment.

(l) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(m) "Excluded Assets" means the assets identified on Schedule 5.05.

(n) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit G hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(o) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(p) "Fund Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the RIF V Fund, RIF V Fund Subsidiaries or Properties, taken as a whole.

(q) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(r) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(s) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(t) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(u) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(v) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(w) "Management Companies" means, collectively RIF V Manager, Sponsor, and RI LLC.

(x) "Offering Closing Date" means the closing date of the Offering.

(y) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(z) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(aa) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the Operating Partnership and each Operating Partnership Subsidiary, taken as a whole.

(bb) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the RIF V Fund or each RIF V Fund Subsidiary, as applicable.

(cc) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by Governmental Authorities having jurisdiction over the Properties; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that do not materially impair the use of the Properties for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens

securing financing or credit arrangements existing as of the Closing Date; (v) Liens arising under Leases in effect as of the Closing Date; (vi) any exceptions contained in any title policy (including any policy issued to a secured lender) relating to the Properties as of the Closing Date; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP, and which are not, in the aggregate, material to the business, operations and financial condition of the Properties so encumbered.

(dd) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(ee) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(ff) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Companies immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or Property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(gg) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(hh) "REIT Charter" means the charter of the REIT, as in effect immediately prior to the Effective Time.

(ii) "Rexford Entity" means a RIF Fund Entity, the Management Companies and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(jj) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(kk) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii) (A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(ll) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(mm) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(nn) "Tax Matters Agreement" means that certain Tax Matters Agreement by and among the REIT, the Operating Partnership and the other parties identified as signatories therein.

(oo) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(pp) "Underwriting Agreement" means that certain underwriting agreement, by and between the REIT, the Operating Partnership and certain underwriters set forth therein, pursuant to which the REIT will issue and sell shares in the Offering.

(qq) "Valid Election" means, with respect to any RIF V Fund Interest, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units and/or REIT Shares as indicated on the properly completed and timely received Consent Form of the holder of the RIF V Fund Interest or a Consent Form as to which any deficiencies have been waived by the Operating Partnership.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Forms to which the parties hereto are a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the Operating Partnership may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that this Section 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant to Section 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the Operating Partnership, on the one hand, and the RIF V Fund, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the Operating Partnership and the RIF V Fund cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented,

including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the RIF V Fund and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the Operating Partnership or the RIF V Fund.

Section 6.15 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.16 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the RIF V Fund, at any time prior to the Effective Time; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the RIF V Fund without the prior written consent of the RIF V Fund.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL FUND V, LP,
a Delaware limited partnership

By: REXFORD FUND V MANAGER LLC,
a Delaware limited liability company
Its: General Partner

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL FUND V, LP,
a Delaware limited partnership

By: REXFORD INDUSTRIAL FUND V REIT, LLC,
a Delaware limited liability company
Its: General Partner

By: _____
Name:
Title:

By: _____
Name:
Title:

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(m) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 – Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV -TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance – Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance – Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 2.7**

# CONTRIBUTION AGREEMENT

**by and among**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD INDUSTRIAL REALTY, INC.,**

**and**

**ALLAN ZIMAN,**
**AS SPECIAL TRUSTEE OF THE DECLARATION OF**
**TRUST OF JEANETTE RUBIN TRUST, DATED AUGUST 16, 1978, AS AMENDED**

**Dated as of , 2013**

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**CONTRIBUTION AGREEMENT**

THIS CONTRIBUTION AGREEMENT is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, and Allan Ziman, as Special Trustee of the Declaration of Trust of Jeanette Rubin Trust, dated August 16, 1978, as amended (the "Contributor"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which RIF V REIT will merge with and into the REIT and the equity interest in RIF V REIT will be converted automatically into the right to receive cash, without interest, or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or common units of partnership interest in the Operating Partnership ("OP Units") and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the completion of the transactions described in the preceding paragraphs, the parties to this Agreement wish to effect a transaction pursuant to which (a) the Contributor will contribute to the Operating Partnership all of the Contributor's right, title and interests in and to an undivided thirty (30%) tenant in common interest (the "Contributed Interests") in that certain real property located at 10439-10477 Roselle Street, San Diego, California and commonly known as "La Jolla Sorrento Business Park" (the "Contributed Property"), and (b) the Operating Partnership shall acquire from the Contributor, all of the Contributor's right, title and interest in and to such Contributed Interests, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units;

WHEREAS, concurrently with the execution of this Agreement, each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity") will enter into a contribution agreement with the REIT and the Operating Partnership;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and the Contributor to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I
## CONTRIBUTION

Section 1.01 CONTRIBUTION TRANSACTION.

(a) At the Closing and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the Contributor hereby contributes, assigns, sets over, transfers, conveys and delivers to the Operating Partnership, absolutely and

unconditionally and free and clear of all Liens (other than Permitted Liens), all of its right, title and interest in and to the Contributed Interests. Without limiting the foregoing, the Contributed Interests shall also include all of the Contributor's right, title and interests, as a tenant in common, in and to: (i) all fixtures, furniture, furnishings, apparatus and fittings, equipment, machinery, appliances, building supplies, tools, and other items of personal property used in connection with the operation or maintenance of the Contributed Property (the "Fixtures and Personal Property"); (ii) all intangible personal property now or hereafter used in connection with the operation, ownership, maintenance, management or occupancy of the Contributed Property, including, without limitation, any and all contract rights, warranties (including, without limitation, roof and construction warranties), guaranties, licenses, permits, entitlements, governmental approvals, certificates of occupancy and tenant books and records (the "Intangible Property"); (iii) all agreements and arrangements related to the Contributed Property, whether executed in the name of RIF II – La Jolla Sorrento or an Affiliate thereof as manager (collectively, "Property Agreements"), including without limitation, (1) all leases, licenses, tenancies, possession agreements and occupancy agreements with tenants of the Contributed Property ("Leases"), and (2) all service, equipment, franchise, operating, management, parking, supply, utility and maintenance agreements relating to the Contributed Property ("Service Contracts"), and (iv) all accounts, deposits and reserves related to the Contributed Property (collectively, "Property Accounts"). The parties acknowledge and agree (and the Operating Partnership hereby directs) that, at the Closing, the Contributor shall transfer the Contributed Interests directly to RIF II – La Jolla Sorrento Business Park, LLC ("RIF II – La Jolla Sorrento"), which is a wholly-owned subsidiary of the Operating Partnership and the current owner of an undivided 70% tenant in common interest in the Contributed Property.

(b) Without limiting the foregoing, the Contributor, on behalf of itself and its Affiliates, consents to, and agrees and acknowledges that all requirements and conditions for the transactions contemplated by this Agreement, including the transfer of the Contributed Interests.

Section 1.02 CONSIDERATION.

(a) At Closing, subject to the terms and conditions contained in this Agreement, the Contributor shall receive cash, OP Units and/or REIT Shares with an aggregate value equal to the Equity Value represented by the Contributed Interests as set forth on Schedule 1.02 hereto (collectively referred to as the "Contribution Consideration"). The transfer of OP Units to the Contributor shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement), and the transfer of REIT Shares to the Contributor shall be evidenced by the establishment of a credit to a book-entry account at the REIT's transfer agent. Subject to Section 1.03, the amount of cash, number of OP Units and/or REIT Shares comprising the Contribution Consideration attributable to Contributor shall be as follows:

(i) Cash. If the Contributor is not an Accredited Investor, one hundred percent (100%) of the Allocated Share attributable to the Contributor shall be paid in cash.

(ii) OP Units. If the Contributor is an Accredited Investor, the Elected OP Unit Percentage of the Allocated Share attributable to the Contributor shall be distributed in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. If the Contributor is an Accredited Investor, the Elected REIT Shares Percentage of the Allocated Share attributable to the Contributor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided, that* to the extent such distribution of REIT Shares to the Contributor would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), the Contributor shall receive (x) the maximum number of whole REIT Shares that would not result in such violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

(b) At Closing, if the Contributor is to receive OP Units in accordance with the foregoing, the Contributor shall be admitted as a limited partner of the Operating Partnership. By executing and delivering a Consent Form, the Contributor has agreed and accepted all of the terms and conditions of the Operating Partnership Agreement and shall be deemed to have executed and delivered a counterpart signature page to the Operating Partnership Agreement.

Section 1.03 FRACTIONAL INTEREST. No fractional OP Units or REIT Shares shall be issued pursuant to this Agreement or the other Formation Transaction Documentation. All fractional OP Units that the Contributor would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Contributor shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of an OP Unit to which the Contributor would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that the Contributor would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Contributor shall receive the number of whole REIT Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which the Contributor would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.04 FURTHER ACTION. If, at any time after the Closing, the Operating Partnership shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Operating Partnership the right, title or interest in or to any Contributed Interests, the Contributor shall execute and deliver all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and take and do all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in such Contributed Interests or otherwise to carry out this Agreement.

Section 1.05 CALCULATION OF CONTRIBUTION CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the Closing, all calculations relating to the Contribution Consideration shall be performed in good faith by, or under the direction of, the REIT and the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the Contributor.

## ARTICLE II

## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the contributions contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto asExhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the Operating Partnership. The obligations of the Operating Partnership to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the Contributor contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Contributor. The Contributor shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Contributor shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Contributor to consummate the transactions contemplated hereby shall have been obtained.

(v) No Contributor Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a Contributor Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. If the Contributor is to receive REIT Shares or OP Units, the Contributor shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Contributor that will receive OP Units in the contribution contemplated by this Agreement and that (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(ix) Closing Deliveries. The Contributor shall have delivered to the Title Company (as defined below), at least one (1) business day prior to Closing, all documents required under Section 2.04 below.

(x) Title Insurance. A title company satisfactory to the Operating Partnership in its reasonable discretion (the "Title Company") shall be irrevocably committed to issue the Title Policy (as defined in Section 2.04 below) to RIF II – La Jolla Sorrento, effective as of the Closing.

(c) Conditions to the Obligations of the Contributor. The obligation of the Contributor to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Contributor in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the Operating Partnership contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Operating Partnership. Except as would not have an OP Material Adverse Effect, the Operating Partnership shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the Contributor (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the closing of the contributions contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF CONTRIBUTION CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Closing, the Operating Partnership shall deliver to the Contributor the Contribution Consideration payable in the amounts and form provided in Section 1.02(a) and on Schedule 1.02. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.02(b) shall be evidenced by an entry to the Register. Any certificate representing REIT Shares issuable as Contribution Consideration shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF

CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Operating Partnership (or its successor in interest) shall not be liable to the Contributor for any portion of the Contribution Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. Prior to the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered,(a) a Grant Deed, substnatially in the form attached hereto as Exhibit G, duly executed and notarized by the Contributor and conveying its entire undivided 30% tenant in common interest in the Contributed Property, free and clear of all Liens other than Permitted Liens, to RIF II – La Jolla Sorrento, (b) a standard owner's affidavit executed by the Contributor to the extent necessary to enable the Title Company to issue or to irrevocably commit to issue to RIF II – La Jolla Sorrento, effective as of the Closing, with respect to the Contributed Property, either (i) an ALTA extended coverage owner's policy of title insurance (in current form), with such endorsements thereto as the Operating Partnership may reasonably request, or (ii) such endorsements or other modifications to the owner's policy of title

insurance currently held by RIF II – La Jolla Sorrento as the Operating Partnership may reasonably request (including, without limitation, a date-down endorsement), in either event with a coverage amount and levels of co-insurance and reinsurance reasonably acceptable to the Operating Partnership, insuring fee simple title to all real property and improvements comprising the Contributed Property in the name of RIF II – La Jolla Sorrento, subject only to Permitted Liens (the "Title Policy"), and (c) any documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Contributed Interests, free and clear of all Liens other than Permitted Liens and to effectuate the transactions contemplated hereby. The parties acknowledge and agree that, upon the recordation of the Grant Deed at Closing, all Contributed Interests shall be deemed to have been transferred to RIF II – La Jolla Sorrento.

Section 2.05 CLOSING COSTS . If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the Title Policy[1] and the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its own costs and expenses.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the Operating Partnership and the Contributor under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement such amounts as the Operating Partnership is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Operating Partnership, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Contributor.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OPERATING PARTNERSHIP

The Operating Partnership hereby represents and warrants to the Contributor as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) The Operating Partnership has been duly formed and is validly existing and in good standing under the Laws of its jurisdiction of formation, and, upon the effectiveness of the Operating Partnership Agreement, will have all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation) by the Operating Partnership has been duly and validly authorized by all necessary actions required of the Operating Partnership. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Operating Partnership, enforceable against the Operating Partnership in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the Operating Partnership in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the Contributor, the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Operating Partnership, (b) any agreement, document or instrument to which the Operating Partnership or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Operating Partnership, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Operating Partnership Agreement")). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of the Operating Partnership, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the Operating Partnership to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby, to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement in substantially final form.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. The Operating Partnership has not entered into, and covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the Contributor or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the Operating Partnership shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the Operating Partnership contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTOR

Except as disclosed in the Offering Document or the schedules attached hereto, the Contributor hereby represents and warrants to the Operating Partnership that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY. The Contributor has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The Contributor, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the Contributor of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the Contributor. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor, each enforceable against the Contributor in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 OWNERSHIP OF CONTRIBUTED INTERESTS. The Contributor is the sole record owner of all of the Contributed Interests and has the power and authority to transfer, sell, assign and convey to the Operating Partnership the Contributed Interests free and clear of any Liens and, upon delivery of the consideration for the Contributed Interests as provided herein, the Operating Partnership will acquire good and valid title thereto, free and clear of any Liens (other than Permitted Liens). Except as provided for or contemplated by this Agreement or the other applicable Formation Transaction Documentation, there are no rights to purchase, veto rights with respect to transfers, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (a) relating to the Contributed Interests or (b) to purchase, transfer or to otherwise acquire, or to in any way encumber, any of the Contributed Interests (including, without limitation, any securities or obligations of any kind convertible into any of the interests which comprise Contributed Interests). Except as set forth in the Organizational Documents, the Contributor is not a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the Contributor in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the Contributor is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Contributor, (b) any agreement, document or instrument to which the Contributor is a party or by which the Contributor or any of the Contributed Interests are bound by or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Contributor (or its assets or properties), except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect.

Section 4.06 OMITTED.

Section 4.07 COMPLIANCE WITH LAWS. The Contributor has conducted its businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect. Neither the Contributor nor, to the knowledge of the Contributor, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect. There has not been committed by the Contributor or, to the knowledge of the Contributor, any other Person in occupancy of or involved with the operation or use of the Contributed Property any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against the Contributed Property or any part thereof. There has not been committed by the Contributor or, to the knowledge of the Contributor, any other Person in occupancy of or involved with the operation or use of the Contributed Property any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against the Contributed Property or any part thereof.

Section 4.08 CONTRIBUTED PROPERTY. To the knowledge of the Contributor, the Contributor is the owner of a tenancy-in-common estate to the Contributed Property, free and clear of all Liens except for Permitted Liens. Prior to the Closing, the Contributor shall not take or omit to take any action to cause any Lien to attach to any Contributed Property, except for Permitted Liens and Liens, if any, given to secure mortgage indebtedness encumbering such Contributed Property.

Section 4.09 OMITTED.

Section 4.10 OMITTED.

Section 4.11 OMITTED.

Section 4.12 OMITTED.

Section 4.13 OMITTED.

Section 4.14 OMITTED.

Section 4.15 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor, or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation which, if adversely determined, would not have a Contributor Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, which challenges or impairs the ability of the Contributor to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents to be executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters fully covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the Contributor or any officer, director, principal, managing member or general partner of any of the foregoing in their capacity as such, which would reasonably be expected to have a Contributor Material Adverse Effect. None of the

Contributor or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of the Contributed Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Contributor Material Adverse Effect.

Section 4.16 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Contributor's knowledge, threatened against the Contributor or the Contributed Property, nor are any such proceedings contemplated by the Contributor.

Section 4.17 SECURITIES LAW MATTERS. The Contributor acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to the Contributor to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such Contributor as an "accredited investor" (within the meaning of Rule 501(a) of Regulation D under the Securities Act) acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by the Contributor electing to receive REIT Shares or OP Units as consideration in the Contribution, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.18 NO BROKER. The Contributor has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.19 OMITTED.

Section 4.20 OMITTED.

Section 4.21 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article IV and any other agreement entered into by the Contributor in connection with the Formation Transactions, the Contributor shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.22 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.17) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS.

During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the Contributor shall not without the prior written consent of the REIT, which consent may be withheld by the REIT in its sole discretion:

(a) other than in accordance with Section 4.08, issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, the Contributed Interests or the Contributed Property;

(b) knowingly cause or permit the Contributor to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(c) take any action or fail to take any action the result of which would have a Contributor Material Adverse Effect; or

(d) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE CONTRIBUTOR. Each of the Operating Partnership and the Contributor shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) The parties hereto intend and agree that, for United States federal income tax purposes, the contribution of Contributed Interests to the Operating Partnership shall constitute: (i) a contribution qualifying under Section 721(a) of the Code to the extent of the OP Units received by the Contributor; and (ii) a taxable sale of the Contributed Interests by the Contributor to the Operating Partnership to the extent of any cash (including cash in lieu of OP Units or REIT Shares) and/or REIT Shares received by the Contributor.

(b) All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne by the Operating Partnership. The parties agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Transfer Taxes that could be imposed in connection with the transactions contemplated hereby.

(c) The REIT, the Operating Partnership and the Contributor shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The REIT, the Operating Partnership and the Contributor further agree, upon request, to use their reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed with respect to the transactions contemplated hereby.

(d) Prior to Closing, the Contributor shall deliver to the Operating Partnership a properly executed certificate prepared in accordance with Treasury regulations section 1.1445-2(b) certifying the Contributor's non-foreign status, and if requested by the Operating Partnership, and any similar withholding certificates or other forms under applicable state, local or foreign Tax laws.

(e) The REIT and the Operating Partnership make no representations or warranties to the Contributor regarding the Tax treatment of the contributions pursuant to this Agreement or of the other Formation Transactions, or with respect to any other Tax consequences to the Contributor of this Agreement or the other Formation Transactions. The Contributor acknowledges that the Contributor is relying solely on its own Tax advisors in connection with this Agreement and the other Formation Transactions.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER TIC AGREEMENT. As of the Closing, the Contributor waives and relinquishes all rights and benefits otherwise afforded to the Contributor (a) under the TIC Agreement including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by the other holders of interests similar to the Contributed Interests of such interests to the Operating Partnership, the REIT or any Affiliate thereof and any and all notice provisions related thereto, (b) to the extent permissible under applicable Laws, any statutory rights with respect to the Contributed Interests and (c) for claims against the REIT or the Operating Partnership for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of the TIC Agreement. The Contributor acknowledges that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the TIC Agreement. With respect to the property to which the Contributed Interests relate, the Contributor expressly gives all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to such property. In addition, the Contributor agrees that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the TIC Agreement to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the TIC Agreement, which shall remain in full force and effect without modification.

Section 5.05 OMITTED.

Section 5.06 OMITTED.

Section 5.07 ELIMINATED ASSETS. The parties hereby agree that the Operating Partnership shall have the right, in its sole discretion, to exclude the Contributed Interests (or any interest therein or portion thereof) (the "Eliminated Assets"), from this contribution after the date hereof until the Closing, provided that the Operating Partnership shall provide prior written notice to the Contributor regarding such exclusion.

## ARTICLE VI

## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT or the Operating Partnership, to:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the Contributor:

Allan Ziman, Special Trustee
132 West 8th Street
National City, CA 91950
Facsimile: (619) 477-8148

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Contribution Consideration that would be distributed to the Contributor as a Pre-Formation Participant in accordance with the provisions of the TIC Agreement relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(e) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(f) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder in the Formation Transactions.

(g) "Contributor Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Contributor or the Contributed Property, taken as a whole.

(h) "Elected OP Unit Percentage" means, with respect to the Contribution Consideration to be received by the Contributor, the percentage of the Allocated Share that the Contributor has made a Valid Election to receive in the form of OP Units.

(i) "Elected REIT Share Percentage" means, with respect to the Contribution Consideration to be received by the Contributor, the percentage of the Allocated Share that the Contributor has made a Valid Election to receive in the form of REIT Shares.

(j) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(k) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(l) "Excluded Assets" means (i) the assets identified on Schedule 6.02(k) and (ii) any interest excluded from the contribution hereunder in accordance with Section 5.07.

(m) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit H hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(n) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(o) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(p) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(q) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(r) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(s) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(t) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(u) "Management Companies" means, collectively RIF V Manager, Sponsor, and RI LLC.

(v) "Offering Closing Date" means the closing date of the Offering.

(w) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(x) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(y) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the Operating Partnership and each Operating Partnership Subsidiary, taken as a whole.

(z) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement, operating agreement, or trust documents, of the Contributor or the Operating Partnership.

(aa) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by Governmental Authorities having jurisdiction over the Contributed Property; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that do not materially impair the use of the Contributed Property for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens securing financing or credit arrangements existing as of the Closing Date; (v) Liens arising under Leases in effect as of the Closing Date; (vi) any exceptions contained in any title policy (including any policy issued to a secured lender) relating to the Contributed Property as of the Closing Date; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable or the payment of

which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP, and which are not, in the aggregate, material to the business, operations and financial condition of the Contributed Property so encumbered.

(bb) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(cc) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(dd) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Companies immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(ee) "Property" means any real property owned directly or indirectly, in whole or in part, by the Rexford Entities.

(ff) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(gg) "Rexford Entity" means a RIF Fund Entity, the Management Companies and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(hh) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(ii) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii) (A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(jj) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(kk) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(ll) "Tax Matters Agreement" means that certain Tax Matters Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(mm) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(nn) "TIC Agreement" means that certain Tenancy-in-Common Agreement dated as of February 9, 2005, by and between RIF II – La Jolla Sorrento and the Contributor.

(oo) "Valid Election" means, with respect to the Contributor, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units or REIT Shares as indicated on the properly completed and timely received Consent Form of the Contributor or a Consent Form as to which any deficiencies have been waived by the REIT.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement and the other Formation Transaction Documentation and the Consent Form to which the Contributor is a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the Operating Partnership may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that this Section 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant to Section 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the REIT and the Operating Partnership, on the one hand, and the Contributor, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the REIT and the Operating Partnership and the Contributor cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to

begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in

any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Contributor and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the Operating Partnership or the Contributor.

Section 6.15 OMITTED.

Section 6.16 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.17 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the Contributor, at any time prior to the Closing Date; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the Contributor, without the prior written consent of the Contributor.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

DECLARATION OF TRUST OF JEANETTE RUBIN TRUST, DATED AUGUST 16, 1978, AS AMENDED

_____
Allan Ziman as Special Trustee of the Declaration of Trust of Jeanette Rubin Trust, Dated August 16, 1978, as Amended

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[2]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(l) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other

[2] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 6.02(k) to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 – Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Schedule 6.02(k)**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Exhibit 2.8**

# CONTRIBUTION AGREEMENT

**by and among**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD INDUSTRIAL REALTY, INC.,**

**and**

**THE CONTRIBUTORS PARTY HERETO**

**Dated as of , 2013**

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**CONTRIBUTION AGREEMENT**

THIS CONTRIBUTION AGREEMENT is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, and each of the parties identified as a "Contributor" on the signature pages to this Agreement (each, a "Contributor" and, collectively, the "Contributors"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which RIF V REIT will merge with and into the REIT and the equity interest in RIF V REIT will be converted automatically into the right to receive cash, without interest, or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or common units of partnership interest in the Operating Partnership ("OP Units") and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the completion of the transactions described in the preceding paragraphs, the parties to this Agreement wish to effect a transaction pursuant to which (a) each Contributor will contribute to the Operating Partnership all of such Contributor's direct and indirect interests in and to an 8.33% membership interest owned by such Contributor (each a "Contributed Interest" and, collectively, the "Contributed Interests") in Rexford Business Center-Fullerton, LLC (the "Contributed Entity"), and (b) the Operating Partnership shall acquire from each Contributor, all of such Contributor's right, title and interest in and to such Contributed Interests, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units;

WHEREAS, concurrently with the execution of this Agreement, each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity") will enter into a contribution agreement with the REIT and the Operating Partnership ;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and each Contributor to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I
## CONTRIBUTION

Section 1.01 CONTRIBUTION TRANSACTION.

(a) At the Closing and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, each Contributor hereby contributes, assigns, sets over, transfers, conveys and delivers to the Operating Partnership, absolutely and

unconditionally and free and clear of all Liens (other than those arising under Organizational Documents governing the Contributed Interests), all of its right, title and interest in and to the Contributed Interests, including all rights to indemnification in favor of such Contributor under the Organizational Documents; *provided*, that the Operating Partnership accepts the assignment by such Contributor and agrees to be bound by the terms of the Organizational Documents governing such Contributor's Contributed Interests and undertakes, assumes and agrees punctually and faithfully to perform, pay or discharge when due and otherwise in accordance with its terms, all agreements, covenants, conditions, obligations and liabilities of such Contributor with respect to such Contributor's Contributed Interests on or after the Closing Date.

(b) Without limiting the foregoing, each Contributor, on behalf of itself and its Affiliates, consents to, and agrees and acknowledges that all requirements and conditions for the transactions contemplated by this Agreement, including the transfer of the Contributed Interests and the admission of the Operating Partnership as a partner or member of the Contributed Entity have been satisfied or otherwise waived.

(c) All of the parties hereto agree that, as a result of the assignment and assumptions hereunder and under the RIF Fund Contribution Agreements, for purposes of the Organizational Documents governing the Contributed Entity, the Operating Partnership shall be a substituted general partner, limited partner, manager or member, as the case may be, of the applicable Contributed Entity.

Section 1.02 CONSIDERATION.

(a) At Closing, subject to the terms and conditions contained in this Agreement, each Contributor shall receive cash, OP Units and/or REIT Shares with an aggregate value equal to the Equity Value represented by such Contributor's Contributed Interest as set forth on Schedule 1.02 hereto (collectively referred to as such Contributor's "Contribution Consideration"). The transfer of OP Units to each Contributor shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement), and the transfer of REIT Shares to each Contributor shall be evidenced by the establishment of a credit to a book-entry account at the REIT's transfer agent. Subject to Section 1.03, the amount of cash, number of OP Units and/or REIT Shares comprising the Contribution Consideration attributable to each Contributor shall be as follows:

(i) Cash. If the Contributor is not an Accredited Investor, one hundred percent (100%) of the Allocated Share attributable to such Contributor shall be paid in cash.

(ii) OP Units. If the Contributor is an Accredited Investor, the Elected OP Unit Percentage of the Allocated Share attributable to such Contributor shall be distributed in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. If the Contributor is an Accredited Investor, the Elected REIT Shares Percentage of the Allocated Share attributable to such Contributor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided, that* to the extent such distribution of REIT Shares to such Contributor would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), the Contributor shall receive (x) the maximum number of whole REIT Shares that would not result in such violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

(b) At Closing, if a Contributor is to receive OP Units in accordance with the foregoing, such Contributor shall be admitted as a limited partner of the Operating Partnership. By executing and delivering a Consent Form, each Contributor has agreed and accepted all of the terms and conditions of the Operating Partnership Agreement and shall be deemed to have executed and delivered a counterpart signature page to the Operating Partnership Agreement.

Section 1.03 FRACTIONAL INTEREST. No fractional OP Units or REIT Shares shall be issued pursuant to this Agreement or the other Formation Transaction Documentation. All fractional OP Units that a Contributor would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and such Contributor shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of an OP Unit to which the Contributor would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that a Contributor would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and such Contributor shall receive the number of whole REIT Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such Contributor would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.04 FURTHER ACTION. If, at any time after the Closing, the Operating Partnership shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Operating Partnership the right, title or interest in or to any Contributed Interests, each Contributor shall execute and deliver all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and take and do all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in such Contributed Interests or otherwise to carry out this Agreement.

Section 1.05 CALCULATION OF CONTRIBUTION CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the Closing, all calculations relating to the Contribution Consideration shall be performed in good faith by, or under the direction of, the REIT and the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon each Contributor.

## ARTICLE II

## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the contributions contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto asExhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the Operating Partnership. The obligations of the Operating Partnership to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of each Contributor contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by each Contributor. Each Contributor shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and no Contributor shall have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for each Contributor to consummate the transactions contemplated hereby shall have been obtained.

(v) No Contributor Material Adverse Effect. There shall not have occurred between the date hereof and the Closing Date a Contributor Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. If a Contributor is to receive REIT Shares or OP Units, such Contributor shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Contributor that will receive OP Units in the contribution contemplated by this Agreement and that (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of a Contributor. The obligation of a Contributor to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by each Contributor in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the Operating Partnership contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Operating Partnership. Except as would not have an OP Material Adverse Effect, the Operating Partnership shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If a Contributor (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the closing of the contributions contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF CONTRIBUTION CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Closing, the Operating Partnership shall deliver to each Contributor such Contributor's Contribution Consideration payable in the amounts and form provided in Section 1.02(a) and on Schedule 1.02. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.02(b) shall be evidenced by an entry to the Register. Any certificate representing REIT Shares issuable as Contribution Consideration shall bear the following legend:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT

OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Operating Partnership (or its successor in interest) shall not be liable to any Contributor for any portion of the Contribution Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered (a) an Assignment and Assumption of Membership Interests, and any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Contributed Interests, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its own costs and expenses.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the Operating Partnership and each Contributor under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement such amounts as the Operating Partnership is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Operating Partnership, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the relevant Contributor.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OPERATING PARTNERSHIP

The Operating Partnership hereby represents and warrants to each Contributor as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) The Operating Partnership has been duly formed and is validly existing and in good standing under the Laws of its jurisdiction of formation, and, upon the effectiveness of the Operating Partnership Agreement, will have all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its

property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation) by the Operating Partnership has been duly and validly authorized by all necessary actions required of the Operating Partnership. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Operating Partnership, enforceable against the Operating Partnership in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the Operating Partnership in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the Contributors, the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Operating Partnership, (b) any agreement, document or instrument to which the Operating Partnership or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Operating Partnership, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Operating Partnership Agreement")). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of the Operating Partnership, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the Operating Partnership to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby, to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement in substantially final form.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. The Operating Partnership has not entered into, and covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of any Contributor or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the Operating Partnership shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the Operating Partnership contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTORS

Except as disclosed in the Offering Document or the schedules attached hereto, each Contributor hereby represents and warrants to the Operating Partnership that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY. (a) Such Contributor has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of such Contributor pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. Such Contributor, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect.

(b) The Operating Partnership has been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by such Contributor of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of such Contributor pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of such Contributor. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of such Contributor pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of such Contributor, each enforceable against such Contributor in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 OWNERSHIP OF CONTRIBUTED INTERESTS. Such Contributor is the sole record owner of such Contributor's Contributed Interest and has the power and authority to transfer, sell, assign and convey to the Operating Partnership such Contributed Interest free and clear of any Liens and, upon delivery of the consideration for such Contributed Interest as provided herein, the Operating Partnership will acquire good and valid title thereto, free and clear of any Liens (other than those Liens created by the Organizational Documents governing such Contributed Interest). Except as provided for or contemplated by this Agreement or the other applicable Formation Transaction Documentation, there are no rights to purchase, veto rights with respect to transfers, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (a) relating to such Contributed Interest or (b) to purchase, transfer or to otherwise acquire, or to in any way encumber such Contributed Interest (including, without limitation, any securities or obligations of any kind convertible or exchangeable into any of the interests which comprise Contributed Interests). Except as set forth in the Organizational Documents, such Contributor is not a party to any agreement for the sale of its Contributed Interest or for the grant to any Person of any preferential right to purchase its Contributed Interest.

Section 4.04 CONSENTS AND APPROVALS. Except as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by such Contributor in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which such Contributor is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of such Contributor, (b) any agreement, document or instrument to which such Contributor is a party or by which such Contributor or such Contributor's Contributed Interest is bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on such Contributor (or its assets or properties), except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect.

Section 4.06 OMITTED.

Section 4.07 COMPLIANCE WITH LAWS. The Contributor has conducted its business in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect. Neither such Contributor nor, to the knowledge of such Contributor, any third party, is in violation of any law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect. There has not been committed by the Contributor, or to the knowledge of the Contributor, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 OMITTED.

Section 4.09 OMITTED.

Section 4.10 OMITTED.

Section 4.11 OMITTED.

Section 4.12 OMITTED.

Section 4.13 OMITTED.

Section 4.14 OMITTED.

Section 4.15 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance there is no action, suit or proceeding pending or, to the knowledge of such Contributor, threatened against or affecting such Contributor or such Contributor's Contributed Interest, or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation which, if adversely determined, would not have a Contributor Material Adverse Effect.

There is no action, suit, or proceeding pending or, to the knowledge of such Contributor, threatened against or affecting such Contributor or such Contributor's Contributed Interests or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, which challenges or impairs the ability of such Contributor to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents to be executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters fully covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against such Contributor or any officer, director, principal, managing member or general partner of any of the foregoing in their capacity as such, or which would reasonably be expected to have a Contributor Material Adverse Effect. None of the Contributor or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Contributor Material Adverse Effect.

Section 4.16 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to such Contributor's knowledge, threatened against such Contributor, the Contributed Entity or any Contributed Property, nor are any such proceedings contemplated by such Contributor.

Section 4.17 SECURITIES LAW MATTERS. Such Contributor acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to such Contributor to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such Contributor as an "accredited investor" (within the meaning of Rule 501(a) of Regulation D under the Securities Act) acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by such Contributor electing to receive REIT Shares or OP Units as consideration in the Contribution, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.18 NO BROKER. Such Contributor has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.19 OMITTED.

Section 4.20 EMPLOYEES. Neither the Contributor nor the Contributed Entity has or has ever had any employees.

Section 4.21 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article IV and any other agreement entered into by such Contributor in connection with the Formation Transactions, no Contributor shall be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.22 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.17) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS.

During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), each Contributor shall use commercially reasonable efforts to conduct its businesses in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, no Contributor shall without the prior written consent of the REIT, which consent may be withheld by the REIT in its sole discretion:

(a) issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance the Contributed Interests;

(b) cause or permit the Contributed Entity to adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(c) knowingly cause or permit the Contributed Entity to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(d) take any action or fail to take any action the result of which would have a Contributor Material Adverse Effect; or

(e) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE CONTRIBUTOR. Each of the Operating Partnership and each Contributor shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Contribution Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the Contributed Entity contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the Contributed Entity distributes such OP Units to the Contributors. As a result, (i) in accordance with Treasury Regulations Section 1.708-1(c)(4), any payment of cash (including cash in lieu of fractional OP Units or REIT Shares) or REIT Shares attributable to a Contributor shall be treated as a sale by such Contributor of its interests in the Contributed Entity and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) each Contributor who receives cash (including cash in lieu of fractional OP Units or REIT Shares) and/or REIT Shares explicitly agrees and consents (the "Sale Consent") to such treatment for United States federal income tax purposes. To the extent the Operating Partnership acquires any interests in the Contributed Entity as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property attributable to such interests shall be treated as a distribution by the Contributed Entity in redemption of such interests. Notwithstanding Section 1.02 and any Contributor's election as to the form of its Contribution Consideration, if any Contributor (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such Contributor's Contribution Consideration shall consist solely of OP Units. Notwithstanding Sections 1.03 and 2.03(a), any cash paid as the Contribution Consideration shall be paid only after the receipt of a Sale Consent from such Contributor.

(b) All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne

by the Operating Partnership. The parties agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Transfer Taxes that could be imposed in connection with the transactions contemplated hereby.

(c) The REIT, the Operating Partnership and each Contributor shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The REIT, the Operating Partnership and each Contributor further agree, upon request, to use their reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed with respect to the transactions contemplated hereby.

(d) Prior to Closing, each Contributor shall deliver to the Operating Partnership a properly executed certificate prepared in accordance with Treasury regulations section 1.1445-2(b) certifying such Contributor's non-foreign status, and if requested by the Operating Partnership, and any similar withholding certificates or other forms under applicable state, local or foreign Tax laws.

(e) The REIT and the Operating Partnership make no representations or warranties to any Contributor regarding the Tax treatment of the contributions pursuant to this Agreement or of the other Formation Transactions, or with respect to any other Tax consequences to any Contributor of this Agreement or the other Formation Transactions. Each Contributor acknowledges that such Contributor is relying solely on its own Tax advisors in connection with this Agreement and the other Formation Transactions.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, each Contributor waives and relinquishes all rights and benefits otherwise afforded to such Contributor (a) under the Organizational Documents governing the Contributed Interests including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by the other holders of interests similar to the Contributed Interests of such interests to the Operating Partnership, the REIT or any Affiliate thereof and any and all notice provisions related thereto, (b) to the extent permissible under applicable Laws, any statutory rights with respect to the Contributed Interests and (c) for claims against the REIT or the Operating Partnership for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or

former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. Each Contributor acknowledges that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents governing the Contributed Interests. With respect to the entity to which the Contributed Interests relate, each Contributor expressly gives all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to such entity. In addition, each Contributor agrees that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents governing the Contributed Interests to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents governing the Contributed Interests, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the Contributed Entity shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05.

Section 5.06 OMITTED.

Section 5.07 ELIMINATED ASSETS. The parties hereby agree that the Operating Partnership shall have the right, in its sole discretion, to exclude any Contributed Interests (or any interest therein or portion thereof) (the "Eliminated Assets"), from this contribution after the date hereof until the Closing, provided that the Operating Partnership shall provide prior written notice to the affected Contributor regarding such exclusion.

## ARTICLE VI

## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT or the Operating Partnership, to:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to a Contributor, to the address or facsimile number of such Contributor on file with the REIT or its Affiliate or to such other address or facsimile number as such Contributor shall specify by written notice.

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Contribution Consideration that would be distributed to a Contributor as a Pre-Formation Participant in accordance with the provisions of the Organizational Documents relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Assignment and Assumption of Membership Interests" means that certain Assignment and Assumption of Membership Interests, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit G.

(e) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(f) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(g) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder in the Formation Transactions.

(h) "Contributor Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Contributor, the Contributed Entity or Contributed Property, taken as a whole.

(i) "Elected OP Unit Percentage" means, with respect to the Contribution Consideration to be received by a Contributor, the percentage of the Allocated Share that such Contributor has made a Valid Election to receive in the form of OP Units.

(j) "Elected REIT Share Percentage" means, with respect to the Contribution Consideration to be received by a Contributor, the percentage of the Allocated Share that such Contributor has made a Valid Election to receive in the form of REIT Shares.

(k) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(l) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(m) "Excluded Assets" means (i) the assets identified on Schedule 5.05 and (ii) any interest excluded from the contribution hereunder in accordance with Section 5.07.

(n) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit H hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(o) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(p) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(q) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(r) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(s) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(t) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(u) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(v) "Management Companies" means, collectively RIF V Manager, Sponsor, and RI LLC.

(w) "Offering Closing Date" means the closing date of the Offering.

(x) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(y) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(z) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the Operating Partnership and each Operating Partnership Subsidiary, taken as a whole.

(aa) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of a Contributor or governing the Contributed Interests.

(bb) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by Governmental Authorities having jurisdiction over the Contributed Property; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that do not materially impair the use of the Contributed Property for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens securing financing or credit arrangements existing as of the Closing Date; (v) Liens arising under Leases in effect as of the Closing Date; (vi) any exceptions contained in any title policy (including any policy issued to a secured lender) relating to the Contributed Property as of the Closing Date; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable or the payment of

which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP, and which are not, in the aggregate, material to the business, operations and financial condition of the Contributed Property so encumbered.

(cc) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(dd) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(ee) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Companies immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(ff) "Property" means the real property owned directly or indirectly, in whole or in part, by the Rexford Entities.

(gg) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(hh) "Rexford Entity" means a RIF Fund Entity, the Management Companies and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(ii) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(jj) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii) (A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(kk) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(ll) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(mm) "Tax Matters Agreement" means that certain Tax Matters Agreement, by and among the REIT, the Operating Partnership and the other parties identified as signatories therein.

(nn) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(oo) "Valid Election" means, with respect to a Contributor, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units or REIT Shares as indicated on the properly completed and timely received Consent Form of such Contributor or a Consent Form as to which any deficiencies have been waived by the REIT.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Form to which a Contributor is a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the Operating Partnership may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that thisSection 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant toSection 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the REIT and the Operating Partnership, on the one hand, and the Contributors party to the Dispute, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the REIT and the Operating Partnership and the Contributors cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no

later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute

defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Contributor and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the Operating Partnership or any Contributor.

Section 6.15 OMITTED.

Section 6.16 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.17 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of any Contributor, at any time prior to the Closing Date; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to a Contributor, without the prior written consent of such Contributor.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

CONTRIBUTORS:

_____

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation

Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(m) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 - Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV – TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 2.9**

# CONTRIBUTION AGREEMENT

**by and among**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD INDUSTRIAL REALTY, INC.,**

**and**

**CHRISTOPHER R. BAER**

**Dated as of , 2013**

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**CONTRIBUTION AGREEMENT**

THIS CONTRIBUTION AGREEMENT is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, and Christopher R. Baer, a natural person (the "Contributor"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which RIF V REIT will merge with and into the REIT and the equity interest in RIF V REIT will be converted automatically into the right to receive cash, without interest, or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or common units of partnership interest in the Operating Partnership ("OP Units") and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the completion of the transactions described in the preceding paragraphs, the parties to this Agreement wish to effect a transaction pursuant to which (a) the Contributor will contribute to the Operating Partnership all of the Contributor's direct and indirect interests in and to a 3.23% membership interest (the "Contributed Interest") in RIF IV – Burbank, LLC (the "Contributed Entity"), and (b) the Operating Partnership shall acquire from the Contributor, all of the Contributor's right, title and interest in and to such Contributed Interest, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units;

WHEREAS, concurrently with the execution of this Agreement, each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity") will enter into a contribution agreement with the REIT and the Operating Partnership ;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and the Contributor to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I
## CONTRIBUTION

Section 1.01 CONTRIBUTION TRANSACTION.

(a) At the Closing and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the Contributor hereby contributes, assigns, sets over, transfers, conveys and delivers to the Operating Partnership, absolutely and unconditionally and free and clear of all Liens (other than those arising under Organizational Documents governing the Contributed Interest), all of its right, title and interest in and to the

Contributed Interest, including all rights to indemnification in favor of the Contributor under the Organizational Documents; *provided*, that the Operating Partnership accepts the assignment by the Contributor and agrees to be bound by the terms of the Organizational Documents governing the Contributor's Contributed Interest and undertakes, assumes and agrees punctually and faithfully to perform, pay or discharge when due and otherwise in accordance with its terms, all agreements, covenants, conditions, obligations and liabilities of the Contributor with respect to the Contributor's Contributed Interest on or after the Closing Date.

(b) Without limiting the foregoing, the Contributor, on behalf of itself and its Affiliates, consents to, and agrees and acknowledges that all requirements and conditions for the transactions contemplated by this Agreement, including the transfer of the Contributed Interest and the admission of the Operating Partnership as a partner or member of the Contributed Entity have been satisfied or otherwise waived.

(c) All of the parties hereto agree that, as a result of the assignment and assumptions hereunder and under the RIF Fund Contribution Agreements, for purposes of the Organizational Documents governing the Contributed Entity, the Operating Partnership shall be a substituted general partner, limited partner, manager or member, as the case may be, of the applicable Contributed Entity.

Section 1.02 CONSIDERATION.

(a) At Closing, subject to the terms and conditions contained in this Agreement, the Contributor shall receive cash, OP Units and/or REIT Shares with an aggregate value equal to the Equity Value represented by the Contributed Interest as set forth on Schedule 1.02 hereto (collectively referred to as the "Contribution Consideration"). The transfer of OP Units to the Contributor shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement), and the transfer of REIT Shares to the Contributor shall be evidenced by the establishment of a credit to a book-entry account at the REIT's transfer agent. Subject to Section 1.03, the amount of cash, number of OP Units and/or REIT Shares comprising the Contribution Consideration attributable to Contributor shall be as follows:

(i) Cash. If the Contributor is not an Accredited Investor, one hundred percent (100%) of the Allocated Share attributable to the Contributor shall be paid in cash.

(ii) OP Units. If the Contributor is an Accredited Investor, the Elected OP Unit Percentage of the Allocated Share attributable to the Contributor shall be distributed in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. If the Contributor is an Accredited Investor, the Elected REIT Shares Percentage of the Allocated Share attributable to the Contributor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; provided,

*that* to the extent such distribution of REIT Shares to the Contributor would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), the Contributor shall receive (x) the maximum number of whole REIT Shares that would not result in such violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

(b) At Closing, if the Contributor is to receive OP Units in accordance with the foregoing, the Contributor shall be admitted as a limited partner of the Operating Partnership. By executing and delivering a Consent Form, the Contributor has agreed and accepted all of the terms and conditions of the Operating Partnership Agreement and shall be deemed to have executed and delivered a counterpart signature page to the Operating Partnership Agreement.

Section 1.03 FRACTIONAL INTEREST. No fractional OP Units or REIT Shares shall be issued pursuant to this Agreement or the other Formation Transaction Documentation. All fractional OP Units that the Contributor would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Contributor shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of an OP Unit to which the Contributor would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that the Contributor would otherwise be entitled to receive as a result of the Formation Transactions shall be aggregated, and the Contributor shall receive the number of whole REIT Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which the Contributor would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.04 FURTHER ACTION. If, at any time after the Closing, the Operating Partnership shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Operating Partnership the right, title or interest in or to any Contributed Interest, the Contributor shall execute and deliver all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and take and do all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in such Contributed Interest or otherwise to carry out this Agreement.

Section 1.05 CALCULATION OF CONTRIBUTION CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the Closing, all calculations relating to the Contribution Consideration shall be performed in good faith by, or under the direction of, the REIT and the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the Contributor.

## ARTICLE II
## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the contributions contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto as Exhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the Operating Partnership. The obligations of the Operating Partnership to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the Contributor contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Contributor. The Contributor shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Contributor shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Contributor to consummate the transactions contemplated hereby shall have been obtained.

(v) No Contributor Material Adverse Effect. There shall not have occurred between the date hereof and the Closing Date a Contributor Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. If the Contributor is to receive REIT Shares or OP Units, the Contributor shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Contributor that will receive OP Units in the contribution contemplated by this Agreement and that (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of the Contributor. The obligation of the Contributor to effect the contribution contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Contributor in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the Operating Partnership contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Operating Partnership. Except as would not have an OP Material Adverse Effect, the Operating Partnership shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the Contributor (1) owns, directly or indirectly, an interest in any Contributed Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the closing of the contributions contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF CONTRIBUTION CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Closing, the Operating Partnership shall deliver to the Contributor the Contribution Consideration payable in the amounts and form provided in Section 1.02(a) and on Schedule 1.02. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.02(b) shall be evidenced by an entry to the Register. Any certificate representing REIT Shares issuable as Contribution Consideration shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE

"CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*.

ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Operating Partnership (or its successor in interest) shall not be liable to the Contributor for any portion of the Contribution Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered (a) an Assignment and Assumption of Membership Interests, and any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Contributed Interest, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its own costs and expenses.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the Operating Partnership and the Contributor under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement such amounts as the Operating Partnership is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Operating Partnership, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Contributor.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OPERATING PARTNERSHIP

The Operating Partnership hereby represents and warrants to the Contributor as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) The Operating Partnership has been duly formed and is validly existing and in good standing under the Laws of its jurisdiction of formation, and, upon the effectiveness of the Operating Partnership Agreement, will have all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation) by the Operating Partnership has been duly and validly

authorized by all necessary actions required of the Operating Partnership. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Operating Partnership pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Operating Partnership, enforceable against the Operating Partnership in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the Operating Partnership in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the Contributor, the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Operating Partnership, (b) any agreement, document or instrument to which the Operating Partnership or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Operating Partnership, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Operating Partnership Agreement")). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of the Operating Partnership, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the Operating Partnership to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby, to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement in substantially final form.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. The Operating Partnership has not entered into, and covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the Contributor or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the Operating Partnership shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the Operating Partnership contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTOR

Except as disclosed in the Offering Document or the schedules attached hereto, the Contributor hereby represents and warrants to the Operating Partnership that as of the Closing Date:

Section 4.01 AUTHORITY.

(a) The Contributor has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the Contributor of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the Contributor. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Contributor pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor, each enforceable against the Contributor in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 OWNERSHIP OF CONTRIBUTED INTEREST. The Contributor is the sole record owner of the Contributed Interest and has the power and authority to transfer, sell, assign and convey to the Operating Partnership the Contributed Interest free and clear of any Liens and, upon delivery of the consideration for the Contributed Interest as provided herein, the Operating Partnership will acquire good and valid title thereto, free and clear of any Liens (other than those Liens created by the Organizational Documents governing the Contributed Interest). Except as provided for or contemplated by this Agreement or the other applicable Formation Transaction Documentation, there are no rights to purchase, veto rights with respect to transfers, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (a) relating to the Contributed Interest or (b) to purchase, transfer or to otherwise acquire, or to in any way encumber, any of the Contributed Interest (including, without limitation, any securities or obligations of any kind convertible or exchangeable into any of the interests which comprise Contributed Interest). Except as set forth in the Organizational Documents, the Contributor is not a party to any agreement for the sale of the Contributed Interest or for the grant to any Person of any preferential right to purchase the Contributed Interest.

Section 4.04 CONSENTS AND APPROVALS. Except as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the Contributor in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the Contributor is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) any agreement, document or instrument to which the Contributor is a party or by which the Contributor or any of the Contributed Interest are bound by or (b) any term or provision of any judgment, order, writ, injunction, or decree binding on the Contributor (or its assets or properties), except for, in the case of clause (a) or (b), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect.

Section 4.06 OMITTED.

Section 4.07 COMPLIANCE WITH LAWS. The Contributor has conducted its business in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect. Neither the Contributor nor, to the knowledge of the Contributor, any third party, is in violation of any law has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Contributor Material Adverse Effect. There has not been committed by the Contributor, or to the knowledge of the Contributor, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 OMITTED

Section 4.09 OMITTED.

Section 4.10 OMITTED.

Section 4.11 OMITTED.

Section 4.12 OMITTED.

Section 4.13 OMITTED.

Section 4.14 OMITTED.

Section 4.15 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance there is no action, suit or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor or the Contributed Interest, or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation which, if adversely determined, would not have a Contributor Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the Contributor, threatened against or affecting the Contributor or the Contributed Interests or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing, which challenges or impairs the ability of the Contributor to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents to be executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters fully covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the Contributor or any officer, director, principal, managing member or general partner of any of the foregoing in their capacity as such, or which would reasonably be expected to have a Contributor Material Adverse Effect. None of the Contributor or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Contributor Material Adverse Effect.

Section 4.16 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Contributor's knowledge, threatened against the Contributor, the Contributed Entity or any Contributed Property, nor are any such proceedings contemplated by the Contributor.

Section 4.17 SECURITIES LAW MATTERS. The Contributor acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to the Contributor to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such Contributor as an "accredited investor" (within the meaning of Rule 501(a) of Regulation D under the Securities Act) acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by the Contributor electing to receive REIT Shares or OP Units as consideration in the Contribution, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.18 NO BROKER. The Contributor has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.19 OMITTED

Section 4.20 EMPLOYEES. Neither the Contributor nor the Contributed Entity has or has ever had any employees.

Section 4.21 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article IV and any other agreement entered into by the Contributor in connection with the Formation Transactions, the Contributor shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.22 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.17) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the Contributor shall use commercially reasonable efforts to conduct its businesses in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, the Contributor shall not without the prior written consent of the REIT, which consent may be withheld by the REIT in its sole discretion:

(a) issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance the Contributed Interest;

(b) cause or permit the Contributed Entity to adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(c) knowingly cause or permit the Contributed Entity to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(d) take any action or fail to take any action the result of which would have a Contributor Material Adverse Effect; or

(e) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE CONTRIBUTOR. Each of the Operating Partnership and the Contributor shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Contribution Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the Contributed Entity contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the Contributed Entity distributes such OP Units to the Contributors. As a result, (i) in accordance with Treasury Regulations Section 1.708-1(c)(4), any payment of cash (including cash in lieu of fractional OP Units or REIT Shares) or REIT Shares attributable to a Contributor shall be treated as a sale by such Contributor of its interests in the Contributed Entity and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) each Contributor who receives cash (including cash in lieu of fractional OP Units or REIT Shares) and/or REIT Shares explicitly agrees and consents (the "Sale Consent") to such treatment for United States federal income tax purposes. To the extent the Operating Partnership acquires any interests in the Contributed Entity as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property attributable to such interests shall be treated as a distribution by the Contributed Entity in redemption of such interests. Notwithstanding Section 1.02 and any Contributor's election as to the form of its Contribution Consideration, if any Contributor (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such Contributor's Contribution Consideration shall consist solely of OP Units. Notwithstanding Sections 1.03 and 2.03(a), any cash paid as the Contribution Consideration shall be paid only after the receipt of a Sale Consent from such Contributor.

(b) All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne by the Operating Partnership. The parties agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Transfer Taxes that could be imposed in connection with the transactions contemplated hereby.

(c) The REIT, the Operating Partnership and the Contributor shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The REIT, the Operating Partnership and the Contributor further agree, upon request, to use their reasonable efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed with respect to the transactions contemplated hereby.

(d) Prior to Closing, the Contributor shall deliver to the Operating Partnership a properly executed certificate prepared in accordance with Treasury regulations section 1.1445-2(b) certifying the Contributor's non-foreign status, and if requested by the Operating Partnership, and any similar withholding certificates or other forms under applicable state, local or foreign Tax laws.

(e) The REIT and the Operating Partnership make no representations or warranties to the Contributor regarding the Tax treatment of the contributions pursuant to this Agreement or of the other Formation Transactions, or with respect to any other Tax consequences to the Contributor of this Agreement or the other Formation Transactions. The Contributor acknowledges that the Contributor is relying solely on its own Tax advisors in connection with this Agreement and the other Formation Transactions.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the Contributor waives and relinquishes all rights and benefits otherwise afforded to the Contributor (a) under the Organizational Documents governing the Contributed Interest including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by the other holders of interests similar to the Contributed Interest of such interests to the Operating Partnership, the REIT or any Affiliate thereof and any and all notice provisions related thereto, (b) to the extent permissible under applicable Laws, any statutory rights with respect to the Contributed Interest and (c) for claims against the REIT or the Operating Partnership for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The Contributor acknowledges that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents governing the Contributed Interest. With respect to the entity to which the Contributed Interest relate, the Contributor expressly gives all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to such entity. In addition, the Contributor agrees that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents governing the Contributed Interest to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents governing the Contributed Interest, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the Contributed Entity shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05.

Section 5.06 OMITTED

Section 5.07 ELIMINATED ASSETS. The parties hereby agree that the Operating Partnership shall have the right, in its sole discretion, to exclude any Contributed Interest (or any interest therein or portion thereof) (the "Eliminated Assets"), from this contribution after the date hereof until the Closing, provided that the Operating Partnership shall provide prior written notice to the Contributor regarding such exclusion.

## ARTICLE VI

## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT or the Operating Partnership, to:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the Contributor, to the address or facsimile number of the Contributor on file with the REIT or its Affiliate or to such other address or facsimile number as the Contributor shall specify by written notice.

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Contribution Consideration that would be distributed to the Contributor as a Pre-Formation Participant in accordance with the provisions of the Organizational Documents relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Assignment and Assumption of Membership Interests" means that certain Assignment and Assumption of Membership Interests, dated as of the Closing Date and executed by the parties thereto, substantially in the form attached hereto as Exhibit G.

(e) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(f) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(g) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder in the Formation Transactions.

(h) "Contributor Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Contributor, the Contributed Entity or Contributed Property, taken as a whole.

(i) "Elected OP Unit Percentage" means, with respect to the Contribution Consideration to be received by the Contributor, the percentage of the Allocated Share that the Contributor has made a Valid Election to receive in the form of OP Units.

(j) "Elected REIT Share Percentage" means, with respect to the Contribution Consideration to be received by the Contributor, the percentage of the Allocated Share that the Contributor has made a Valid Election to receive in the form of REIT Shares.

(k) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(l) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(m) "Excluded Assets" means (i) the assets identified on Schedule 5.05 and (ii) any interest excluded from the contribution hereunder in accordance with Section 5.07.

(n) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit H hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(o) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(p) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(q) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(r) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(s) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(t) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(u) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(v) "Management Companies" means, collectively RIF V Manager, Sponsor, and RI LLC.

(w) "Offering Closing Date" means the closing date of the Offering.

(x) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(y) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(z) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the Operating Partnership and each Operating Partnership Subsidiary, taken as a whole.

(aa) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the Contributor or governing the Contributed Interest.

(bb) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by Governmental Authorities having jurisdiction over the Contributed Property; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that do not materially impair the use of the Contributed Property for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens securing financing or credit arrangements existing as of the Closing Date; (v) Liens arising under Leases in effect as of the Closing Date; (vi) any exceptions contained in any title policy (including any policy issued to a secured lender) relating to the Contributed Property as of the Closing Date; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP, and which are not, in the aggregate, material to the business, operations and financial condition of the Contributed Property so encumbered.

(cc) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(dd) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(ee) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Companies immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(ff) "Property" means the real property owned directly or indirectly, in whole or in part, by the Rexford Entities.

(gg) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(hh) "Rexford Entity" means a RIF Fund Entity, the Management Companies and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(ii) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(jj) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii) (A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(kk) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(ll) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(mm) "Tax Matters Agreement" means that certain Tax Matters Agreement, by and among the REIT, the Operating Partnership and the other parties identified as signatories therein.

(nn) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(oo) "Valid Election" means, with respect to the Contributor, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units or REIT Shares as indicated on the properly completed and timely received Consent Form of the Contributor or a Consent Form as to which any deficiencies have been waived by the REIT.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Form to which the Contributor is a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the Operating Partnership may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that thisSection 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant to Section 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the REIT and the Operating Partnership, on the one hand, and the Contributor, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the REIT and the Operating Partnership and the Contributor cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Contributor and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the Operating Partnership or the Contributor.

Section 6.15 OMITTED

Section 6.16 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.17 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the Contributor, at any time prior to the Closing Date; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the Contributor, without the prior written consent of the Contributor.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, L.P., a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, INC., a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

CHRISTOPHER R. BAER a natural person

_____
Christopher R. Baer

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation

Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(m) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 - Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV – TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance – Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV – TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance—Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV – TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 2.10**

# AGREEMENT AND PLAN OF MERGER

**by and among**

**REXFORD INDUSTRIAL REALTY, INC.,**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD INDUSTRIAL MERGER SUB LLC,**

**AND**

**REXFORD INDUSTRIAL, LLC**

**Dated as of , 2013**

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**AGREEMENT AND PLAN OF MERGER**

THIS AGREEMENT AND PLAN OF MERGER is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, Rexford Industrial Merger Sub LLC, a California limited liability company to be formed prior to the Effective Time (defined below) and to be directly wholly owned by the Operating Partnership (the "Merger Sub" and, together with the Operating Partnership, the "OP Parties" and each, an "OP Party") and Rexford Industrial, LLC, a California limited liability company (the "Management Company"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, pursuant to this Agreement, the Management Company will merge with and into the Merger Sub, with the Management Company as the surviving entity (the "Merger") and the equity interests in the Management Company (the "Management Company Interests") will be converted automatically into the right to receive cash, without interest, common units of partnership interests in the Operating Partnership ("OP Units"), and/or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which the RIF V REIT will merge with and into the REIT and the equity interests in the RIF V REIT will be converted automatically into the right to receive cash, without interest, or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or OP Units and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, the REIT and the Operating Partnership will enter into separate contribution agreements (the "RIF Fund Contribution Agreements") with each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity may be referred to herein as a "Contributor;" each such entity, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity"), pursuant to which (a) each Contributor will contribute to the Operating Partnership all of such Contributor's direct and indirect interests in the entities identified as "Contributed Entities" on Exhibit A hereto (the "Contributed Interests") and the other contributed properties and contributed assets identified in each such RIF Fund Contribution Agreement, and (b) the Operating Partnership shall acquire from each Contributor, all of such Contributor's right, title and interest in and to such Contributed Interests and the other contributed properties and contributed assets, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units and the assumption by the Operating Partnership of the assumed liabilities identified in each such RIF Fund Contribution Agreement all on the terms and subject to the conditions set forth therein;

WHEREAS, in the event that all members of a Contributor return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of the applicable RIF Fund Contribution Agreement, the REIT may elect to cause the applicable Contributor to enter into an agreement and plan of merger with the Operating Partnership pursuant to which such Contributor will merge with and into the Operating Partnership and the membership interests in such Contributor will be converted automatically into the right to receive cash, REIT Shares and/or OP Units;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering;

WHEREAS, in accordance with Section 17550 of the Corporations Code of the State of California (the "CA Code"), the Management Company may be merged with and into the Merger Sub, subject to the requisite approval of the members as provided in Section 17551 of the CA Code; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and the Management Company to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I

## THE MERGER

Section 1.01 THE MERGER. At the Effective Time, and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the Merger Sub shall be merged with and into the Management Company whereby the separate existence of the Merger Sub shall cease, and the Management Company shall continue its existence under California law as the surviving entity (hereinafter sometimes referred to as the "Surviving Entity").

Section 1.02 EFFECTIVE TIME. Subject to and upon the terms and conditions of this Agreement, concurrently with or as soon as practicable after (i) the execution by the REIT and the Operating Partnership of the Underwriting Agreement and (ii) the satisfaction or waiver of the conditions set forth in Article II, the Operating Partnership, Merger Sub and the Management Company shall file articles of merger or similar documents with respect to the Merger (the "Certificate of Merger") as may be required by applicable Laws, with the Secretary of State of the State of California providing that the Merger shall become effective upon filing or at such later date and time set forth in the Certificate of Merger with respect to such Merger (the "Effective Time"), together with any certificates and other filings or recordings related thereto, in such forms as are required by, and executed in accordance with the relevant provisions of applicable Laws.

Section 1.03 EFFECT OF THE MERGER. At the Effective Time, the effect of the Merger shall be as provided in this Agreement, the Certificate of Merger and applicable Laws.

Section 1.04 ORGANIZATIONAL DOCUMENTS. At the Effective Time, (i) the certificate of formation of the Management Company, as in effect immediately prior to the Effective Time, shall be the certificate of formation of the Surviving Entity until thereafter amended as provided therein or in accordance with the CA Code, and (ii) the limited liability company agreement of the Management Company, as in effect immediately prior to the Effective Time, shall be the limited liability company agreement of the Surviving Entity until thereafter amended as provided therein or in accordance with the CA Code.

Section 1.05 CONVERSION OF MANAGEMENT COMPANY INTERESTS.

(a) Under and subject to the terms and conditions of the respective Formation Transaction Documentation, each Pre-Formation Participant is irrevocably bound to accept and entitled to receive, as a result of and upon consummation of the Merger or other Formation Transactions, a specified share of the Rexford Entities as a whole in the form of the right to receive cash, REIT Shares and/or OP Units as calculated in this Section 1.05.

(b) At the Effective Time, by virtue of the Merger and without any action on the part of the parties hereto, except as set forth in this Agreement, each Management Company Interest shall be converted automatically into the right to receive cash, OP Units and/or REIT Shares with a value equal to the portion of the Equity Value of the Management Company represented by such Management Company Interest (collectively, and including as adjusted pursuant to Section 5.05, but, for the avoidance of doubt, excluding any consideration payable to such Pre-Formation Participants pursuant to the Formation Transactions in respect of Pre-Formation Interests in any Rexford Entity other than the Management Company, referred to as the "Merger Consideration") and each holder that receives OP Units in the Merger shall, upon receipt of such OP Units and the delivery of a Consent Form or a counterpart signature page to the Operating Partnership Agreement and such other documents and instruments as may be required in the sole discretion of the REIT to effect such holder's admission as a limited partner of the Operating Partnership, be admitted as a limited partner of the Operating Partnership in accordance with the Maryland Revised Uniform Limited Partnership Act and the Operating Partnership Agreement. The portion of the Equity Value of the Management Company "represented by" a Management Company Interest shall be calculated using the same methodology used to calculate the Allocated Share of a holder of such Management Company Interest.

(c) Subject to Section 1.07, the amount of cash, number of OP Units and/or REIT Shares comprising the Merger Consideration for each Management Company Interest so converted shall be as follows:

(i) Cash. One hundred percent (100%) of the Allocated Share attributable to a Pre-Formation Participant who is not an Accredited Investor shall be paid in cash.

(ii) OP Units. The Elected OP Unit Percentage of the Allocated Share attributable to a Pre-Formation Participant who is an Accredited Investor shall be distributed in in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price.

(iii) REIT Shares. The Elected REIT Shares Percentage of the Allocated Share attributable to a Pre-Formation Participant who is an Accredited Investor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided, that* to the extent such distribution of REIT Shares to such Pre-Formation Participant would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), such Pre-Formation Participant shall receive (x) the maximum number of whole REIT Shares that would not result in such a violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

Section 1.06 CANCELLATION AND RETIREMENT OF MANAGEMENT COMPANY INTERESTS. From and after the Effective Time, (i) each Management Company Interest converted into the right to receive the Merger Consideration pursuant to Section 1.05(b) shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of such Management Company Interest so converted shall thereafter cease to have any rights as a member of the Management Company except the right to receive the

Merger Consideration applicable thereto, (ii) each Management Company Interest issued and outstanding that is owned by the Operating Partnership or any of its direct or indirect wholly-owned Subsidiaries shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist and no consideration shall be delivered hereunder in exchange therefor and (iii) each interest in the Merger Sub will be converted into one issued and outstanding Management Company Interest.

Section 1.07 FRACTIONAL INTERESTS. No fractional OP Units or REIT Shares shall be issued in the Merger or the other Formation Transactions. All fractional OP Units that a holder of Management Company Interests would otherwise be entitled to receive as a result of the Merger and the other Formation Transactions shall be aggregated, and each holder shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such holder would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that a holder of Management Company Interests would otherwise be entitled to receive as a result of the Merger and the other Formation Transactions shall be aggregated, and each holder shall receive the number of whole REIT Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such holder would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.08 FURTHER ACTION. If, at any time after the Effective Time, the Surviving Entity shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Entity the right, title or interest in, to or under any of the rights, properties or assets of the Management Company acquired or to be acquired by the Surviving Entity as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the Surviving Entity shall be authorized to execute and deliver, in the name and on behalf of the Management Company all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and to take and do, in the name and on behalf of any Management Company Interests all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Entity or otherwise to carry out this Agreement.

Section 1.09 CALCULATION OF MERGER CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the filing of the Certificate of Merger, all calculations relating to the Merger Consideration shall be performed in good faith by, or under the direction of, the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the holders of Management Company Interests.

## ARTICLE II
## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Effective Time of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto asExhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the OP Parties. The obligations of the OP Parties to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the Management Company contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Management Company. The Management Company shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Management Company shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Management Company to consummate the transactions contemplated hereby shall have been obtained.

(v) No Management Company Material Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a Management Company Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. Each of the Pre-Formation Participants owning interests in the Management Company shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Pre-Formation Participant that will receive OP Units in the Merger and that (1) owns, directly or indirectly, an interest in any Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of the Management Company. The obligation of the Management Company to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Management Company in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the OP Parties contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the OP Parties. Except as would not have an OP Material Adverse Effect, the OP Parties shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the Management Company (1) owns, directly or indirectly, an interest in any Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the filing of the Certificate of Merger, the Effective Time and the closing of the Merger contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF MERGER CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Effective Time, the Surviving Entity (or its successor in interest) shall deliver to each holder of Management Company Interests, whose Management Company Interests have been converted into the right to receive the Merger Consideration pursuant to Section 1.05(b) hereof, the Merger Consideration payable to such holder in the amounts and form provided in Section 1.05(c) hereof. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.05(b) shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement), and the Operating Partnership shall deliver, or cause to be delivered, an executed copy of the Amendment to each Pre-Formation Participant receiving OP Units hereunder. Any certificate representing REIT Shares issuable as Merger Consideration shall bear the following legend:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.
>
> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST

UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS

IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Surviving Entity (or its successor in interest) shall not be liable to any holder of a Management Company Interest for any portion of the Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Management Company Interests, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its allocable portion of such costs and expenses in accordance with the terms of those certain letter agreements identified on Schedule 2.05.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the OP Parties and the Management Company under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership, the Merger Sub and the Management Company, as applicable, shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement to any holder of a Management Company Interest such amounts required to be deducted and withheld with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Management Company Interest in respect of which such deduction and withholding was made.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OP PARTIES

Each of the OP Parties hereby represents and warrants to the Management Company as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) Each OP Party has been duly formed or incorporated and is validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation and has, or upon the effectiveness of the Operating Partnership Agreement, will have, all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of each OP Party pursuant to this Agreement or the other Formation Transaction Documentation) by the OP Party has been duly and validly authorized by all necessary actions required of the OP Party. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of each OP Party pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the OP Party, enforceable against the OP Party in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except for the filing of the Certificate of Merger in accordance with Section 1.02 hereof or in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by each OP Party in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the applicable Rexford Entity (including the Management Company), the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of each OP Party, (b) any agreement, document or instrument to which the OP Party or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the OP Party, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Operating Partnership Agreement). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of each OP Party, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the OP Party to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached hereto as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement, as in effect immediately prior to the Effective Time.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER. No OP Party has entered into, and each covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the Management Company or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the OP Parties shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the OP Parties contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE MANAGEMENT COMPANY

Except as disclosed in the Offering Document or the schedules attached hereto, the Management Company represents and warrants to the OP Parties that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY.

(a) The Management Company has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document

and instrument executed and delivered by or on behalf of the Management Company pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The Management Company, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

(b) The Management Company has no direct or indirect ownership interest in any Subsidiary other than Rexford Industrial Realty & Management, Inc., a California corporation ("RIRMI"). RIRMI (i) is wholly-owned by the Management Company, (ii) has been duly organized, is validly existing and is in good standing under the Laws of its jurisdiction of organization, and has all requisite power and authority to carry on its business as presently conducted, and (iii) to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect. Neither the Management Company nor RIRMI owns or leases pursuant to a ground lease any property. The Management Company does not own any equity or ownership interest in any other Person.

(c) The OP Parties have been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the Management Company of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the Management Company pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the Management Company. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Management Company pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Management Company, each enforceable against the Management Company in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 CAPITALIZATION. Schedule 4.03 sets forth as of the date hereof the ownership of the Management Company. All of the issued and outstanding equity interests of the Management Company are duly authorized, validly issued and fully paid; and are not subject to preemptive rights or appraisal, dissenters' or other similar rights under the Organizational Documents of or any contract to which the Management Company is a party or otherwise bound, except for such preemptive rights, transfer restrictions, or appraisal, dissenters' or other similar

rights as would not prevent the Merger. There are no outstanding rights to purchase, subscriptions, warrants, options or any other security convertible into or exchangeable for equity interests in the Management Company. Except as set forth in the Organizational Documents, the Management Company is not a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the Management Company in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the Management Company is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Management Company or (b) any agreement, document or instrument to which the Management Company is a party or by which the Management Company or any of its assets or properties are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Management Company (or its assets or properties), except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

Section 4.06 LICENSES AND PERMITS. All notices, licenses, permits, certificates and authorizations required for the continued operation of the business of the Management Company have been obtained or can be obtained without material cost, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the OP Parties, except in each case for items that, if not so obtained, obtainable and/or transferred, would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect. Neither the Management Company nor, to the knowledge of the Management Company, any third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect, nor has any one of them received any written notice of violation from any Governmental Authority or written

notice of the intention of any entity to revoke any such notice, license, permit, certificate or authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority or other entity and except as would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

Section 4.07 COMPLIANCE WITH LAWS. The Management Company has conducted its businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect. Neither the Management Company nor, to the knowledge of the Management Company, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect. There has not been committed by the Management Company or, to the knowledge of the Management Company, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 INSURANCE. Schedule 4.08 lists each insurance policy to which the Management Company is a party, an insured or a beneficiary. Each of the insurance policies is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the knowledge of the Management Company, the Management Company has not received from any insurance company any notices of cancellation or intent to cancel any insurance.

Section 4.09 FINANCIAL STATEMENTS. The consolidated financial statements of the Management Company included in the Offering Document have been prepared in all material respects in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), subject, in the case of unaudited statements, to normal year-end audit adjustments, and fairly present in all material respects the financial condition and results of operations of the Management Company as of the dates indicated therein and for the periods ended as indicated therein.

Section 4.10 TAXES.

(a) The Management Company has timely and properly filed (or caused to be timely and properly filed) all Tax Returns required to be filed by it and RIRMI (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so), and all such Tax Returns are accurate and complete in all material respects.

(b) The Management Company and RIRMI each have timely paid (or have had paid on their behalf) all Taxes as required to be paid by them.

(c) No income or material non-income Tax returns filed by the Management Company or RIRMI are subject to a pending or ongoing audit. No deficiencies for any income or material non-income Taxes have been proposed, asserted or assessed against the Management Company or RIRMI, and no requests for waivers of the time to assess any such Taxes are pending.

(d) Since its formation, the Management Company has been treated for United States federal income tax purposes as a partnership and not as a corporation or an association taxable as a corporation.

Section 4.11 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Management Company, threatened against or affecting the Management Company or any officer, director, principal, managing member or Affiliate of the Management Company, other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation, which, if adversely determined, would not have a Management Company Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the Management Company, threatened against or affecting the Management Company or any officer, director, principal, managing member or Affiliate of the Management Company, which challenges or impairs the ability of the Management Company to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the Management Company or any officer, director, principal or managing member of the Management Company in their capacity as such, or which would reasonably be expected to have a Management Company Material Adverse Effect. None of the Management Company or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Management Company Material Adverse Effect.

Section 4.12 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Management Company's knowledge, threatened against the Management Company, nor are any such proceedings contemplated by the Management Company.

Section 4.13 SECURITIES LAW MATTERS. The Management Company acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to any Pre-Formation Participants to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such equity holder as an Accredited Investor acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by each equity holder electing to receive REIT Shares or OP Units as consideration in the Merger, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.14 NO BROKER. The Management Company has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.15 OWNERSHIP OF CERTAIN ASSETS. Except as set forth in Schedule 4.15, the Management Company does not own any loan assets or other securities of any issuer except for equity interests in other Rexford Entities.

Section 4.16 EMPLOYEES. Except as would not reasonably be expected to have a Management Company Material Adverse Effect, (i) none of the Management Company or any of its Subsidiaries is delinquent in payments to any of its employees, consultants or independent contractors for any wages, salaries, commissions or bonuses for any service performed, or for amounts required to be reimbursed to such employees, consultants or independent contractors and (ii) each of the Management Company and each of its Subsidiaries has, to the extent applicable: (a) complied in all material respects with all applicable laws related to employment; and (b) withheld and paid to the appropriate Governmental Authority, or is holding for payment not yet due to such Governmental Authority, all amounts required to be withheld from employees.

Section 4.17 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article IV and any other agreement entered into by the Management Company in connection with the Formation Transactions, the Management Company shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.18 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.01(c), Section 4.03, and Section 4.13) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the Management Company shall use commercially reasonable efforts to conduct its businesses in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, the Management Company shall not without the prior written consent of the Operating Partnership, which consent may be withheld by the Operating Partnership in its sole discretion:

(a) (i) other than distributions to the members of the Management Company in connection with such members' payment of any Taxes related to their ownership of the membership interest of the Management Company or as otherwise contemplated by this Agreement, declare, set aside or pay any dividends or distributions in respect of any Management Company Interests, except in the ordinary course of business consistent with past practice and in accordance with the applicable governing document of the Management Company, (ii) issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any Management Company Interests or make any other changes to the equity capital structure of the Management Company, or (iii) purchase, redeem or otherwise acquire any Management Company Interests or interests or any other securities thereof;

(b) issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, any limited liability company, partnership interests or other equity interests of the Management Company or any other assets of the Management Company;

(c) amend its certificate of formation and limited liability company agreement;

(d) adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(e) materially alter the manner of keeping the Management Company's books, accounts or records or the accounting practices therein reflected;

(f) file an entity classification election pursuant to Treasury Regulation Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Management Company as an association taxable as a corporation for United States federal income tax purposes; make or change any other Tax elections; settle or compromise any claim, notice, audit report or assessment in respect of Taxes; change any annual Tax accounting period; adopt or change any method of Tax accounting; file any amended Tax Return; enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any Tax; surrender of any right to claim a Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(g) knowingly cause or permit the Management Company to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(h) take any action or fail to take any action the result of which would have a Management Company Material Adverse Effect; or

(i) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE MANAGEMENT COMPANY. Each of the Operating Partnership and Management Company shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Merger Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the Management Company contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the Management Company distributes such OP Units to the holders of Management Company Interests. As a result, (i) in accordance with Treasury Regulations Section 1.708-1(c)(4), any payment of cash or REIT Shares attributable to a holder of Management Company Interests shall be treated as a sale by such holder of its Management Company Interests and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) the Management Company shall cause each such holder of Management Company Interests who receives cash and/or REIT Shares to explicitly agree and consent (the "Sale Consent") to such treatment in their Consent Forms as a condition to electing such consideration. To the extent the Operating Partnership acquires any Management Company Interests as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property attributable to such interests shall be treated as a distribution by the Management Company in redemption of such interests. Notwithstanding Section 1.05 and any holder's election as to the form of its Merger Consideration, if any holder of Management Company Interests (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such holder's Merger Consideration shall consist solely of OP Units. Notwithstanding Section 1.07 and Section 2.03(a), any cash paid as the Merger Consideration holder of Management Company Interests shall be paid only after the receipt of a Sale Consent from such holder of Management Company Interests.

(b) Each of the REIT, the Operating Partnership and the Management Company shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(c) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all income Tax Returns of the Management Company which are due after the Closing Date. All such income Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable Law.

(d) The Operating Partnership shall prepare or cause to be prepared all other Tax Returns of the Management Company.

(e) Prior to Closing, the Management Company shall deliver to the REIT a properly executed certificate prepared in accordance with Treasury Regulations section 1.1445-2(b) certifying the non-foreign status of the Management Company and of each holder of the Management Company Interests and any similar affidavits or other forms required under applicable state, local or foreign Tax Laws.

(f) Neither the REIT nor the Operating Partnership makes any representations or warranties to the Management Company or any holder of a Management Company Interest regarding the Tax treatment of the Merger or the other Formation Transactions, or with respect to any other Tax consequences to the Management Company or any holder of a Management Company Interest of this Agreement, the Merger or the other Formation Transactions. The Management Company acknowledges that the Management Company and the holders of Management Company Interests are relying solely on their own Tax advisors in connection with this Agreement, the Merger and the other Formation Transactions and agreements contemplated hereby.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the Management Company waives and relinquishes all rights and benefits otherwise afforded to the Management Company (a) under its Organizational Documents including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by any equity holder of the Management Company of their Management Company Interests to the REIT or any Affiliate thereof and any and all notice provisions related thereto and (b) for claims against any OP Party for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The Management Company acknowledges that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents of the Management Company or other agreements among one or more holders of Management Company Interests or one or more of the members of the Management Company. With respect to the Management Company and each property in which the Management Company Interests represent a direct or indirect interest, the Management Company expressly gives all consents

(and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to the Management Company or such property. In addition, the Management Company agrees that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents of the Management Company to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents of the Management Company, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the Management Company shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05. Notwithstanding anything to the contrary herein, (a) such Excluded Assets shall be remitted to Sponsor (or its designee(s)) to the extent of the aggregate balance remaining on two loans made by Sponsor to the Management Company and to RIRMI, in repayment of such loans, and (b) to the extent such Excluded Assets are insufficient to fully repay the balance remaining on such loans (such remaining unpaid balance, the "Repayment Shortfall"), the aggregate Equity Value attributable to the Management Company (and therefore the aggregate Merger Consideration) shall be reduced, and the aggregate Equity Value attributable to Sponsor (and therefore the aggregate merger consideration payable in respect of Sponsor in the Formation Transactions) shall be increased, in each case by an amount equal to the Repayment Shortfall.

Section 5.06 ALTERNATE TRANSACTION. In the event that the Operating Partnership determines that a structure change is necessary, advisable or desirable, the Operating Partnership may elect, in its sole and absolute discretion, to effect an Alternate Transaction (subject to the limitations in the definition thereof), without the need for the OP Parties to seek any further consent or action from the Management Company, and the Management Company shall, and it shall cause its shareholders to, enter into such agreements as shall be necessary to consummate an Alternate Transaction. In the event that an Alternate Transaction is used to effect the transactions contemplated by this Agreement, then the OP Parties may elect to terminate this Agreement without any liability or obligation to any Person.

Section 5.07 OBLIGATIONS OF MERGER SUB. Subject to the terms of this Agreement, the Operating Partnership shall take all reasonable action necessary to cause the Merger Sub (a) to be formed prior to the Effective Time and become a party to this Agreement by executing a counterpart of this Agreement where indicated on the signature page hereof (the date of such execution, the "Joinder Date") and (b) to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement. All representations, warranties, covenants, agreements, rights and obligations of the Merger Sub herein shall become effective as to the Merger Sub as of the Joinder Date.

## ARTICLE VI

## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a)

(b) if to the OP Parties:

Rexford Industrial Realty, L.P.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(c) if to the Management Company:

Rexford Industrial, LLC
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Merger Consideration that would be distributed to a Pre-Formation Participant that is the holder of an interest in a Rexford Entity in accordance with the provisions of the existing Organizational Documents of such entity relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Alternate Transaction" means any transaction structure, other than that contemplated by this Agreement, pursuant to which the REIT, the Operating Partnership or any of their Subsidiaries acquire all or a portion of the interests in the Management Company or the assets held directly or indirectly by the Management Company in a transaction pursuant to which each holder of Management Company Interests receives the amount of cash, the number of OP Units and/or the number of REIT Shares that were to be received by such holder pursuant to this Agreement (or a portion thereof equal in value to the value of the portion of such assets acquired by the REIT, the Operating Partnership or any of their Subsidiaries pursuant to such Alternate Transaction); provided, that such structure will not (i) result in a breach of the Management Company's governing documents and (ii) give rise to dissenters' or appraisal rights by the members of the Management Company, unless such rights have fully waived by all such members in the Consent Forms.

(e) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(f) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(g) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder in the Formation Transactions.

(h) "Elected OP Unit Percentage" means, with respect to the Merger Consideration to be received by any Pre-Formation Participant, the percentage of the Allocated Share that the Pre-Formation Participant has made a Valid Election to receive in the form of OP Units.

(i) "Elected REIT Shares Percentage" means, with respect to the Merger Consideration to be received by any Pre-Formation Participant, the percentage of the Allocated Share that the Pre-Formation Participant has made a Valid Election to receive in the form of REIT Shares.

(j) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(k) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(l) "Excluded Assets" means the assets identified on Schedule 5.05.

(m) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit G hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(n) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(o) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(p) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(q) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(r) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(s) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(t) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(u) "Management Company Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Management Company, taken as a whole.

(v) "Offering Closing Date" means the closing date of the Offering.

(w) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(x) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(y) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the REIT and each Operating Partnership Subsidiary, taken as a whole.

(z) "Operating Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Operating Partnership, as in effect immediately prior to the Effective Time.

(aa) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the Management Company or each other applicable Person, as applicable.

(bb) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(cc) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(dd) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Company, Sponsor and RIF V Manager immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or Property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(ee) "Property" means each real property owned directly or indirectly, in whole or in part, by the Rexford Entities.

(ff) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(gg) "Rexford Entity" means a RIF Fund Entity, the Management Company, Sponsor and RIF V Manager and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" shall refer to each Rexford Entity, collectively.

(hh) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(ii) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii)(A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(jj) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(kk) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(ll) "Tax Matters Agreement" means that certain Tax Matters Agreement by and among the REIT, the Operating Partnership and the other parties identified as signatories therein.

(mm) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(nn) "Underwriting Agreement" means that certain underwriting agreement, by and between the REIT, the Operating Partnership and certain underwriters set forth therein, pursuant to which the REIT will issue and sell shares in the Offering.

(oo) "Valid Election" means, with respect to any Management Company Interest, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units and/or REIT Shares as indicated on the properly completed and timely received Consent Form of the holder of the Management Company Interest or a Consent Form as to which any deficiencies have been waived by the Operating Partnership.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Forms to which the parties hereto are a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that each OP Party may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such

courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that this Section 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant to Section 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the Operating Partnership, on the one hand, and the Management Company, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the Operating Partnership and the Management Company cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the Management Company and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the OP Parties or the Management Company.

Section 6.15 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.16 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the Management Company, at any time prior to the Effective Time; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the Management Company without the prior written consent of the Management Company.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, INC.
A Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, L.P.
a Maryland limited partnership

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL, LLC,
A California limited liability company

By: _____
Name:
Title:

By: _____
Name:
Title:

*[Signature Page to RI LLC Merger Agreement]*

AGREED AND ACCEPTED as of

_____,

REXFORD INDUSTRIAL MERGER SUB LLC,
a California limited liability company

By: Rexford Industrial Realty, L.P.,
a Maryland limited partnership
Its Sole Member

By: Rexford Industrial Realty, Inc.,
a Maryland corporation
Its General Partner

By: _____
Name:
Title:

By: _____
Name:
Title:

*[Signature Page to RI LLC Merger Agreement]*

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity (or to Sponsor (or its designee(s) pursuant to Section 5.05) immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in (l) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 - Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 2.11**

# AGREEMENT AND PLAN OF MERGER

**by and among**

**REXFORD INDUSTRIAL REALTY, INC.,**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD FUND V MANAGER MERGER SUB LLC**

**and**

**REXFORD FUND V MANAGER LLC**

**Dated as of , 2013**

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**AGREEMENT AND PLAN OF MERGER**

THIS AGREEMENT AND PLAN OF MERGER is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, Rexford Fund V Manager Merger Sub LLC, a Delaware limited liability company to be formed prior to the Effective Time (defined below) and to be indirectly wholly owned by the Operating Partnership (the "Merger Sub" and, together with the Operating Partnership, the "OP Parties" and each, an "OP Party"), and Rexford Fund V Manager LLC, a Delaware limited liability company (the "Management Company"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, pursuant to this Agreement, the Management Company will merge with and into the Merger Sub, with the Management Company as the surviving entity (the "Merger") and the equity interests in the Management Company (the "Management Company Interests") will be converted automatically into the right to receive cash, without interest, common units of partnership interests in the Operating Partnership ("OP Units"), and/or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Sponsor V LLC, a Delaware limited liability company ("Sponsor"), will enter into an agreement and plan of merger pursuant to which Sponsor will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with Sponsor as the surviving entity, and the equity interests in Sponsor will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which the RIF V REIT will merge with and into the REIT and the equity interests in the RIF V REIT will be converted automatically into the right to receive cash, without interest, or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or OP Units and (b) in the case of the partnership interests in RIF V Fund held by the Management Company or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, the REIT and the Operating Partnership will enter into separate contribution agreements (the "RIF Fund Contribution Agreements") with each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity may be referred to herein as a "Contributor;" each such entity, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity"), pursuant to which (a) each Contributor will contribute to the Operating Partnership all of such Contributor's direct and indirect interests in the entities identified as "Contributed Entities" on Exhibit A hereto (the "Contributed Interests") and the other contributed properties and contributed assets identified in each such RIF Fund Contribution Agreement, and (b) the Operating Partnership shall acquire from each Contributor, all of such Contributor's right, title and interest in and to such Contributed Interests and the other contributed properties and contributed assets, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units and the assumption by the Operating Partnership of the assumed liabilities identified in each such RIF Fund Contribution Agreement all on the terms and subject to the conditions set forth therein;

WHEREAS, in the event that all members of a Contributor return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of the applicable RIF Fund Contribution Agreement, the REIT may elect to cause the applicable Contributor to enter into an agreement and plan of merger with the Operating Partnership pursuant to which such Contributor will merge with and into the Operating Partnership and the membership interests in such Contributor will be converted automatically into the right to receive cash, REIT Shares and/or OP Units;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering;

WHEREAS, in accordance with Section 18-209 of the Delaware Limited Liability Company Act (the "DLLCA"), the Management Company may be merged with and into the Merger Sub, subject to the requisite approval of the members as provided in Section 18-209 of the DLLCA; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and the Management Company to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I

## THE MERGER

Section 1.01 THE MERGER. At the Effective Time, and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the Merger Sub shall be merged with and into the Management Company whereby the separate existence of the Merger Sub shall cease, and the Management Company shall continue its existence under Delaware law as the surviving entity (hereinafter sometimes referred to as the "Surviving Entity").

Section 1.02 EFFECTIVE TIME. Subject to and upon the terms and conditions of this Agreement, concurrently with or as soon as practicable after (i) the execution by the REIT and the Operating Partnership of the Underwriting Agreement and (ii) the satisfaction or waiver of the conditions set forth in Article II, the Operating Partnership, Merger Sub and the Management Company shall file articles of merger or similar documents with respect to the Merger (the "Certificate of Merger") as may be required by applicable Laws, with the Secretary of State of the State of Delaware providing that the Merger shall become effective upon filing or at such later date and time set forth in the Certificate of Merger with respect to such Merger (the "Effective Time"), together with any certificates and other filings or recordings related thereto, in such forms as are required by, and executed in accordance with the relevant provisions of applicable Laws.

Section 1.03 EFFECT OF THE MERGER. At the Effective Time, the effect of the Merger shall be as provided in this Agreement, the Certificate of Merger and applicable Laws.

Section 1.04 ORGANIZATIONAL DOCUMENTS. At the Effective Time, (i) the certificate of formation of the Management Company, as in effect immediately prior to the Effective Time, shall be the certificate of formation of the Surviving Entity until thereafter amended as provided therein or in accordance with the DLLCA, and (ii) the limited liability company agreement of the Management Company, as in effect immediately prior to the Effective Time, shall be the limited liability company agreement of the Surviving Entity until thereafter amended as provided therein or in accordance with the DLLCA.

Section 1.05 CONVERSION OF MANAGEMENT COMPANY INTERESTS.

(a) Under and subject to the terms and conditions of the respective Formation Transaction Documentation, each Pre-Formation Participant is irrevocably bound to accept and entitled to receive, as a result of and upon consummation of the Merger or other Formation Transactions, a specified share of the Rexford Entities as a whole in the form of the right to receive cash, REIT Shares and/or OP Units as calculated in this Section 1.05.

(b) At the Effective Time, by virtue of the Merger and without any action on the part of the parties hereto, except as set forth in this Agreement, each Management Company Interest shall be converted automatically into the right to receive cash, OP Units and/or REIT Shares with a value equal to the portion of the Equity Value of the Management Company represented by such Management Company Interest (collectively, but, for the avoidance of doubt, excluding any consideration payable to such Pre-Formation Participants pursuant to the Formation Transactions in respect of Pre-Formation Interests in any Rexford Entity other than the Management Company, referred to as the "Merger Consideration") and each holder that receives OP Units in the Merger shall, upon receipt of such OP Units and the delivery of a Consent Form or a counterpart signature page to the Operating Partnership Agreement and such other documents and instruments as may be required in the sole discretion of the REIT to effect such holder's admission as a limited partner of the Operating Partnership, be admitted as a limited partner of the Operating Partnership in accordance with the Maryland Revised Uniform Limited Partnership Act and the Operating Partnership Agreement. The portion of the Equity Value of the Management Company "represented by" a Management Company Interest shall be calculated using the same methodology used to calculate the allocated Share of a holder of such Management Company Interest.

(c) Subject to Section 1.07, the amount of cash, number of OP Units and/or REIT Shares comprising the Merger Consideration for each Management Company Interest so converted shall be as follows:

(i) Cash. One hundred percent (100%) of the Allocated Share attributable to a Pre-Formation Participant who is not an Accredited Investor shall be paid in cash.

(ii) OP Units. The Elected OP Unit Percentage of the Allocated Share attributable to a Pre-Formation Participant who is an Accredited Investor shall be distributed in in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. The Elected REIT Shares Percentage of the Allocated Share attributable to a Pre-Formation Participant who is an Accredited Investor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided, that,* to the extent such distribution of REIT Shares to such Pre-Formation Participant would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), such Pre-Formation Participant shall receive (x) the maximum number of whole REIT Shares that would not result in such a violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

Section 1.06 CANCELLATION AND RETIREMENT OF MANAGEMENT COMPANY INTERESTS. From and after the Effective Time, (i) each Management Company Interest converted into the right to receive the Merger Consideration pursuant to Section 1.05(b) shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of such Management Company Interest so converted shall thereafter cease to have any rights as a member of the Management Company except the right to receive the Merger Consideration applicable thereto, (ii) each Management Company Interest issued and

outstanding that is owned by the Operating Partnership or any of its direct or indirect wholly-owned Subsidiaries shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist and no consideration shall be delivered hereunder in exchange therefor and (iii) each interest in the Merger Sub will be converted into one issued and outstanding Management Company Interest.

Section 1.07 FRACTIONAL INTERESTS. No fractional OP Units or REIT Shares shall be issued in the Merger or the other Formation Transactions. All fractional OP Units that a holder of Management Company Interests would otherwise be entitled to receive as a result of the Merger and the other Formation Transactions shall be aggregated, and each holder shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such holder would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that a holder of Management Company Interests would otherwise be entitled to receive as a result of the Merger and the other Formation Transactions shall be aggregated, and each holder shall receive the number of whole REIT Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such holder would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.08 FURTHER ACTION. If, at any time after the Effective Time, the Surviving Entity shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Entity the right, title or interest in, to or under any of the rights, properties or assets of the Management Company acquired or to be acquired by the Surviving Entity as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the Surviving Entity shall be authorized to execute and deliver, in the name and on behalf of the Management Company all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and to take and do, in the name and on behalf of any Management Company Interests all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Entity or otherwise to carry out this Agreement.

Section 1.09 CALCULATION OF MERGER CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the filing of the Certificate of Merger, all calculations relating to the Merger Consideration shall be performed in good faith by, or under the direction of, the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the holders of Management Company Interests.

## ARTICLE II

## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Effective Time of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto asExhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the OP Parties. The obligations of the OP Parties to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the Management Company contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Management Company. The Management Company shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Management Company shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Management Company to consummate the transactions contemplated hereby shall have been obtained.

(v) No Management Company Material Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a Management Company Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. Each of the Pre-Formation Participants owning interests in the Management Company shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Pre-Formation Participant that will receive OP Units in the Merger and that (1) owns, directly or indirectly, an interest in any Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of the Management Company.

The obligation of the Management Company to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Management Company in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the OP Parties contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the OP Parties. Except as would not have an OP Material Adverse Effect, the OP Parties shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the Management Company (1) owns, directly or indirectly, an interest in any Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the filing of the Certificate of Merger, the Effective Time and the closing of the Merger contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF MERGER CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Effective Time, the Surviving Entity (or its successor in interest) shall deliver to each holder of Management Company Interests, whose Management Company Interests have been converted into the right to receive the Merger Consideration pursuant to Section 1.05(b) hereof, the Merger Consideration payable to such holder in the amounts and form provided in Section 1.05(c) hereof. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.05(b) shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement), and the Operating Partnership shall deliver, or cause to be delivered, an executed copy of the Amendment to each Pre-Formation Participant receiving OP Units hereunder. Any certificate representing REIT Shares issuable as Merger Consideration shall bear the following legend:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING

REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Surviving Entity (or its successor in interest) shall not be liable to any holder of a Management Company Interest for any portion of the Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Management Company Interests, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its allocable portion of such costs and expenses in accordance with the terms of those certain letter agreements identified on Schedule 2.05.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the OP Parties and the Management Company under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's

obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership, the Merger Sub and the Management Company, as applicable, shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement to any holder of a Management Company Interest such amounts required to be deducted and withheld with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Management Company Interest in respect of which such deduction and withholding was made.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OP PARTIES

Each of the OP Parties hereby represents and warrants to the Management Company as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) Each OP Party has been duly formed or incorporated and is validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation and has, or upon the effectiveness of the Operating Partnership Agreement, will have, all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of each OP Party pursuant to this Agreement or the other Formation Transaction Documentation) by the OP Party has been duly and validly authorized by all necessary actions required of the OP Party. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of each OP Party pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the OP Party, enforceable against the OP Party in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except for the filing of the Certificate of Merger in accordance with Section 1.02 hereof or in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by each OP Party in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the applicable Rexford Entity (including the Management Company), the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of each OP Party, (b) any agreement, document or instrument to which the OP Party or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the OP Party, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Operating Partnership Agreement). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of each OP Party, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the OP Party to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached hereto as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement, in effect immediately prior to the Effective Time.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER.No OP Party has entered into, and each covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the Management Company or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the OP Parties shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the OP Parties contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE MANAGEMENT COMPANY

Except as disclosed in the Offering Document or the schedules attached hereto, the Management Company represents and warrants to the OP Parties that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY.

(a) The Management Company has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document

and instrument executed and delivered by or on behalf of the Management Company pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The Management Company, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

(b) The Management Company has no direct or indirect ownership interest in any Subsidiary other than RIF V Fund and does not own or lease pursuant to a ground lease any property. The Management Company does not own any equity or ownership interest in any other Person.

(c) The OP Parties have been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the Management Company of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the Management Company pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the Management Company. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Management Company pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Management Company, each enforceable against the Management Company in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 CAPITALIZATION. Schedule 4.03 sets forth as of the date hereof the ownership of the Management Company. All of the issued and outstanding equity interests of the Management Company are duly authorized, validly issued and fully paid; and are not subject to preemptive rights or appraisal, dissenters' or other similar rights under the Organizational Documents of or any contract to which the Management Company is a party or otherwise bound, except for such preemptive rights, transfer restrictions, or appraisal, dissenters' or other similar rights as would not prevent the Merger. There are no outstanding rights to purchase, subscriptions, warrants, options or any other security convertible into or exchangeable for equity interests in the Management Company. Except as set forth in the Organizational Documents, the Management Company is not a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except for the filing of the Certificate of Merger in accordance with Section 1.02 hereof, as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the Management Company in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the Management Company is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Management Company or (b) any agreement, document or instrument to which the Management Company is a party or by which the Management Company or any of its assets or properties are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Management Company (or its assets or properties), except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

Section 4.06 LICENSES AND PERMITS. All notices, licenses, permits, certificates and authorizations required for the continued operation of the business of the Management Company have been obtained or can be obtained without material cost, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the OP Parties, except in each case for items that, if not so obtained, obtainable and/or transferred, would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect. Neither the Management Company nor, to the knowledge of the Management Company, any third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect, nor has any one of them received any written notice of violation from any Governmental Authority or written notice of the intention of any entity to revoke any such notice, license, permit, certificate or authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority or other entity and except as would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

Section 4.07 COMPLIANCE WITH LAWS. The Management Company has conducted its businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Management

Company Material Adverse Effect. Neither the Management Company nor, to the knowledge of the Management Company, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect. There has not been committed by the Management Company or, to the knowledge of the Management Company, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 INSURANCE. Schedule 4.08 lists each insurance policy to which the Management Company is a party, an insured or a beneficiary. Each of the insurance policies is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the knowledge of the Management Company, the Management Company has not received from any insurance company any notices of cancellation or intent to cancel any insurance.

Section 4.09 FINANCIAL STATEMENTS. The consolidated financial statements of the Management Company included in the Offering Document have been prepared in all material respects in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), subject, in the case of unaudited statements, to normal year-end audit adjustments, and fairly present in all material respects the financial condition and results of operations of the Management Company as of the dates indicated therein and for the periods ended as indicated therein.

Section 4.10 TAXES.

(a) The Management Company has timely and properly filed (or caused to be timely and properly filed) all Tax Returns required to be filed by it (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so), and all such Tax Returns are accurate and complete in all material respects.

(b) The Management Company has timely paid (or has had paid on its behalf) all Taxes as required to be paid by it.

(c) No income or material non-income Tax returns filed by the Management Company are subject to a pending or ongoing audit. No deficiencies for any income or material non-income Taxes have been proposed, asserted or assessed against the Management Company, and no requests for waivers of the time to assess any such Taxes are pending.

(d) Since its formation, the Management Company has been treated for United States federal income tax purposes as a partnership and not as a corporation or an association taxable as a corporation.

Section 4.11 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Management Company, threatened against or affecting the Management Company or any

officer, director, principal, managing member or Affiliate of the Management Company, other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation, which, if adversely determined, would not have a Management Company Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the Management Company, threatened against or affecting the Management Company or any officer, director, principal, managing member or Affiliate of the Management Company, which challenges or impairs the ability of the Management Company to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the Management Company or any officer, director, principal or managing member of the Management Company in their capacity as such, or which would reasonably be expected to have a Management Company Material Adverse Effect. None of the Management Company or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Management Company Material Adverse Effect.

Section 4.12 INSOLVENCY.No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Management Company's knowledge, threatened against the Management Company, nor are any such proceedings contemplated by the Management Company.

Section 4.13 SECURITIES LAW MATTERS. The Management Company acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to any Pre-Formation Participants to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such equity holder as an Accredited Investor acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by each equity holder electing to receive REIT Shares or OP Units as consideration in the Merger, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.14 NO BROKER. The Management Company has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.15 OWNERSHIP OF CERTAIN ASSETS. Except as set forth inSchedule 4.15, the Management Company does not own any loan assets or other securities of any issuer except for equity interests in other Rexford Entities.

Section 4.16 EMPLOYEES . The Management Company does not have, nor has ever had any employees.

Section 4.17 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article IV and any other agreement entered into by the Management Company in connection with the Formation Transactions, the Management Company shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.18 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.01(b), Section 4.03, and Section 4.13) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the Management Company shall use commercially reasonable efforts to conduct its businesses in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in connection with the Formation Transactions, the Management Company shall not without the prior written consent of the Operating Partnership, which consent may be withheld by the Operating Partnership in its sole discretion:

(a) (i) other than distributions to the members of the Management Company in connection with such members' payment of any Taxes related to their ownership of the membership interest of the Management Company or as otherwise contemplated by this Agreement, declare, set aside or pay any dividends or distributions in respect of any Management Company Interests, except in the ordinary course of business consistent with past practice and in accordance with the applicable governing document of the Management Company, (ii) issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any Management Company Interests or make any other changes to the equity capital structure of the Management Company, or (iii) purchase, redeem or otherwise acquire any Management Company Interests or interests or any other securities thereof;

(b) issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, any limited liability company, partnership interests or other equity interests of the Management Company or any other assets of the Management Company;

(c) amend its certificate of formation and limited liability company agreement;

(d) adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(e) materially alter the manner of keeping the Management Company's books, accounts or records or the accounting practices therein reflected;

(f) file an entity classification election pursuant to Treasury Regulation Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Management Company as an association taxable as a corporation for United States federal income tax purposes; make or change any other Tax elections; settle or compromise any claim, notice, audit report or assessment in respect of Taxes; change any annual Tax accounting period; adopt or change any method of Tax accounting; file any amended Tax Return; enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any Tax; surrender of any right to claim a Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(g) knowingly cause or permit the Management Company to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(h) take any action or fail to take any action the result of which would have a Management Company Material Adverse Effect; or

(i) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE MANAGEMENT COMPANY. Each of the Operating Partnership and Management Company shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Merger Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the Management Company contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the Management Company distributes such OP Units to the holders of Management Company Interests. As a result, (i) in accordance with Treasury Regulations

Section 1.708-1(c)(4), any payment of cash or REIT Shares attributable to a holder of Management Company Interests shall be treated as a sale by such holder of its Management Company Interests and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) the Management Company shall cause each such holder of Management Company Interests who receives cash and/or REIT Shares to explicitly agree and consent (the "Sale Consent") to such treatment in their Consent Forms as a condition to electing such consideration. To the extent the Operating Partnership acquires any Management Company Interests as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property attributable to such interests shall be treated as a distribution by the Management Company in redemption of such interests. Notwithstanding Section 1.05 and any holder's election as to the form of its Merger Consideration, if any holder of Management Company Interests (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such holder's Merger Consideration shall consist solely of OP Units. Notwithstanding Section 1.07 and Section 2.03(a), any cash paid as the Merger Consideration holder of Management Company Interests shall be paid only after the receipt of a Sale Consent from such holder of Management Company Interests.

(b) Each of the REIT, the Operating Partnership and the Management Company shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(c) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all income Tax Returns of the Management Company which are due after the Closing Date. All such income Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable Law.

(d) The Operating Partnership shall prepare or cause to be prepared all other Tax Returns of the Management Company.

(e) Prior to Closing, the Management Company shall deliver to the REIT a properly executed certificate prepared in accordance with Treasury Regulations section 1.1445-2(b) certifying the non-foreign status of the Management Company and of each holder of the Management Company Interests and any similar affidavits or other forms required under applicable state, local or foreign Tax Laws.

(f) Neither the REIT nor the Operating Partnership makes any representations or warranties to the Management Company or any holder of a Management Company Interest regarding the Tax treatment of the Merger or the other Formation Transactions, or with respect to any other Tax consequences to the Management Company or any holder of a Management

Company Interest of this Agreement, the Merger or the other Formation Transactions. The Management Company acknowledges that the Management Company and the holders of Management Company Interests are relying solely on their own Tax advisors in connection with this Agreement, the Merger and the other Formation Transactions and agreements contemplated hereby.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the Management Company waives and relinquishes all rights and benefits otherwise afforded to the Management Company (a) under its Organizational Documents including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by any equity holder of the Management Company of their Management Company Interests to the REIT or any Affiliate thereof and any and all notice provisions related thereto and (b) for claims against any OP Party for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The Management Company acknowledges that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents of the Management Company or other agreements among one or more holders of Management Company Interests or one or more of the members of the Management Company. With respect to the Management Company and each property in which the Management Company Interests represent a direct or indirect interest, the Management Company expressly gives all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to the Management Company or such property. In addition, the Management Company agrees that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents of the Management Company to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents of the Management Company, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the Management Company shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05.

Section 5.06 ALTERNATE TRANSACTION. In the event that the Operating Partnership determines that a structure change is necessary, advisable or desirable, the Operating Partnership may elect, in its sole and absolute discretion, to effect an Alternate Transaction

(subject to the limitations in the definition thereof), without the need for the OP Parties to seek any further consent or action from the Management Company, and the Management Company shall, and it shall cause its shareholders to, enter into such agreements as shall be necessary to consummate an Alternate Transaction. In the event that an Alternate Transaction is used to effect the transactions contemplated by this Agreement, then the OP Parties may elect to terminate this Agreement without any liability or obligation to any Person.

Section 5.07 OBLIGATIONS OF MERGER SUB. Subject to the terms of this Agreement, the Operating Partnership shall take all reasonable action necessary to cause the Merger Sub (a) to be formed prior to the Effective Time and become a party to this Agreement by executing a counterpart of this Agreement where indicated on the signature page hereof (the date of such execution, the "Joinder Date") and (b) to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement. All representations, warranties, covenants, agreements, rights and obligations of the Merger Sub herein shall become effective as to the Merger Sub as of the Joinder Date.

## ARTICLE VI

## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT or the OP Parties:

Rexford Industrial Realty, Inc..
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the Management Company:

c/o Rexford Industrial, LLC
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Merger Consideration that would be distributed to a Pre-Formation Participant that is the holder of an interest in a Rexford Entity in accordance with the provisions of the existing Organizational Documents of such entity relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Alternate Transaction" means any transaction structure, other than that contemplated by this Agreement, pursuant to which the REIT, the Operating Partnership or any of their Subsidiaries acquire all or a portion of the interests in the Management Company or the assets held directly or indirectly by the Management Company in a transaction pursuant to which each holder of Management Company Interests receives the amount of cash, the number of OP Units and/or the number of REIT Shares that were to be received by such holder pursuant to this Agreement (or a portion thereof equal in value to the value of the portion of such assets acquired by the REIT, the Operating Partnership or any of their Subsidiaries pursuant to such Alternate Transaction); provided, that such structure will not (i) result in a breach of the Management Company's governing documents and (ii) give rise to dissenters' or appraisal rights by the members of the Management Company, unless such rights have fully waived by all such members in the Consent Forms.

(e) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(f) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(g) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder in the Formation Transactions.

(h) "Elected OP Unit Percentage" means, with respect to the Merger Consideration to be received by any Pre-Formation Participant, the percentage of the Allocated Share that the Pre-Formation Participant has made a Valid Election to receive in the form of OP Units.

(i) "Elected REIT Shares Percentage" means, with respect to the Merger Consideration to be received by any Pre-Formation Participant, the percentage of the Allocated Share that the Pre-Formation Participant has made a Valid Election to receive in the form of REIT Shares.

(j) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(k) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(l) "Excluded Assets" means the assets identified on Schedule 5.05.

(m) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit G hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(n) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(o) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(p) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(q) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(r) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(s) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(t) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(u) "Management Company Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Management Company, taken as a whole.

(v) "Offering Closing Date" means the closing date of the Offering.

(w) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(x) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(y) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the REIT and each Operating Partnership Subsidiary, taken as a whole.

(z) "Operating Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Operating Partnership, as in effect immediately prior to the Effective Time.

(aa) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the Management Company or each other applicable Person, as applicable.

(bb) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(cc) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(dd) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Company, Sponsor and RI LLC immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or Property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(ee) "Property" means each real property owned directly or indirectly, in whole or in part, by the Rexford Entities.

(ff) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(gg) "Rexford Entity" means a RIF Fund Entity, the Management Company, Sponsor and RI LLC and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(hh) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(ii) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii)(A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(jj) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(kk) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(ll) "Tax Matters Agreement" means that certain Tax Matters Agreement by and among the REIT, the Operating Partnership and the other parties identified as signatories therein.

(mm) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(nn) "Underwriting Agreement" means that certain underwriting agreement, by and between the REIT, the Operating Partnership and certain underwriters set forth therein, pursuant to which the REIT will issue and sell shares in the Offering.

(oo) "Valid Election" means, with respect to any Management Company Interest, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units and/or REIT Shares as indicated on the properly completed and timely received Consent Form of the holder of the Management Company Interest or a Consent Form as to which any deficiencies have been waived by the Operating Partnership.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Forms to which the parties hereto are a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that each OP Party may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that thisSection 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant toSection 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof.

Each of the Operating Partnership, on the one hand, and the Management Company, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the Operating Partnership and the Management Company cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the Management Company and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the OP Parties or the Management Company.

Section 6.15 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.16 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the Management Company, at any time prior to the Effective Time; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the Management Company without the prior written consent of the Management Company.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD FUND V MANAGER LLC,
a Delaware limited liability company

By: Rexford Sponsor V LLC
a Delaware limited liability company
Its Managing Member

By: _____
Name: Howard Schwimmer
Title: Member

*[Signature Page to RIF V Manager Merger Agreement]*

By: _____
Name: Michael Frankel
Title: Member

AGREED AND ACCEPTED as of

_____,

REXFORD FUND V MANAGER MERGER SUB LLC,
a Delaware limited liability company

By: Rexford Sponsor V Merger Sub LLC
a Delaware limited liability company
Its Sole Member

By: Rexford Industrial Realty, L.P.
a Maryland limited partnership
Its Sole Member

By: Rexford Industrial Realty, Inc.
a Maryland corporation
Its General Partner

By: _____
Name:
Title:

By: _____
Name:
Title:

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation

Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(l) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 - Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance -Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance -Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 2.12**

# AGREEMENT AND PLAN OF MERGER

**by and among**

**REXFORD INDUSTRIAL REALTY, INC.,**

**REXFORD INDUSTRIAL REALTY, L.P.,**

**REXFORD SPONSOR V MERGER SUB LLC**

**and**

**REXFORD SPONSOR V LLC**

**Dated as of , 2013**

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**AGREEMENT AND PLAN OF MERGER**

THIS AGREEMENT AND PLAN OF MERGER is made and entered into as of , 2013 (this "Agreement"), by and among Rexford Industrial Realty, Inc., a Maryland corporation (the "REIT"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "Operating Partnership") and a subsidiary of the REIT, Rexford Sponsor V Merger Sub LLC, a Delaware limited liability company to be formed prior to the Effective Time (defined below) and to be directly wholly owned by the Operating Partnership (the "Merger Sub" and, together with the Operating Partnership, the "OP Parties" and each, an "OP Party"), and Rexford Sponsor V LLC, a Delaware limited liability company (the "Management Company"). Certain capitalized terms are defined in Section 6.02 of this Agreement.

**RECITALS**

WHEREAS, the REIT desires to consolidate the ownership of a portfolio of properties currently owned, directly or indirectly, by certain entities each as described on Exhibit A hereto;

WHEREAS, pursuant to this Agreement, the Management Company will merge with and into the Merger Sub, with the Management Company as the surviving entity (the "Merger") and the equity interests in the Management Company (the "Management Company Interests") will be converted automatically into the right to receive cash, without interest, common units of partnership interests in the Operating Partnership ("OP Units"), and/or shares of common stock of the REIT, par value $.01 per share ("REIT Shares");

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial, LLC, a California limited liability company ("RI LLC"), will enter into an agreement and plan of merger pursuant to which RI LLC will merge with and into a direct wholly-owned subsidiary of the Operating Partnership, with RI LLC as the surviving entity, and the equity interests in RI LLC will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Fund V Manager LLC, a Delaware limited liability company ("RIF V Manager"), will enter into an agreement and plan of merger pursuant to which RIF V Manager will merge with and into an indirect wholly-owned subsidiary of the Operating Partnership, with RIF V Manager as the surviving entity, and the equity interests in RIF V Manager will be converted automatically into the right to receive cash, without interest, OP Units and/or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("RIF V REIT"), will enter into an agreement and plan of merger with the REIT pursuant to which the RIF V REIT will merge with and into the REIT and the equity interests in the RIF V REIT will be converted automatically into the right to receive cash, without interest, or REIT Shares;

WHEREAS, concurrently with the execution of this Agreement, Rexford Industrial Fund V, LP, a Delaware limited partnership ("RIF V Fund"), will enter into an agreement and plan of merger with the Operating Partnership pursuant to which RIF V Fund will merge with and into the Operating Partnership and the partnership interests in RIF V Fund will be (a) converted automatically into the right to receive cash, without interest, REIT Shares and/or OP Units and (b) in the case of the partnership interests in RIF V Fund held by RIF V Manager or the REIT, cancelled;

WHEREAS, concurrently with the execution of this Agreement, the REIT and the Operating Partnership will enter into separate contribution agreements (the "RIF Fund Contribution Agreements") with each of Rexford Industrial Fund I, LLC, Rexford Industrial Fund II, LLC, Rexford Industrial Fund III, LLC and Rexford Industrial Fund IV, LLC (each such entity may be referred to herein as a "Contributor;" each such entity, RIF V REIT and RIF V Fund may be referred to herein as a "RIF Fund Entity"), pursuant to which (a) each Contributor will contribute to the Operating Partnership all of such Contributor's direct and indirect interests in the entities identified as "Contributed Entities" on Exhibit A hereto (the "Contributed Interests") and the other contributed properties and contributed assets identified in each such RIF Fund Contribution Agreement, and (b) the Operating Partnership shall acquire from each Contributor, all of such Contributor's right, title and interest in and to such Contributed Interests and the other contributed properties and contributed assets, in exchange for a combination of cash, without interest, REIT Shares and/or OP Units and the assumption by the Operating Partnership of the assumed liabilities identified in each such RIF Fund Contribution Agreement all on the terms and subject to the conditions set forth therein;

WHEREAS, in the event that all members of a Contributor return duly executed and completed Consent Forms approving the Formation Transactions, then, in lieu of the applicable RIF Fund Contribution Agreement, the REIT may elect to cause the applicable Contributor to enter into an agreement and plan of merger with the Operating Partnership pursuant to which such Contributor will merge with and into the Operating Partnership and the membership interests in such Contributor will be converted automatically into the right to receive cash, REIT Shares and/or OP Units;

WHEREAS, the Formation Transactions relate to the initial public offering of the REIT Shares or, depending on prevailing market conditions at the time of the offering, a private offering of the REIT Shares (the "Offering"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, substantially concurrently with the completion of the Formation Transactions and the Offering, the REIT will contribute to the Operating Partnership, all of the assets (other than OP Units), rights and obligations acquired by the REIT as a result of the Formation Transactions and the Offering;

WHEREAS, in accordance with Section 18-209 of the Delaware Limited Liability Company Act (the "DLLCA"), the Management Company may be merged with and into the Merger Sub, subject to the requisite approval of the members as provided in Section 18-209 of the DLLCA; and

WHEREAS, all necessary approvals have been obtained by each of the Operating Partnership and the Management Company to consummate the transactions contemplated herein and by the other Formation Transaction Documentation.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE I

## THE MERGER

Section 1.01 THE MERGER. At the Effective Time, and subject to the terms and conditions contained in this Agreement and in accordance with applicable Laws, the Merger Sub shall be merged with and into the Management Company whereby the separate existence of the Merger Sub shall cease, and the Management Company shall continue its existence under Delaware law as the surviving entity (hereinafter sometimes referred to as the "Surviving Entity").

Section 1.02 EFFECTIVE TIME. Subject to and upon the terms and conditions of this Agreement, concurrently with or as soon as practicable after (i) the execution by the REIT and the Operating Partnership of the Underwriting Agreement and (ii) the satisfaction or waiver of the conditions set forth in Article II, the Operating Partnership, Merger Sub and the Management Company shall file articles of merger or similar documents with respect to the Merger (the "Certificate of Merger") as may be required by applicable Laws, with the Secretary of State of the State of Delaware providing that the Merger shall become effective upon filing or at such later date and time set forth in the Certificate of Merger with respect to such Merger (the "Effective Time"), together with any certificates and other filings or recordings related thereto, in such forms as are required by, and executed in accordance with the relevant provisions of applicable Laws.

Section 1.03 EFFECT OF THE MERGER. At the Effective Time, the effect of the Merger shall be as provided in this Agreement, the Certificate of Merger and applicable Laws.

Section 1.04 ORGANIZATIONAL DOCUMENTS. At the Effective Time, (i) the certificate of formation of the Management Company, as in effect immediately prior to the Effective Time, shall be the certificate of formation of the Surviving Entity until thereafter amended as provided therein or in accordance with the DLLCA, and (ii) the limited liability company agreement of the Management Company, as in effect immediately prior to the Effective Time, shall be the limited liability company agreement of the Surviving Entity until thereafter amended as provided therein or in accordance with the DLLCA.

Section 1.05 CONVERSION OF MANAGEMENT COMPANY INTERESTS.

(a) Under and subject to the terms and conditions of the respective Formation Transaction Documentation, each Pre-Formation Participant is irrevocably bound to accept and entitled to receive, as a result of and upon consummation of the Merger or other Formation Transactions, a specified share of the Rexford Entities as a whole in the form of the right to receive cash, REIT Shares and/or OP Units as calculated in this Section 1.05.

(b) At the Effective Time, by virtue of the Merger and without any action on the part of the parties hereto, except as set forth in this Agreement, each Management Company Interest shall be converted automatically into the right to receive cash, OP Units and/or REIT Shares with an a value equal to the portion of the Equity Value of the Management Company represented by such Management Company Interest (collectively, and including as adjusted pursuant to Section 5.05, but, for the avoidance of doubt, excluding any consideration payable to such Pre-Formation Participants pursuant to the Formation Transactions in respect of Pre-Formation Interests in any Rexford Entity other than the Management Company, referred to as the "Merger Consideration") and each holder that receives OP Units in the Merger shall, upon receipt of such OP Units and the delivery of a Consent Form or a counterpart signature page to the Operating Partnership Agreement and such other documents and instruments as may be required in the sole discretion of the REIT to effect such holder's admission as a limited partner of the Operating Partnership, be admitted as a limited partner of the Operating Partnership in accordance with the Maryland Revised Uniform Limited Partnership Act and the Operating Partnership Agreement. The portion of the Equity Value of the Management Company "represented by" a Management Company Interest shall be calculated using the same methodology used to calculate the Allocated Share of a holder of such Management Company Interest.

(c) Subject to Section 1.07, the amount of cash, number of OP Units and/or REIT Shares comprising the Merger Consideration for each Management Company Interest so converted shall be as follows:

(i) Cash. One hundred percent (100%) of the Allocated Share attributable to a Pre-Formation Participant who is not an Accredited Investor shall be paid in cash.

(ii) OP Units. The Elected OP Unit Percentage of the Allocated Share attributable to a Pre-Formation Participant who is an Accredited Investor shall be distributed in in whole OP Units in the form of a number of OP Units equal to the applicable portion of such Allocated Share divided by the Offering Price; and

(iii) REIT Shares. The Elected REIT Shares Percentage of the Allocated Share attributable to a Pre-Formation Participant who is an Accredited Investor shall be distributed in whole REIT Shares in the form of a number of REIT Shares equal to the applicable portion of such Allocated Share divided by the Offering Price; *provided*, *that* to the extent such distribution of REIT Shares to such Pre-Formation Participant would result in a violation of the restrictions on ownership and transfer set forth in Section 6.2.1 of the REIT's charter (the "Ownership Limits"), such Pre-Formation Participant shall receive (x) the maximum number of whole REIT Shares that would not result in such a violation of the Ownership Limits, and (y) that number of whole OP Units equal to the remaining number of REIT Shares not distributed as a result of the application of the foregoing clause (x).

Section 1.06 CANCELLATION AND RETIREMENT OF MANAGEMENT COMPANY INTERESTS. From and after the Effective Time, (i) each Management Company Interest converted into the right to receive the Merger Consideration pursuant to Section 1.05(a) shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of such Management Company Interest so converted shall thereafter cease to have any rights as a member of the Management Company except the right to receive the Merger Consideration applicable thereto, (ii) each Management Company Interest issued and outstanding that is owned by the Operating Partnership or any of its direct or indirect wholly-owned Subsidiaries shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist and no consideration shall be delivered hereunder in exchange therefor and (iii) each interest in the Merger Sub will be converted into one issued and outstanding Management Company Interest.

Section 1.07 FRACTIONAL INTERESTS. No fractional OP Units or REIT Shares shall be issued in the Merger or the other Formation Transactions. All fractional OP Units that a holder of Management Company Interests would otherwise be entitled to receive as a result of the Merger and the other Formation Transactions shall be aggregated, and each holder shall receive the number of whole OP Units resulting from such aggregation and, in lieu of any fractional OP Unit resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such holder would otherwise have been entitled, by the Offering Price. All fractional REIT Shares that a holder of Management Company Interests would otherwise be entitled to receive as a result of the Merger and the other Formation Transactions shall be aggregated, and each holder shall receive the number of whole REIT Shares resulting from such aggregation and, in lieu of any fractional REIT Share resulting from such aggregation, an amount in cash determined by multiplying that fraction of a REIT Share to which such holder would otherwise have been entitled, by the Offering Price. No interest will be paid or will accrue on any cash paid or payable in lieu of any fractional OP Unit or REIT Share.

Section 1.08 FURTHER ACTION. If, at any time after the Effective Time, the Surviving Entity shall determine or be advised that any deeds, bills of sale, assignments (including any intellectual property assignments), assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Entity the right, title or interest in, to or under any of the rights, properties or assets of the Management Company acquired or to be acquired by the Surviving Entity as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the Surviving Entity shall be authorized to execute and deliver, in the name and on behalf of the Management Company all such deeds, bills of sale, assignments (including any intellectual property assignments) and assurances and to take and do, in the name and on behalf of any Management Company Interests all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Entity or otherwise to carry out this Agreement.

Section 1.09 CALCULATION OF MERGER CONSIDERATION. As soon as practicable following the determination of the Offering Price and prior to the filing of the Certificate of Merger, all calculations relating to the Merger Consideration shall be performed in good faith by, or under the direction of, the Operating Partnership, and the parties hereby agree that, absent manifest error, such calculations shall be final and binding upon the holders of Management Company Interests.

## ARTICLE II
## CLOSING

Section 2.01 CONDITIONS PRECEDENT.

(a) Condition to Each Party's Obligations. The respective obligation of each party to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Effective Time of the following conditions:

(i) Registration Statement. If the REIT undertakes a public Offering, the public Offering registration statement must have been declared effective under the Securities Act and will not be the subject of any stop order or proceedings by the Securities and Exchange Commission ("SEC") seeking a stop order. This condition may not be waived by any party.

(ii) No Injunction. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction, stay or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending or threatened that seeks the foregoing.

(iii) Operating Partnership Agreement. The Operating Partnership Agreement, in substantially the form attached hereto as Exhibit B, shall have been executed and delivered by the partners of the Operating Partnership and shall be in full force and effect and, except as contemplated by Section 2.03 or the other Formation Transaction Documents, shall not have been amended or modified.

(b) Conditions to the Obligations of the OP Parties. The obligations of the OP Parties to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Operating Partnership in whole or in part):

(i) Representations and Warranties. The representations and warranties of the Management Company contained in this Agreement shall be true and correct in all material respects at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the Management Company. The Management Company shall have performed each of the agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Management Company shall not have breached any of its covenants contained herein in any material respect.

(iii) Offering Closing. The closing of the Offering shall occur substantially concurrently with the Closing.

(iv) Consents, Etc. All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Management Company to consummate the transactions contemplated hereby shall have been obtained.

(v) No Management Company Material Adverse Effect. There shall have not occurred between the date hereof and the Closing Date a Management Company Material Adverse Effect.

(vi) Formation Transactions. The Formation Transactions shall have been or shall be consummated substantially concurrently in accordance with the timing set forth in the respective Formation Transaction Documentation.

(vii) Lock-Up Agreement. Each of the Pre-Formation Participants owning interests in the Management Company shall have entered into the Lock-Up Agreement substantially in the form attached as Exhibit C.

(viii) Tax Matters Agreement. Any Pre-Formation Participant that will receive OP Units in the Merger and that (1) owns, directly or indirectly, an interest in any Property specified in the Tax Matters Agreement or (2) has been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

(c) Conditions to the Obligations of the Management Company. The obligation of the Management Company to effect the Merger contemplated by this Agreement and to consummate the other transactions contemplated hereby to occur on the Closing Date are further subject to satisfaction of the following conditions (any of which may be waived by the Management Company in whole or in part):

(i) Representations and Warranties. Except as would not have an OP Material Adverse Effect, the representations and warranties of the OP Parties contained in this Agreement shall be true and correct at the Closing as if made again at that time (except to the extent that any representation or warranty speaks as of an earlier date, in which case it must be true and correct only as of that earlier date).

(ii) Performance by the OP Parties. Except as would not have an OP Material Adverse Effect, the OP Parties shall have performed all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(iii) Registration Rights Agreement. The REIT shall have entered into the Registration Rights Agreement, substantially in the form attached as Exhibit E hereto. This condition may not be waived by any party hereto.

(iv) Tax Matters Agreement. If the Management Company (1) owns, directly or indirectly, an interest in any Property specified in the Tax Matters Agreement or (2) has any members that have been provided an opportunity to guarantee debt as set forth in the Tax Matters Agreement, the REIT and the Operating Partnership shall have entered into the Tax Matters Agreement substantially in the form attached as Exhibit D, if applicable.

Section 2.02 TIME AND PLACE. Unless this Agreement shall have been terminated pursuant to Section 2.06, and subject to the satisfaction or waiver of the conditions in Section 2.01, the filing of the Certificate of Merger, the Effective Time and the closing of the Merger contemplated by Section 1.01 and the other transactions contemplated by this Agreement shall occur substantially concurrently with the receipt by the REIT of the proceeds from the Offering from the underwriters (the "Closing" or the "Closing Date") in the order set forth on Exhibit F. The Closing shall take place at the offices of Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, California 90071 or such other place as determined by the REIT in its sole discretion.

Section 2.03 DELIVERY OF MERGER CONSIDERATION.

(a) Subject to Section 5.03(a), as soon as reasonably practicable after the Effective Time, the Surviving Entity (or its successor in interest) shall deliver to each holder of Management Company Interests, whose Management Company Interests have been converted into the right to receive the Merger Consideration pursuant to Section 1.05(b) hereof, the Merger Consideration payable to such holder in the amounts and form provided in Section 1.05(c) hereof. The issuance of any OP Units and admission of the recipients thereof as limited partners of the Operating Partnership pursuant to Section 1.05(b) shall be evidenced by an entry to the Register (as defined in the Operating Partnership Agreement), and the Operating Partnership shall deliver, or cause to be delivered, an executed copy of the Amendment to each Pre-Formation Participant receiving OP Units hereunder. Any certificate representing REIT Shares issuable as Merger Consideration shall bear the following legend:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS THE TRANSFEROR DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON BENEFICIAL AND CONSTRUCTIVE OWNERSHIP AND TRANSFER FOR THE PURPOSE OF THE CORPORATION'S MAINTENANCE OF ITS STATUS AS A REAL ESTATE INVESTMENT TRUST UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUBJECT TO CERTAIN FURTHER RESTRICTIONS AND EXCEPT AS EXPRESSLY PROVIDED IN THE CORPORATION'S CHARTER, (I) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF THE CORPORATION'S COMMON STOCK IN EXCESS OF 9.8% (IN VALUE OR NUMBER OF SHARES) OF THE OUTSTANDING SHARES OF COMMON STOCK OF THE CORPORATION UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (II) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK OF THE CORPORATION IN EXCESS OF 9.8% OF THE VALUE OF THE TOTAL OUTSTANDING SHARES OF CAPITAL STOCK OF THE CORPORATION, UNLESS SUCH PERSON IS AN EXCEPTED HOLDER (IN WHICH CASE THE EXCEPTED HOLDER LIMIT SHALL BE APPLICABLE); (III) NO PERSON MAY BENEFICIALLY OR CONSTRUCTIVELY OWN CAPITAL STOCK THAT COULD RESULT IN THE CORPORATION BEING "CLOSELY HELD" UNDER SECTION 856(h) OF THE CODE OR OTHERWISE CAUSE THE CORPORATION TO FAIL TO QUALIFY AS A REIT; AND (IV) NO PERSON MAY TRANSFER SHARES OF CAPITAL STOCK IF SUCH TRANSFER WOULD RESULT IN THE CAPITAL STOCK OF THE CORPORATION BEING OWNED BY FEWER THAN 100 PERSONS. ANY PERSON WHO BENEFICIALLY OR CONSTRUCTIVELY OWNS OR ATTEMPTS TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK WHICH CAUSES OR MAY CAUSE A PERSON TO BENEFICIALLY OR CONSTRUCTIVELY OWN SHARES OF CAPITAL STOCK IN EXCESS OR IN VIOLATION OF THE ABOVE LIMITATIONS MUST IMMEDIATELY NOTIFY THE CORPORATION OR, IN THE CASE OF SUCH A PROPOSED OR ATTEMPTED TRANSACTION, GIVE AT LEAST 15 DAYS PRIOR WRITTEN NOTICE. IF ANY OF THE RESTRICTIONS ON TRANSFER OR OWNERSHIP SET FORTH IN (I) THROUGH (III) ABOVE ARE VIOLATED, THE SHARES OF CAPITAL

STOCK REPRESENTED HEREBY WILL BE AUTOMATICALLY TRANSFERRED TO A TRUSTEE OF A TRUST FOR THE BENEFIT OF ONE OR MORE CHARITABLE BENEFICIARIES. IN ADDITION, THE CORPORATION MAY TAKE OTHER ACTIONS, INCLUDING REDEEMING SHARES UPON THE TERMS AND CONDITIONS SPECIFIED BY THE BOARD OF DIRECTORS IN ITS SOLE AND ABSOLUTE DISCRETION IF THE BOARD OF DIRECTORS DETERMINES THAT OWNERSHIP OR A TRANSFER OR OTHER EVENT MAY VIOLATE THE RESTRICTIONS DESCRIBED ABOVE. FURTHERMORE, UPON THE OCCURRENCE OF CERTAIN EVENTS, ATTEMPTED TRANSFERS IN VIOLATION OF THE RESTRICTIONS DESCRIBED ABOVE MAY BE VOID *AB INITIO*. ALL UNDERLINED TERMS IN THIS LEGEND HAVE THE MEANINGS DEFINED IN THE CHARTER OF THE CORPORATION, AS THE SAME MAY BE AMENDED FROM TIME TO TIME, A COPY OF WHICH, INCLUDING THE RESTRICTIONS ON TRANSFER AND OWNERSHIP, WILL BE FURNISHED TO EACH HOLDER OF CAPITAL STOCK OF THE CORPORATION ON REQUEST AND WITHOUT CHARGE. REQUESTS FOR SUCH A COPY MAY BE DIRECTED TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE.

(b) The Surviving Entity (or its successor in interest) shall not be liable to any holder of a Management Company Interest for any portion of the Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

Section 2.04 CLOSING DELIVERIES. At the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered any other documents reasonably requested by the Operating Partnership or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Management Company Interests, free and clear of all Liens and to effectuate the transactions contemplated hereby.

Section 2.05 CLOSING COSTS. If the Closing occurs, the REIT and the Operating Partnership shall be solely responsible for all transaction costs and expenses of the REIT, the Operating Partnership and the Rexford Entities in connection with the Formation Transactions and the Offering, which include, but are not limited to, the underwriting discounts and commissions. In the event the Closing does not occur, each party shall be responsible for its allocable portion of such costs and expenses in accordance with the terms of those certain letter agreements identified on Schedule 2.05.

Section 2.06 TERM OF THE AGREEMENT. This Agreement shall terminate automatically if the transactions contemplated herein shall not have been consummated on or prior to December 31, 2013 (such date is hereinafter referred to as the "Outside Date").

Section 2.07 EFFECT OF TERMINATION. In the event of termination of this Agreement for any reason, all obligations on the part of the OP Parties and the Management Company under this Agreement shall terminate, except that the obligations set forth in Article VI shall survive, it being understood and agreed, however, for the avoidance of doubt, that if this Agreement is terminated because one or more of the conditions to the non-breaching party's obligations under this Agreement are not satisfied by the Outside Date as a result of the other party's material breach of a covenant, representation, warranty or other obligation under this Agreement or any other Formation Transaction Documentation, the non-breaching party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

Section 2.08 TAX WITHHOLDING. The Operating Partnership, the Merger Sub and the Management Company, as applicable, shall be entitled to deduct and withhold from the consideration payable pursuant to this Agreement to any holder of a Management Company Interest such amounts required to be deducted and withheld with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Management Company Interest in respect of which such deduction and withholding was made.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF THE OP PARTIES

Each of the OP Parties hereby represents and warrants to the Management Company as follows:

Section 3.01 ORGANIZATION; AUTHORITY.

(a) Each OP Party has been duly formed or incorporated and is validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation and has, or upon the effectiveness of the Operating Partnership Agreement, will have, all requisite power and authority to enter into this Agreement and the other Formation Transaction Documentation and to carry out the transactions contemplated hereby and thereby, and to own, lease and/or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

(b) Schedule 3.01(b) sets forth as of the date hereof, (i) each Subsidiary of the Operating Partnership (each an "Operating Partnership Subsidiary"), (ii) the ownership interest therein of the Operating Partnership, and (iii) if not wholly owned by the Operating Partnership, the identity and ownership interest of each of the other owners of such Operating Partnership Subsidiary. Each Operating Partnership Subsidiary has been duly organized or formed and is validly existing and is in good standing under the Laws of its jurisdiction of organization or formation, as applicable, has all requisite power and authority to own, lease and/or operate its

property and to carry on its business as presently conducted and, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.02 DUE AUTHORIZATION. The execution, delivery and performance of this Agreement and the other Formation Transaction Documentation (including each agreement, document and instrument executed and delivered by or on behalf of each OP Party pursuant to this Agreement or the other Formation Transaction Documentation) by the OP Party has been duly and validly authorized by all necessary actions required of the OP Party. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of each OP Party pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the OP Party, enforceable against the OP Party in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.03 CONSENTS AND APPROVALS. Except for the filing of the Certificate of Merger in accordance with Section 1.02 hereof or in connection with the Offering and the consummation of the other Formation Transactions or as shall have been obtained on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by each OP Party in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except for (a) those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect, or (b) those consents under the Organizational Documents of the applicable Rexford Entity (including the Management Company), the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.04 NO VIOLATION. None of the execution, delivery or performance of this Agreement, the other Formation Transaction Documentation, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of each OP Party, (b) any agreement, document or instrument to which the OP Party or any of its respective assets are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the OP Party, except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have an OP Material Adverse Effect.

Section 3.05 VALIDITY OF OP UNITS AND REIT SHARES. Any OP Units to be issued pursuant to this Agreement will have been duly authorized by the Operating Partnership and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the Operating Partnership (other than any Liens created by the Operating Partnership Agreement). Any REIT Shares to be issued pursuant to this Agreement will have been duly authorized by the REIT and, when issued against the consideration therefor, will be validly issued, fully paid and non-assessable, free and clear of all Liens created by the REIT (other than any Liens created by the charter of the REIT).

Section 3.06 LITIGATION. Except for actions, suits or proceedings covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Operating Partnership, threatened against the Operating Partnership or any Operating Partnership Subsidiary, other than actions, suits, proceedings arising in the ordinary course of business from the ownership and operation of each OP Party, that individually or in the aggregate, would not reasonably be expected, (a) if adversely determined, to have an OP Material Adverse Effect, or (b) to challenge or impair the ability of the OP Party to execute or deliver, or materially perform its obligations under, this Agreement and the documents executed by it pursuant to this Agreement or to consummate the transactions contemplated hereby or thereby to such an extent as would result in an OP Material Adverse Effect.

Section 3.07 OPERATING PARTNERSHIP AGREEMENT. Attached hereto as Exhibit B hereto is a true and correct copy of the Operating Partnership Agreement, as in effect immediately prior to the Effective Time.

Section 3.08 LIMITED ACTIVITIES. Except for activities in connection with the Offering, the Formation Transactions or in the ordinary course of business, the Operating Partnership and the Operating Partnership Subsidiaries have not engaged in any material business or incurred any material obligations.

Section 3.09 NO BROKER.No OP Party has entered into, and each covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the Management Company or any Affiliates thereof to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 3.10 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in this Article III and any other agreement entered into in connection with the Formation Transactions, the OP Parties shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby. All representations, warranties and covenants of the OP Parties contained in this Agreement shall expire at the Closing.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF THE MANAGEMENT COMPANY

Except as disclosed in the Offering Document or the schedules attached hereto, the Management Company represents and warrants to the OP Parties that as of the Closing Date:

Section 4.01 ORGANIZATION; AUTHORITY.

(a) The Management Company has been duly formed, is validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite power and authority to enter into this Agreement, each agreement contemplated hereby and the other Formation Transaction Documentation to which it is a party (including any agreement, document and instrument executed and delivered by or on behalf of the Management Company pursuant to this Agreement or the other Formation Transaction Documentation) and to carry out the transactions contemplated hereby and thereby, and to carry on its business as presently conducted. The Management Company, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

(b) The Management Company has no direct or indirect ownership interest in any Subsidiary other than RIF V Fund and does not own or lease pursuant to a ground lease any property. The Management Company does not own any equity or ownership interest in any other Person.

(c) The OP Parties have been provided complete and accurate copies of Organizational Documents, as amended through the date hereof, and such Organizational Documents are in full force and effect as of the date hereof and have not been further modified or amended.

Section 4.02 DUE AUTHORIZATION. The execution, delivery and performance by the Management Company of this Agreement and the other Formation Transaction Documentation (including any agreement, document and instrument executed and delivered by or on behalf of the Management Company pursuant to this Agreement or the other Formation Transaction Documentation) to which it is a party have been duly and validly authorized by all necessary actions required of the Management Company. This Agreement, the other Formation Transaction Documentation and each agreement, document and instrument executed and delivered by or on behalf of the Management Company pursuant to this Agreement or the other Formation Transaction Documentation constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Management Company, each enforceable against the Management Company in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.03 CAPITALIZATION. Schedule 4.03 sets forth as of the date hereof the ownership of the Management Company. All of the issued and outstanding equity interests of the Management Company are duly authorized, validly issued and fully paid; and are not subject to preemptive rights or appraisal, dissenters' or other similar rights under the Organizational Documents of or any contract to which the Management Company is a party or otherwise bound, except for such preemptive rights, transfer restrictions, or appraisal, dissenters' or other similar rights as would not prevent the Merger. There are no outstanding rights to purchase, subscriptions, warrants, options or any other security convertible into or exchangeable for equity interests in the Management Company. Except as set forth in the Organizational Documents, the Management Company is not a party to any agreement for the sale of its material assets, for the grant to any Person of any preferential right to purchase any such material assets or the acquisition of any material operating business, material assets or capital stock of any other corporation, entity or business, other than the purchase or sale of assets in the ordinary course of business.

Section 4.04 CONSENTS AND APPROVALS. Except for the filing of the Certificate of Merger in accordance with Section 1.02 hereof, as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or any Governmental Authority or under any applicable Laws is required to be obtained by the Management Company in connection with the execution, delivery and performance of this Agreement, the other Formation Transaction Documentation to which the Management Company is a party and the transactions contemplated hereby and thereby, except for those consents, waivers, approvals, authorizations, orders, licenses, permits, registrations, qualifications, designations, declarations or filings, the failure of which to obtain or to file would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

Section 4.05 NO VIOLATION. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (a) the Organizational Documents of the Management Company or (b) any agreement, document or instrument to which the Management Company is a party or by which the Management Company or any of its assets or properties are bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on the Management Company (or its assets or properties), except for, in the case of clause (b) or (c), any such breaches or defaults that would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

Section 4.06 LICENSES AND PERMITS. All notices, licenses, permits, certificates and authorizations required for the continued operation of the business of the Management Company have been obtained or can be obtained without material cost, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the OP Parties, except in each case for items that, if not so obtained, obtainable and/or transferred, would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect. Neither the Management Company nor, to the knowledge of the Management Company, any third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect, nor has any one of them received any written notice of violation from any Governmental Authority or written notice of the intention of any entity to revoke any such notice, license, permit, certificate or authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority or other entity and except as would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect.

Section 4.07 COMPLIANCE WITH LAWS. The Management Company has conducted its businesses in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect. Neither the Management Company nor, to the knowledge of the Management Company, any third party are in violation of any Law or has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Management Company Material Adverse Effect. There has not been committed by the Management Company or, to the knowledge of the Management Company, any other Person in occupancy of or involved with the operation or use of the Properties any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against any Property or any part thereof.

Section 4.08 INSURANCE. Schedule 4.08 lists each insurance policy to which the Management Company is a party, an insured or a beneficiary. Each of the insurance policies is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the knowledge of the Management Company, the Management Company has not received from any insurance company any notices of cancellation or intent to cancel any insurance.

Section 4.09 FINANCIAL STATEMENTS. The consolidated financial statements of the Management Company included in the Offering Document have been prepared in all material respects in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto), subject, in the case of unaudited statements, to normal year-end audit adjustments, and fairly present in all material respects the financial condition and results of operations of the Management Company as of the dates indicated therein and for the periods ended as indicated therein.

Section 4.10 TAXES.

(a) The Management Company has timely and properly filed (or caused to be timely and properly filed) all Tax Returns required to be filed by it (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so), and all such Tax Returns are accurate and complete in all material respects.

(b) The Management Company has timely paid (or has had paid on its behalf) all Taxes as required to be paid by it.

(c) No income or material non-income Tax returns filed by the Management Company are subject to a pending or ongoing audit. No deficiencies for any income or material non-income Taxes have been proposed, asserted or assessed against the Management Company, and no requests for waivers of the time to assess any such Taxes are pending.

(d) Since its formation, the Management Company has been treated for United States federal income tax purposes as a partnership and not as a corporation or an association taxable as a corporation.

Section 4.11 LITIGATION. Except for actions, suits or proceedings fully covered by policies of insurance, there is no action, suit or proceeding pending or, to the knowledge of the Management Company, threatened against or affecting the Management Company or any officer, director, principal, managing member or Affiliate of the Management Company, other than actions, suits or proceedings arising in the ordinary course of business from the ownership and operation, which, if adversely determined, would not have a Management Company Material Adverse Effect. There is no action, suit, or proceeding pending or, to the knowledge of the Management Company, threatened against or affecting the Management Company or any officer, director, principal, managing member or Affiliate of the Management Company, which challenges or impairs the ability of the Management Company to execute or deliver, or perform its obligations under this Agreement or any Formation Transaction Documentation or any other documents executed by it pursuant to this Agreement or any Formation Transaction Documentation or to consummate the transactions contemplated hereby or thereby. Except for matters covered by insurance, there is no judgment, decree, injunction, rule or order of a Governmental Authority outstanding against the Management Company or any officer, director, principal or managing member of the Management Company in their capacity as such, or which would reasonably be expected to have a Management Company Material Adverse Effect. None of the Management Company or any officer, director, principal, managing member, general partner or Affiliate of any of the foregoing has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would impair the current or proposed use thereof in a manner that would result in a Management Company Material Adverse Effect.

Section 4.12 INSOLVENCY. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Management Company's knowledge, threatened against the Management Company, nor are any such proceedings contemplated by the Management Company.

Section 4.13 SECURITIES LAW MATTERS. The Management Company acknowledges that: (i) the REIT and Operating Partnership intend the offer and issuance of any REIT Shares or OP Units to any Pre-Formation Participants to be exempt from registration under the Securities Act and applicable state securities laws by virtue of the status of such equity holder as an Accredited Investor acquiring any REIT Shares or OP Units in a transaction exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act, and (ii) in issuing any REIT Shares or OP Units pursuant to the terms of this Agreement, the REIT and Operating Partnership are relying on the representations made by each equity holder electing to receive REIT Shares or OP Units as consideration in the Merger, which representations were set forth in Appendix C to the Request for Consent – Accredited Investor Representations Letter.

Section 4.14 NO BROKER The Management Company has not entered into, and it covenants that it will not enter into, any agreement, arrangement or understanding with any Person or firm which will result in the obligation of the REIT or any Affiliate to pay any finder's fee, brokerage commission or similar payment in connection with the transaction contemplated by this Agreement (other than underwriting discounts, commissions and other fees and expenses to be paid by the REIT in connection with the Offering and any related financing transactions).

Section 4.15 OWNERSHIP OF CERTAIN ASSETS. Except as set forth inSchedule 4.15, the Management Company does not own any loan assets or other securities of any issuer except for equity interests in other Rexford Entities.

Section 4.16 EMPLOYEES. The Management Company does not have, nor has ever had any employees.

Section 4.17 NO OTHER REPRESENTATIONS OR WARRANTIES. Other than the representations and warranties expressly set forth in thisArticle IV and any other agreement entered into by the Management Company in connection with the Formation Transactions, the Management Company shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

Section 4.18 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The parties hereto agree and acknowledge that the representations and warranties set forth in this Article IV (other than Section 4.01, Section 4.02, Section 4.03, and Section 4.13) shall not survive the Closing.

## ARTICLE V

## COVENANTS AND OTHER AGREEMENTS

Section 5.01 PRE-CLOSING COVENANTS. During the period from the date hereof to the Closing Date (except as otherwise provided for or contemplated by this Agreement or in connection with the Formation Transactions), the Management Company shall use commercially reasonable efforts to conduct its businesses in the ordinary course of business consistent with past practice, pay its debt obligations as they become due and payable, and use commercially reasonable efforts to preserve intact its current business organizations and preserve its relationships with customers, tenants, suppliers, advertisers and others having business dealings with it, in each case consistent with past practice. In addition, and without limiting the generality of the foregoing, during the period from the date hereof to the Closing Date and except in

connection with the Formation Transactions, the Management Company shall not without the prior written consent of the Operating Partnership, which consent may be withheld by the Operating Partnership in its sole discretion:

(a) (i) other than distributions to the members of the Management Company in connection with such members' payment of any Taxes related to their ownership of the membership interest of the Management Company or as otherwise contemplated by this Agreement, declare, set aside or pay any dividends or distributions in respect of any Management Company Interests, except in the ordinary course of business consistent with past practice and in accordance with the applicable governing document of the Management Company, (ii) issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any Management Company Interests or make any other changes to the equity capital structure of the Management Company, or (iii) purchase, redeem or otherwise acquire any Management Company Interests or interests or any other securities thereof;

(b) issue, deliver, sell, transfer, dispose, mortgage, pledge, assign or otherwise encumber, or cause the issuance, delivery, sale, transfer, disposition, mortgage, pledge, assignment or otherwise encumbrance of, any limited liability company, partnership interests or other equity interests of the Management Company or any other assets of the Management Company;

(c) amend its certificate of formation and limited liability company agreement;

(d) adopt a plan of liquidation, dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

(e) materially alter the manner of keeping the Management Company's books, accounts or records or the accounting practices therein reflected;

(f) file an entity classification election pursuant to Treasury Regulation Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Management Company as an association taxable as a corporation for United States federal income tax purposes; make or change any other Tax elections; settle or compromise any claim, notice, audit report or assessment in respect of Taxes; change any annual Tax accounting period; adopt or change any method of Tax accounting; file any amended Tax Return; enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any Tax; surrender of any right to claim a Tax refund; or consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(g) knowingly cause or permit the Management Company to violate, or fail to use commercially reasonable efforts to cure any violation of, any applicable Laws;

(h) take any action or fail to take any action the result of which would have a Management Company Material Adverse Effect; or

(i) authorize, commit or agree to take any of the foregoing actions.

Section 5.02 COMMERCIALLY REASONABLE EFFORTS BY THE OPERATING PARTNERSHIP AND THE MANAGEMENT COMPANY. Each of the Operating Partnership and Management Company shall use commercially reasonable efforts and cooperate with each other in (a) promptly determining whether any filings are required to be made or consents, approvals, waivers, permits or authorizations are required to be obtained (under any applicable Law or regulation or from any Governmental Authority or third party) in connection with the transactions contemplated by this Agreement, and (b) promptly making (or causing to be made) any such filings, in furnishing information required in connection therewith and in timely seeking to obtain any such consents, approvals, waivers, permits and authorizations.

Section 5.03 TAX MATTERS.

(a) So long as some portion of the Merger Consideration is in the form of OP Units, the parties hereto intend and agree that, for United States federal income tax purposes, the transactions contemplated by this Agreement shall constitute an "assets-over" partnership merger within the meaning of Treasury Regulations Section 1.708-1(c)(3)(i) pursuant to which the Management Company contributes all of its assets and liabilities to the Operating Partnership in exchange for OP Units in a transaction qualifying under Section 721(a) of the Code and immediately thereafter, the Management Company distributes such OP Units to the holders of Management Company Interests. As a result, (i) in accordance with Treasury Regulations Section 1.708-1(c)(4), any payment of cash or REIT Shares attributable to a holder of Management Company Interests shall be treated as a sale by such holder of its Management Company Interests and a purchase of such interests by the Operating Partnership for the cash and/or REIT Shares so paid under the terms of this Agreement, and (ii) the Management Company shall cause each such holder of Management Company Interests who receives cash and/or REIT Shares to explicitly agree and consent (the "Sale Consent") to such treatment in their Consent Forms as a condition to electing such consideration. To the extent the Operating Partnership acquires any Management Company Interests as described in clause (i) above, or otherwise previously acquired any such interests, for United States federal income tax purposes the receipt by the Operating Partnership of the portion of property attributable to such interests shall be treated as a distribution by the Management Company in redemption of such interests. Notwithstanding Section 1.05 and any holder's election as to the form of its Merger Consideration, if any holder of Management Company Interests (other than a non-Accredited Investor), fails to execute a Sale Consent prior to the Closing, such holder's Merger Consideration shall consist solely of OP Units. Notwithstanding Section 1.07 and Section 2.03(a), any cash paid as the Merger Consideration holder of Management Company Interests shall be paid only after the receipt of a Sale Consent from such holder of Management Company Interests.

(b) Each of the REIT, the Operating Partnership and the Management Company shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to Taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(c) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all income Tax Returns of the Management Company which are due after the Closing Date. All such income Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable Law.

(d) The Operating Partnership shall prepare or cause to be prepared all other Tax Returns of the Management Company.

(e) Prior to Closing, the Management Company shall deliver to the REIT a properly executed certificate prepared in accordance with Treasury Regulations section 1.1445-2(b) certifying the non-foreign status of the Management Company and of each holder of the Management Company Interests and any similar affidavits or other forms required under applicable state, local or foreign Tax Laws.

(f) Neither the REIT nor the Operating Partnership makes any representations or warranties to the Management Company or any holder of a Management Company Interest regarding the Tax treatment of the Merger or the other Formation Transactions, or with respect to any other Tax consequences to the Management Company or any holder of a Management Company Interest of this Agreement, the Merger or the other Formation Transactions. The Management Company acknowledges that the Management Company and the holders of Management Company Interests are relying solely on their own Tax advisors in connection with this Agreement, the Merger and the other Formation Transactions and agreements contemplated hereby.

Section 5.04 CONSENT AND WAIVER OF RIGHTS UNDER ORGANIZATIONAL DOCUMENTS. As of the Closing, the Management Company waives and relinquishes all rights and benefits otherwise afforded to the Management Company (a) under its Organizational Documents including, without limitation, any rights of appraisal, rights of first offer or first refusal, buy/sell agreements, put, option, or similar parallel exit or dissenter rights in connection with the Formation Transactions and the Offering, and any right to consent to or approve of the sale or contribution or other transaction undertaken by any equity holder of the Management Company of their Management Company Interests to the REIT or any Affiliate thereof and any and all notice provisions related thereto and (b) for claims against any OP Party for breach by any of their respective present or former officers, directors, managing members, general partners or Affiliates of their fiduciary duties or similar obligations (including duties of disclosure) to any of their respective present or former shareholders, members, partners, equity interest holders or Affiliates or the terms of any applicable Organizational Documents. The Management Company acknowledges that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the Organizational Documents of the Management Company or other agreements among one or more holders of Management Company Interests or one or more of the members of the Management Company. With respect to the Management Company and each property in which the Management Company Interests represent a direct or indirect interest, the Management Company expressly gives all consents

(and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or other Formation Transactions relating to the Management Company or such property. In addition, the Management Company agrees that if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the Organizational Documents of the Management Company to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the Organizational Documents of the Management Company, which shall remain in full force and effect without modification.

Section 5.05 EXCLUDED ASSETS. Prior to the Closing and after such amounts are reasonably determined, the Management Company shall distribute or cause to be distributed or paid out the Excluded Assets identified on Schedule 5.05. Notwithstanding anything to the contrary herein, (a) in addition to such Excluded Assets, the Management Company shall also distribute or cause to be distributed or paid any amounts remitted to the Management Company by RI LLC (the "Repaid Amount") in repayment of the aggregate balance remaining on two loans made by the Management Company to RI LLC and Rexford Industrial Realty & Management, Inc., a wholly-owned Subsidiary of RI LLC, and (b) to the extent such Repaid Amount is insufficient to fully repay the balance remaining on such loans (such remaining unpaid balance, the "Repayment Shortfall"), the aggregate Equity Value attributable to the Management Company (and therefore the aggregate Merger Consideration) shall be increased, and the aggregate Equity Value attributable to RI LLC (and therefore the aggregate merger consideration payable in respect of RI LLC in the Formation Transactions) shall be reduced, in each case by an amount equal to the Repayment Shortfall.

Section 5.06 ALTERNATE TRANSACTION. In the event that the Operating Partnership determines that a structure change is necessary, advisable or desirable, the Operating Partnership may elect, in its sole and absolute discretion, to effect an Alternate Transaction (subject to the limitations in the definition thereof), without the need for the OP Parties to seek any further consent or action from the Management Company, and the Management Company shall, and it shall cause its shareholders to, enter into such agreements as shall be necessary to consummate an Alternate Transaction. In the event that an Alternate Transaction is used to effect the transactions contemplated by this Agreement, then the OP Parties may elect to terminate this Agreement without any liability or obligation to any Person.

Section 5.07 OBLIGATIONS OF MERGER SUB. Subject to the terms of this Agreement, the Operating Partnership shall take all reasonable action necessary to cause the Merger Sub (a) to be formed prior to the Effective Time and become a party to this Agreement by executing a counterpart of this Agreement where indicated on the signature page hereof (the date of such execution, the "Joinder Date") and (b) to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement. All representations, warranties, covenants, agreements, rights and obligations of the Merger Sub herein shall become effective as to the Merger Sub as of the Joinder Date.

## ARTICLE VI

## GENERAL PROVISIONS

Section 6.01 NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within twenty-four (24) hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

(a) if to the REIT or the OP Parties:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

(b) if to the Management Company:

c/o Rexford Industrial, LLC
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Facsimile: (310) 966-1690
Attention: Howard Schwimmer and Michael S. Frankel

Section 6.02 DEFINITIONS. For purposes of this Agreement, the following terms shall have the following meanings.

(a) "Accredited Investor" has the meaning set forth under Regulation D of the Securities Act.

(b) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(c) "Allocated Share" means an amount of Merger Consideration that would be distributed to a Pre-Formation Participant that is the holder of an interest in a Rexford Entity in accordance with the provisions of the existing Organizational Documents of such entity relating to distributions of distributable net proceeds from sales of directly or indirectly owned properties or assets, and assuming the sale of the relevant Target Asset or Target Assets that are directly or indirectly owned by such entity for a value equal to such Target Asset's or Target Assets' respective Equity Value(s).

(d) "Alternate Transaction" means any transaction structure, other than that contemplated by this Agreement, pursuant to which the REIT, the Operating Partnership or any of their Subsidiaries acquire all or a portion of the interests in the Management Company or the assets held directly or indirectly by the Management Company in a transaction pursuant to which each holder of Management Company Interests receives the amount of cash, the number of OP Units and/or the number of REIT Shares that were to be received by such holder pursuant to this Agreement (or a portion thereof equal in value to the value of the portion of such assets acquired by the REIT, the Operating Partnership or any of their Subsidiaries pursuant to such Alternate Transaction); provided, that such structure will not (i) result in a breach of the Management Company's governing documents and (ii) give rise to dissenters' or appraisal rights by the members of the Management Company, unless such rights have fully waived by all such members in the Consent Forms.

(e) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of California.

(f) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(g) "Consent Form" means the form provided to each holder of Pre-Formation Interests to consent to the Formation Transactions and to make such holder's irrevocable elections with respect to consideration to be received by such holder in the Formation Transactions.

(h) "Elected OP Unit Percentage" means, with respect to the Merger Consideration to be received by any Pre-Formation Participant, the percentage of the Allocated Share that the Pre-Formation Participant has made a Valid Election to receive in the form of OP Units.

(i) "Elected REIT Shares Percentage" means, with respect to the Merger Consideration to be received by any Pre-Formation Participant, the percentage of the Allocated Share that the Pre-Formation Participant has made a Valid Election to receive in the form of REIT Shares.

(j) "Entity Specific Debt" has the meaning set forth in Schedule 6.02(c) hereto.

(k) "Equity Value" has the meaning set forth in Schedule 6.02(c) hereto.

(l) "Excluded Assets" means the assets identified on Schedule 5.05.

(m) "Formation Transaction Documentation" means all of the agreements (including this Agreement) and related documents substantially in the forms accompanying the Request for Consent dated February 22, 2013 and identified in Exhibit G hereto, pursuant to which all of the Rexford Entities and/or the Pre-Formation Interests are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(n) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(o) "Fund V Subsequent Investment Amount" has the meaning set forth in Schedule 6.02(c) hereto.

(p) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(q) "Interim Period" has the meaning set forth in Schedule 6.02(c) hereto.

(r) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(s) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(t) "Lock-Up Agreement" means that certain Lock-Up Agreement, by and between the underwriters and each investor of the REIT and/or the Operating Partnership.

(u) "Management Company Material Adverse Effect" means any material adverse change in the assets, business, condition (financial or otherwise), results of operation or prospects of the Management Company, taken as a whole.

(v) "Offering Closing Date" means the closing date of the Offering.

(w) "Offering Document" means either (i) in the event the REIT undertakes a public Offering, the REIT's final prospectus as filed with the SEC; or (ii) in the event the REIT undertakes a private Offering, the REIT's final offering memorandum (together with any supplements and amendments thereto) used in the Offering.

(x) "Offering Price" means the initial offering price of a REIT Share in the Offering.

(y) "OP Material Adverse Effect" means any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of the REIT and each Operating Partnership Subsidiary, taken as a whole.

(z) "Operating Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of the Operating Partnership, as in effect immediately prior to the Effective Time.

(aa) "Organizational Documents" means the certificate of formation, certificate of incorporation and bylaws, certificate of limited partnership and limited partnership agreement, limited liability company agreement or operating agreement, of the Management Company or each other applicable Person, as applicable.

(bb) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(cc) "Pre-Formation Interests" means the equity interests directly or indirectly held by the Pre-Formation Participants in the Rexford Entities and in the "Rexford Properties" as defined in that certain Confidential Request for Consent and Investment Election dated February 22, 2013.

(dd) "Pre-Formation Participants" means the holders of the equity interests in the relevant RIF Fund Entity and the Management Company, RIF V Manager and RI LLC immediately prior to the Formation Transactions, and shall include any other Person contributing any interest or Property to the REIT, the Operating Partnership or any Subsidiary thereof in the Formation Transactions.

(ee) "Property" means each real property owned directly or indirectly, in whole or in part, by the Rexford Entities.

(ff) "Registration Rights Agreement" means that certain Registration Rights Agreement, by and among the REIT, the Operating Partnership and the parties identified as a signatory on Schedule A thereto.

(gg) "Rexford Entity" means a RIF Fund Entity, the Management Company, RIF V Manager and RI LLC and each of their respective Subsidiaries, as applicable. As used herein, "Rexford Entities" refer to each Rexford Entity, collectively.

(hh) "Securities Act" means the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder.

(ii) "Subsidiary" of any Person means any corporation, partnership, limited liability company, joint venture, trust or other legal entity of which such Person owns (either directly or through or together with another Subsidiary of such Person) either (i) a general partner, managing member or other similar interest, or (ii)(A) ten percent (10%) or more of the voting power of the voting capital stock or other equity interests, or (B) ten percent (10%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

(jj) "Target Asset" has the meaning set forth in Schedule 6.02(c) hereto.

(kk) "Tax" means all federal, state, local and foreign income, gross receipts, license, property, withholding, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

(ll) "Tax Matters Agreement" means that certain Tax Matters Agreement by and among the REIT, the Operating Partnership and the other parties identified as signatories therein.

(mm) "Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(nn) "Underwriting Agreement" means that certain underwriting agreement, by and between the REIT, the Operating Partnership and certain underwriters set forth therein, pursuant to which the REIT will issue and sell shares in the Offering.

(oo) "Valid Election" means, with respect to any Management Company Interest, an irrevocable election to receive all or a portion of its Allocated Share in the form of OP Units and/or REIT Shares as indicated on the properly completed and timely received Consent Form of the holder of the Management Company Interest or a Consent Form as to which any deficiencies have been waived by the Operating Partnership.

Section 6.03 COUNTERPARTS. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to each other party.

Section 6.04 ENTIRE AGREEMENT; THIRD-PARTY BENEFICIARIES. This Agreement, the other Formation Transaction Documentation and the Consent Forms to which the parties hereto are a party, including, without limitation, the exhibits and schedules hereto and thereto, constitute the entire agreement and, except as set forth in Section 2.05, supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

Section 6.05 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of California, regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 6.06 ASSIGNMENT. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; *provided, however*, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that each OP Party may assign its rights and obligations hereunder to an Affiliate.

Section 6.07 JURISDICTION. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the County of Los Angeles, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

Section 6.08 DISPUTE RESOLUTION. The parties intend that thisSection 6.08 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to Section 6.08(c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this agreement to arbitrate) that is not resolved pursuant toSection 6.08(a) above shall be submitted to final and binding arbitration in California before one neutral and impartial arbitrator, in accordance with the Laws of the State of California for agreements made in and to be performed in that State. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. Each of the Operating Partnership, on the one hand, and the Management Company, on the other hand, shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If the Operating Partnership and the Management Company cannot mutually agree upon an arbitrator within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs, and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

Section 6.09 SEVERABILITY. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

Section 6.10 RULES OF CONSTRUCTION.

(a) The parties hereto agree that they have had the opportunity to be represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. Unless explicitly stated otherwise herein, any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented,

including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 6.11 EQUITABLE REMEDIES. The parties agree that irreparable damage would occur to the Operating Partnership in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Operating Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the Management Company and to enforce specifically the terms and provisions hereof in any federal or state court located in California, this being in addition to any other remedy to which the Operating Partnership is entitled under this Agreement or otherwise at law or in equity.

Section 6.12 TIME OF THE ESSENCE. Time is of the essence with respect to all obligations under this Agreement.

Section 6.13 DESCRIPTIVE HEADINGS. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 6.14 NO PERSONAL LIABILITY CONFERRED. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or shareholder of the OP Parties or the Management Company.

Section 6.15 WAIVER OF SECTION 1542 PROTECTIONS. As of the Closing Date, each of the parties hereto expressly acknowledges that it has had, or has had and waived, the opportunity to be advised by independent legal counsel and hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 which provides:

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

Section 6.16 AMENDMENTS. This Agreement may be amended by appropriate instrument, without the consent of the Management Company, at any time prior to the Effective Time; *provided*, that no such amendment, modification or supplement shall be made that alters the amount or changes the form of the consideration to be delivered to the Management Company without the prior written consent of the Management Company.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers or representatives, all as of the date first written above.

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

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

By: _____
Name:
Title:

By: _____
Name:
Title:

REXFORD SPONSOR V LLC,
a Delaware limited liability company

By: _____
Name: Howard Schwimmer
Title: Member

By: _____
Name: Michael Frankel
Title: Member

*[Signature Page to Sponsor Merger Agreement]*

AGREED AND ACCEPTED as of
_____,

REXFORD SPONSOR V MERGER SUB LLC,
a Delaware limited liability company

By: Rexford Industrial Realty, L.P.
a Maryland limited partnership
Its Sole Member

By: Rexford Industrial Realty, Inc.
a Maryland corporation
Its General Partner

By: _____
Name:
Title:

By: _____
Name:
Title:

**Schedule 5.05**

**Excluded Assets**

Excluded Assets consist of any excess of Net Working Capital over Target Net Working Capital.

"Net Working Capital" means current assets minus current liabilities of the relevant entity (on a stand-alone basis and without consolidating any Subsidiary of such entity) as of a date within forty five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow. Any Excluded Assets consisting of any excess of Net Working Capital of Target Working Capital shall be distributed or paid to the Pre-Formation Participants in the relevant entity immediately prior to the consummation of the Offering after determination by the REIT. The REITs determination of such amount shall be final and binding on all Pre-Formation Participants.

"Target Net Working Capital" means zero with respect to all entities.

**Schedule 6.02(c)**

**Calculation of Equity Value**

For purposes of all Formation Transaction Documentation, "Equity Value" of any Target Asset shall be calculated pursuant to the formula set forth below. Capitalized terms used in this Schedule 6.02(c) shall have the meanings set forth below and capitalized terms used herein without definition shall have the meanings assigned to such terms in the Agreement.

$$EV = EP \times [TFTV\text{-}TPA]+AA;$$

where:

EV = Equity Value;
EP = Unadjusted Equity Percentage;
TFTV= Total Formation Transaction Value;
TPA = Total Portfolio Adjustment; and
AA = Asset Adjustment;

Notwithstanding the foregoing, the Equity Value attributable to any Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) made to or applied by the RIF V Fund or RIF V REIT during the Interim Period will be an amount equal to the Fund V Subsequent Investment Amount. The Fund V Subsequent Investment Amount (if any) is intended to provide reasonable compensation to investors in RIF V Fund and RIF V REIT for Capital Contributions (if any) made to or applied by these entities after the Marshall & Stevens' Fairness Opinion. To accomplish this, these Capital Contributions are treated separately from the Target Assets, and the Fund V Subsequent Investment Amount (if any) is included in the Total Portfolio Adjustment without creating a related Asset Adjustment. The result is that the Total Formation Transaction Value allocable to the Target Assets will be reduced by an amount equal to the Fund V Subsequent Investment Amount (if any), and such amount will be allocated to investors in the RIF V Fund and RIF V REIT in accordance with the Organizational Documents of each such entity.

Attached as ***Appendix A*** to this Schedule 6.02(c) are illustrative calculations of Equity Value for a hypothetical portfolio of Target Assets.

"Actual Balance" shall mean: (i) with respect to each Existing Loan to be assumed in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such assumption and all assumption fees and any related expenses with respect to such Existing Loan; and (ii) with respect to each Existing Loan to be prepaid, repaid or refinanced in connection with the Offering, the unpaid principal amount of and past due unpaid interest on such Existing Loan as of the Offering Closing Date and immediately prior to any such prepayment, repayment or refinancing and any related prepayment penalties and any related expenses. With respect to each Existing Loan to be assumed, prepaid, repaid or refinanced in connection with the Formation Transactions, the Actual Balance as of the Closing Date shall be determined by the REIT within forty-five (45) days prior to the date of the preliminary Offering Document used in the Offering roadshow based on its good faith estimate of what such amounts will be as of the Offering Closing Date.

"Asset Adjustment" shall mean with respect to each Target Asset and any Existing Loan relating to such Target Asset, an amount equal to the Base Balance minus the Actual Balance (expressed as a positive or negative number, as applicable) with respect to all Existing Loans relating to such Target Asset. Notwithstanding the foregoing, no Asset Adjustment shall be made with respect to the pay down in the amount of $2,914,349.17 on the Existing Loan relating to the Target Asset referred to as "Broadway" in Appendix B to Schedule 6.02(c).[1]

"Base Balance" shall mean with respect to each Existing Loan, the principal amount of such Existing Loan set forth on ***Appendix C*** to this Schedule 6.02(c).

"Eliminated Asset" shall mean any Target Asset subject to the Formation Transaction Documentation, or any interest therein, that is excluded pursuant to the terms of the Formation Transaction Documentation from the Formation Transactions.

"Excluded Assets" has the meaning set forth in Section 6.02(l) to the Agreement.

"Existing Loan" shall mean each loan directly secured by a Target Asset listed on ***Appendix C*** to this Schedule 6.02(c) and (ii) all other indebtedness of a Rexford Entity or of an entity in which a Rexford Entity has a direct or indirect interest that will be assumed, prepaid, repaid or refinanced in connection with the Offering and that is set forth on ***Appendix D*** to this Schedule 6.02(c) (all indebtedness falling within the scope of this clause (ii) shall be referred to as "Entity Specific Debt"). Existing Entity Specific Debt will be deemed to relate to the Target Asset(s) and, if to multiple Target Assets, in the proportions set forth opposite the name of such Entity Specific Debt on ***Appendix D*** to this Schedule 6.02(c), and all such Entity Specific Debt will be deemed to have a Base Balance of zero (because "Unadjusted Equity Percentage" as determined by Marshall & Stevens, Inc. was determined at the property level and did not take into account Entity Specific Debt, Entity Specific Debt is deemed to be zero in order to cause a readjustment of "Equity Value" of all Target Assets after taking into account such Entity Specific Debt).

"Fund V Subsequent Investment Amount" shall mean the sum of (i) the aggregate amount of Capital Contributions (as such term is defined in the RIF V Fund's and the RIF V REIT's respective Organizational Documents) (x) made by partners or members therein during the

[1] The Unadjusted Equity Percentage set forth in Appendix D to Schedule 6.02(c) for the Target Asset referred to as "Broadway" was originally attributable to a property referred to as "Williams" in the Marshall & Stevens Fairness Opinion. After the date of such opinion, the Williams asset was exchanged for the Broadway asset, plus a cash payment equal to the difference between the market value of the Williams asset and the market value of the Broadway asset. Such cash payment was then used to pay down a portion of the Entity Specific Debt previously allocated to the Williams asset (and now allocated to the Broadway asset), so an equitable result is achieved by applying the Unadjusted Equity Percentage set forth in Appendix B to Schedule 6.02(c) and the amount of Entity Specific Debt (prior to the pay down) set forth in Appendix D to Schedule 6.02(c) that were each previously allocated to the Williams Property to the Broadway Property, and not making an adjustment in connection with the pay down of such Entity Specific Debt that occurred.

Interim Period and applied by RIF V Fund or RIF V REIT, as applicable, for investment or other permitted purpose during the Interim Period or (y) made by such partners or members prior to the Interim Period but applied by such entity for investment or other permitted purpose during the Interim Period, plus (ii) a return on such Capital Contributions at an annualized rate of eight (8) percent for the period commencing on the date on which each such Capital Contribution is made (or, in the case of clause (y), applied) and ending on the Closing Date.

"Interim Period" means the period commencing on January 1, 2013 and ending on the Closing Date.

"Target Asset" shall mean each Property (or partial ownership interest in a Property) set forth on ***Appendix B*** to this Schedule 6.02(c) and the Management Companies.

"Target Net Working Capital" has the meaning set forth in Schedule 5.05 to the Agreement.

"Total Portfolio Adjustment" shall mean the sum (which may be a positive or negative number) of (i) all Asset Adjustments, excluding Asset Adjustments for any Eliminated Assets, and (ii) the Fund V Subsequent Investment Amount.

"Total Formation Transaction Value" shall mean the aggregate dollar value of (i) the cash, (ii) the REIT Shares and (iii) the OP Units that are issued or issuable to all Pre-Formation Participants in the Formation Transactions as set forth in the Offering Document. Total Formation Transaction Value will be determined valuing REIT Shares and OP Units at a value per REIT Share or OP Unit equal to the Offering Price.

"Unadjusted Equity Percentage" shall mean with respect to each Target Asset, the percentage (expressed as a decimal) set forth opposite the name of such Target Asset on ***Appendix B*** to this Schedule 6.02(c) (which percentage is based on the Fairness Opinion of Marshall & Stevens, Inc. and represents such Target Asset's percentage of the net asset values of the Target Assets (other than the Management Companies) and the net equity value of the Management Companies, taken as a whole); *provided, however*, that in the event a Target Asset is selected as or otherwise becomes for any reason an Eliminated Asset, then: (i) the Unadjusted Equity Percentage for each remaining Target Asset shall be recalculated as a fraction, the numerator of which is the original Unadjusted Equity Percentage for such remaining Target Asset and the denominator of which is (A) 100 minus (B) the original Unadjusted Equity Percentage of the Eliminated Asset; and (ii) the Unadjusted Equity Percentage of the Eliminated Asset shall be zero.

**Appendix A to Schedule 6.02(c)**

**Worked Examples**

The figures and calculations included in this ***Appendix A*** are for illustrative purposes only and are based on a hypothetical portfolio of properties. The goal of the examples below is to help investors better understand how the Equity Value formula operates and may be impacted by different types of possible changes in the assets comprising the REIT's portfolio or the debt relating to the Target Assets prior to Closing. Accordingly, the examples have been highly simplified, using numbers that facilitate easy math.

The hypotheticals below assume that:

- The Target Assets that will be acquired by the REIT in the Formation Transactions consist of five industrial centers, one of which is owned by each of the five Rexford Funds.
- Each of the Target Assets in this hypothetical portfolio will be wholly owned, directly or indirectly, by the REIT at the Closing.
- Each Target Asset is subject to a $25 property-level mortgage, but no fund-level Entity Specific Debt.
- Each Target Asset was determined by a third-party valuator to have a relative equity value equal to 20% of the entire portfolio.

In addition, the "Base Case" hypothetical below assumes that the initial Total Formation Transaction Value, or "TFTV," for this entire portfolio of properties as of December 31, 2012 was $500. The subsequent hypothetical examples demonstrate how circumstances after December 31, 2012 but prior to the Closing, or that otherwise were not reflected in the Fairness Opinion, may impact Total Formation Transaction Value (TFTV), and how those changes affect the equity value allocable to each of the five Target Assets.

The following summarizes the "Base Case" portfolio for purposes of the hypotheticals below:

| Target Asset | Unadjusted Equity Percentage ("EP") (determined by Marshall & Stevens, Inc. in the Fairness Opinion) | Property Holding Companies & Ownership % |
|---|---|---|
| RIF I Industrial Center | 20% | Company A (100%) |
| RIF II Industrial Center | 20% | Company B (100%) |
| RIF III Industrial Center | 20% | Company C (100%) |
| RIF IV Industrial Center | 20% | Company D (100%) |
| RIF V Industrial Center | 20% | Company E (100%) |
| **Total** | 100% | |

Example 1 - Base Case

Applying the Equity Value formula to the "Base Case" summarized above, and assuming that (i) there is no Entity Specific Debt (see Example 3 for a discussion of Entity Specific Debt) and (ii) the mortgage debt on each of the five properties does not change between December 31 and Closing and that there are no assumption or prepayment fees associated with assuming or prepaying those mortgages at the Closing, the Equity Value of each of the five properties is as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF II Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF III Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF IV Industrial Center | 100 = 20% x [500 - 0] + 0 |
| RIF V Industrial Center | 100 = 20% x [500 - 0] + 0 |
| **Total Equity Value** | 500 |

"EP" = Unadjusted Equity Percentage
"TFTV" = Total Formation Transaction Value
"TPA" = Total Portfolio Adjustment (see below)
"AA" = Asset Adjustment (see below)

Example 2 – Mortgage Payoff

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, the $25 mortgage on RIF I Industrial Center reaches maturity and is paid off, such that at the time that the RIF I Industrial Center is acquired by the Operating Partnership, it is not subject to any mortgage debt. This results in the following variation of the variable "AA" in the formula as applied to the RIF I Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 25 = 25 - 0 |
| RIF II Industrial Center | 0 = 25 - 25 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | 25 |

In effect, RIF I has repaid debt using $25 that otherwise would have been available for distribution to RIF I investors as part of the pre-Closing working capital distribution. Because the aggregate outstanding mortgage debt that will be assumed by the Operating Partnership at the Closing has decreased by $25 (without using funds from the Offering), we assume that the Total Formation Transaction Value would increase by the same amount, from $500 to $525.

Because the burden of creating this increase in TFTV has been borne solely by investors in RIF I (who otherwise would have received an additional $25 in the pre-Closing working capital distributions), the Equity Value formula works to allocate the increase in TFTV solely to the RIF I Industrial Center by virtue of the $25 Asset Adjustment calculated above, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 125 = 20% x [525 - 25] + 25 |
| RIF II Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF III Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF IV Industrial Center | 100 = 20% x [525 - 25] + 0 |
| RIF V Industrial Center | 100 = 20% x [525 - 25] + 0 |
| **Total Equity Value** | 525 |

Example 3 – Entity Specific Debt

In this example, all of the facts described in the Base Case above are the same, except that we assume that (i) Company B is 100% owned by an upper-tier entity, "Holdings," that will be acquired by the Operating Partnership in the Formation Transactions, (ii) Holdings is subject to $50 of Entity Specific Debt that will be assumed by the Operating Partnership at the Closing (for simplicity's sake, we assume no assumption fee) and (iii) the $50 of Entity Specific Debt is allocated to RIF II Industrial Center. This results in the following variation of the variable "AA" in the formula as applied to RIF II Industrial Center:

| Property | Asset Adjustment ("AA") (i.e., Base Balance - Actual Balance) |
|---|---|
| RIF I Industrial Center | 0 = 25 - 25 |
| RIF II Industrial Center | -50 = 25 - 75 |
| RIF III Industrial Center | 0 = 25 - 25 |
| RIF IV Industrial Center | 0 = 25 - 25 |
| RIF V Industrial Center | 0 = 25 - 25 |
| **Total Portfolio Adjustment ("TPA")** | -50 |

As noted above, M&S's Fairness Opinion takes into account only asset-level debt in determining the relative unadjusted equity percentages of the Target Assets. Entity Specific Debt is allocated to relevant properties in the relevant Funds directly through the Equity Value formula. As demonstrated below, the effect is to increase the relative value of properties that are not burdened by Entity Specific Debt, and correlatively decrease the value of properties that are subject to Entity Specific Debt.

The Equity Value formula accomplishes this by reflecting that TFTV decreases as a result of Entity Specific Debt. In the specific example above, because the aggregate outstanding debt that will be assumed by the Operating Partnership at the Closing now includes Holdings' $50 of Entity Specific Debt, Total Formation Transaction Value would decrease by the same amount, from $500 to $450, relative to the Base Case.

The Equity Value formula allocates the $50 decrease in TFTV solely to RIF II Industrial Center, and does not impact the Equity Value of the other Target Assets, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF II Industrial Center | 50 = 20% x [450 - (-50)] + (-50) |
| RIF III Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF IV Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| RIF V Industrial Center | 100 = 20% x [450 - (-50)] + 0 |
| **Total Equity Value** | 450 |

Example 4 – RIF V Subsequent Investment

In this example, all of the facts described in the Base Case above are the same, except that we assume that prior to the completion of the Formation Transactions, RIF V Fund calls $50 in Capital Contributions to acquire additional assets and the acquisitions are made exactly 3 months prior to the completion of the Formation Transactions.

Recall that, under the definition of "Fund V Subsequent Investment Amount," this $50 of invested Capital Contributions is deemed to earn a flat return equal to 8.0% per annum, so, after 3 months, the $50 of invested Capital Contributions produces a Fund V Subsequent Investment Amount of $51.00 (3 months is a quarter of a year – so, one-quarter of 8.0% (i.e., 2.0%), multiplied by $50, nets $1.00 in appreciation on the $50 of invested Capital Contributions). Accordingly, $51.00 of Equity Value ($50.00 + $1.00) will be allocated to these additional assets (and therefore to Fund V investors) at the Closing.

The impact (if any) of this subsequent investment on the portion of TFTV allocated to the five existing Target Assets will depend on how much value the public attributes to these subsequently acquired assets in the Offering (as a result of the pre-IPO total equity value (as measured by the IPO price) being an amount other than $551), as demonstrated below.

For example, if the subsequent acquisition by RIF V Fund results in a $51 increase in TFTV, from $500 to $551, the Equity Value of each of the five existing Target Assets would be unchanged from the Base Case, as set forth below:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF II Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF III Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF IV Industrial Center | 100 = 20% x [551 - 51] + 0 |
| RIF V Industrial Center | 100 = 20% x [551 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 551 |

If instead we assume that the subsequent acquisition by RIF V Fund results in a $55 increase in TFTV, from $500 to $555, the Equity Value of each of the five existing Target Assets would increase as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF II Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF III Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF IV Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| RIF V Industrial Center | 100.80 = 20% x [555 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 555 |

If instead we assume that the subsequent acquisition by RIF V Fund results in only a $45 increase in TFTV, from $500 to $545, the Equity Value of each of the five existing Target Assets would decrease as follows:

| Property | Equity Value = EP x [TFTV - TPA] + AA |
|---|---|
| RIF I Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF II Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF III Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF IV Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| RIF V Industrial Center | 98.80 = 20% x [545 - 51] + 0 |
| Fund V Subsequent Investment Amount | 51= 50 + [0.08 x 50 x (3/12)] |
| **Total Equity Value** | 545 |

It is possible that more than one of the types of transactions described in Examples 2-4 above could occur prior to Closing and, as a result, the formula could produce multiple adjustments to the Total Equity Value and the Equity Values of the various properties.

**Exhibit 10.3**

**REXFORD INDUSTRIAL REALTY, INC.**
**AND REXFORD INDUSTRIAL REALTY, L.P. 2013 INCENTIVE AWARD PLAN**

**ARTICLE 1.**

**PURPOSE**

The purpose of the Rexford Industrial Realty, Inc. and Rexford Industrial Realty, L.P. 2013 Incentive Award Plan (the "Plan") is to promote the success and enhance the value of Rexford Industrial Realty, Inc., a Maryland corporation (the "Company"), Rexford Industrial Realty and Management, Inc., a California corporation (the "Services Company"), and Rexford Industrial Realty, L.P. (the "Partnership") by linking the individual interests of Employees, Consultants, members of the Board and Services Company Directors to those of the Company's stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's stockholders. The Plan is further intended to provide flexibility to the Company, the Services Company, the Partnership and their subsidiaries in their ability to motivate, attract, and retain the services of those individuals upon whose judgment, interest, and special effort the successful conduct of the Company's, the Services Company's and the Partnership's operation is largely dependent.

**ARTICLE 2.**

**DEFINITIONS AND CONSTRUCTION**

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Administrator" shall mean the entity that conducts the general administration of the Plan as provided in Article 12 hereof. With reference to the duties of the Committee under the Plan which have been delegated to one or more persons pursuant to Section 12.6 hereof, or which the Board has assumed, the term "Administrator" shall refer to such person(s) unless the Committee or the Board has revoked such delegation or the Board has terminated the assumption of such duties.

2.2 "Affiliate" shall mean the Partnership, the Services Company, any Parent or any Subsidiary.

2.3 "Applicable Accounting Standards" shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's financial statements under United States federal securities laws from time to time.

2.4 "Applicable Law" shall mean any applicable law, including without limitation, (a) provisions of the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or

regulations, whether federal, state, local or foreign; and (c) rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

2.5 "Award" shall mean an Option, a Restricted Stock award, a Performance Award, a Dividend Equivalent award, a Stock Payment award, a Restricted Stock Unit award, a Performance Share award, an Other Incentive Award, an LTIP Unit award or a Stock Appreciation Right, which may be awarded or granted under the Plan.

2.6 "Award Agreement" shall mean any written notice, agreement, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with the Plan.

2.7 "Board" shall mean the Board of Directors of the Company.

2.8 "Change in Control" shall mean the occurrence of any of the following events:

(a) A transaction or series of transactions (other than an offering of Shares to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, the Services Company, the Partnership or any Subsidiary, an employee benefit plan maintained by any of the foregoing entities or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than thirty percent (30%) of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any period of two (2) consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in Section 2.8(a) or Section 2.8(c) hereof) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the two (2)-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination, (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case, other than a transaction:

(i) Which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or

substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) After which no person or group beneficially owns voting securities representing thirty percent (30%) or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this Section 2.8(c)(ii) as beneficially owning thirty percent (30%) or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; or

(d) Approval by the Company's stockholders of a liquidation or dissolution of the Company.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or any portion of an Award) that provides for the deferral of compensation that is subject to Section 409A of the Code, to the extent required to avoid the imposition of additional taxes under Section 409A of the Code, the transaction or event described in subsection (a), (b), (c) or (d) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event" (within the meaning of Code Section 409A). Consistent with the terms of this Section 2.8, the Administrator shall have full and final authority to determine conclusively whether a Change in Control of the Company has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

2.9 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations and official guidance promulgated thereunder, whether issued prior or subsequent to the grant of any Award.

2.10 "Committee" shall mean the Compensation Committee of the Board, or another committee or subcommittee of the Board described in Article 12 hereof.

2.11 "Common Stock" shall mean the common stock of the Company, par value $0.01 per share.

2.12 "Company" shall mean Rexford Industrial Realty, Inc., a Maryland corporation.

2.13 "Consultant" shall mean any consultant or advisor of the Company, the Services Company, the Partnership or any Subsidiary who qualifies as a consultant or advisor under the applicable rules of Form S-8 Registration Statement.

2.14 "Covered Employee" shall mean any Employee who is, or could become, a "covered employee" within the meaning of Section 162(m) of the Code.

2.15 "Director" shall mean a member of the Board, as constituted from time to time.

2.16 "Dividend Equivalent" shall mean a right to receive the equivalent value (in cash or Shares) of dividends paid on Shares, awarded under Section 9.2 hereof.

2.17 "DRO" shall mean a "domestic relations order" as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time, or the rules thereunder.

2.18 "Effective Date" shall mean the date the Plan is adopted by the Board, subject to approval of the Plan by the Company's stockholders.

2.19 "Eligible Individual" shall mean any person who is an Employee, a Consultant or a Non-Employee Director, as determined by the Administrator.

2.20 "Employee" shall mean any officer or other employee (within the meaning of Section 3401(c) of the Code) of the Company, the Services Company, the Partnership or any Subsidiary.

2.21 "Equity Restructuring" shall mean a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Shares (or other securities of the Company) or the share price of Common Stock (or other securities) and causes a change in the per share value of the Common Stock underlying outstanding stock-based Awards.

2.22 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

2.23 "Expiration Date" shall have the meaning provided in Section 13.1 hereof.

2.24 "Fair Market Value" shall mean, as of any given date, the value of a Share determined as follows:

(a) If the Common Stock is (i) listed on any established securities exchange (such as the New York Stock Exchange, the NASDAQ Capital Market, the NASDAQ Global Market and the NASDAQ Global Select Market), (ii) listed on any national market system or (iii) listed, quoted or traded on any automated quotation system, its Fair Market Value shall be the closing sales price for a Share as quoted on such exchange or system for such date or, if there is no closing sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(b) If the Common Stock is not listed on an established securities exchange, national market system or automated quotation system, but the Common Stock is regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a Share on such date, the high bid and low asked prices for a Share on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(c) If the Common Stock is neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Administrator in good faith.

2.25 "Greater Than 10% Stockholder" shall mean an individual then-owning (within the meaning of Section 424(d) of the Code) more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any "parent corporation" or "subsidiary corporation" (as defined in Sections 424(e) and 424(f) of the Code, respectively).

2.26 "Incentive Stock Option" shall mean an Option that is intended to qualify as an incentive stock option and conforms to the applicable provisions of Section 422 of the Code.

2.27 "Individual Award Limit" shall mean the cash and share limits applicable to Awards granted under the Plan, as set forth in Section 3.3 hereof.

2.28 "LTIP Unit" shall mean, to the extent authorized by the Partnership Agreement, a unit of the Partnership that is granted pursuant to Section 9.7 hereof and is intended to constitute a "profits interest" within the meaning of the Code.

2.29 "Non-Employee Director" shall mean a Director of the Company or a Services Company Director, in either case, who is not an Employee.

2.30 "Non-Qualified Stock Option" shall mean an Option that is not an Incentive Stock Option or which is designated as an Incentive Stock Option but does not meet the applicable requirements of Section 422 of the Code.

2.31 "Option" shall mean a right to purchase Shares at a specified exercise price, granted under Article 6 hereof. An Option shall be either a Non-Qualified Stock Option or an Incentive Stock Option; provided, however, that Options granted to Non-Employee Directors and Consultants shall only be Non-Qualified Stock Options.

2.32 "Other Incentive Award" shall mean an Award denominated in, linked to or derived from Shares or value metrics related to Shares, granted pursuant to Section 9.6 hereof.

2.33 "Parent" shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities ending with the Company if each of the entities other than the Company beneficially owns, at the time of the determination, securities or interests representing more than fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.34 "Participant" shall mean an Eligible Individual who has been granted an Award pursuant to the Plan.

2.35 "Partnership" shall mean Rexford Industrial Realty, L.P.

2.36 "Partnership Agreement" shall mean the Amended and Restated Agreement of Limited Partnership of Rexford Industrial Realty, L.P., as the same may be amended, modified or restated from time to time.

2.37 "Performance Award" shall mean an Award that is granted under Section 9.1 hereof.

2.38 "Performance-Based Compensation" shall mean any compensation that is intended to qualify as "performance-based compensation" as described in Section 162(m)(4)(C) of the Code.

2.39 "Performance Criteria" shall mean the criteria (and adjustments) that the Committee selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period, determined as follows:

(a) The Performance Criteria that shall be used to establish Performance Goals are limited to the following: (i) net earnings (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation, (D) amortization, and (E) non-cash equity-based compensation expense); (ii) gross or net sales or revenue; (iii) net income (either before or after taxes); (iv) adjusted net income; (v) operating earnings or profit; (vi) cash flow (including, but not limited to, operating cash flow and free cash flow); (vii) return on assets; (viii) return on capital; (ix) return on stockholders' equity; (x) total stockholder return; (xi) return on sales; (xii) gross or net profit or operating margin; (xiii) costs; (xiv) funds from operations; (xv) expenses; (xvi) working capital; (xvii) earnings per share; (xviii) adjusted earnings per share; (xix) price per Share; (xx) leasing activity; (xxi) implementation or completion of critical projects; (xxii) market share; (xxiii) economic value; (xxiv) debt levels or reduction; (xxv) sales-related goals; (xxvi) comparisons with other stock market indices; (xxvii) operating efficiency; (xxviii) financing and other capital raising transactions; (xxix) recruiting and maintaining personnel; (xxx) year-end cash; (xxxi) acquisition activity; (xxxii) investment sourcing activity; (xxxiii) customer service; and (xxxiv) marketing initiatives, any of which may be measured either in absolute terms for the Company or any operating unit of the Company or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

(b) The Administrator may, in its sole discretion, provide that one or more objectively determinable adjustments shall be made to one or more of the Performance Goals. Such adjustments may include, but are not limited to, one or more of the following: (i) items related to a change in accounting principle; (ii) items relating to financing activities; (iii) expenses for restructuring or productivity initiatives; (iv) other non-operating items; (v) items related to acquisitions; (vi) items attributable to the business operations of any entity acquired by the Company during the Performance Period; (vii) items related to the sale or disposition of a business or segment of a business; (viii) items related to discontinued operations that do not qualify as a segment of a business under Applicable Accounting Standards; (ix) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the Performance Period; (x) any other items of significant income or expense which are determined to be appropriate adjustments; (xi) items relating to unusual or extraordinary corporate transactions, events or developments, (xii) items related to amortization of acquired

intangible assets; (xiii) items that are outside the scope of the Company's core, on-going business activities; (xiv) items related to acquired in-process research and development; (xv) items relating to changes in tax laws; (xvi) items relating to major licensing or partnership arrangements; (xvii) items relating to asset impairment charges; (xviii) items relating to gains or losses for litigation, arbitration and contractual settlements; or (xix) items relating to any other unusual or nonrecurring events or changes in Applicable Law, accounting principles or business conditions. For all Awards intended to qualify as Performance-Based Compensation, such determinations shall be made within the time prescribed by, and otherwise in compliance with, Section 162(m) of the Code.

2.40 "Performance Goals" shall mean, for a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall performance of the Company, the Services Company, the Partnership, any Subsidiary, any division or business unit thereof or an individual. The achievement of each Performance Goal shall be determined in accordance with Applicable Accounting Standards.

2.41 "Performance Period" shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance Award.

2.42 "Performance Share" shall mean a contractual right awarded under Section 9.5 hereof to receive a number of Shares or the cash value of such number of Shares based on the attainment of specified Performance Goals or other criteria determined by the Administrator.

2.43 "Permitted Transferee" shall mean, with respect to a Participant, any "family member" of the Participant, as defined under the General Instructions to Form S-8 Registration Statement under the Securities Act or any successor Form thereto, or any other transferee specifically approved by the Administrator, after taking into account Applicable Law.

2.44 "Plan" shall mean this Rexford Industrial Realty, Inc. and Rexford Industrial Realty, L.P. 2013 Incentive Award Plan, as it may be amended from time to time.

2.45 "Program" shall mean any program adopted by the Administrator pursuant to the Plan containing the terms and conditions intended to govern a specified type of Award granted under the Plan and pursuant to which such type of Award may be granted under the Plan.

2.46 "Public Trading Date" shall mean the first date upon which the Common Stock is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system.

2.47 "REIT" shall mean a real estate investment trust within the meaning of Sections 856 through 860 of the Code.

2.48 "Restricted Stock" shall mean an award of Shares made under Article 8 hereof that is subject to certain restrictions and may be subject to risk of forfeiture.

2.49 "Restricted Stock Unit" shall mean a contractual right awarded under Section 9.4 hereof to receive in the future a Share or the cash value of a Share.

2.50 "Securities Act" shall mean the Securities Act of 1933, as amended.

2.51 "Services Company" shall mean Rexford Industrial Realty and Management, Inc., a California corporation.

2.52 "Services Company Director" shall mean a member of the Board of Directors of the Services Company.

2.53 "Share Limit" shall have the meaning provided in Section 3.1(a) hereof.

2.54 "Shares" shall mean shares of Common Stock.

2.55 "Stock Appreciation Right" shall mean a stock appreciation right granted under Article 10 hereof.

2.56 "Stock Payment" shall mean a payment in the form of Shares awarded under Section 9.3 hereof.

2.57 "Subsidiary" shall mean (a) a corporation, association or other business entity of which fifty percent (50%) or more of the total combined voting power of all classes of capital stock is owned, directly or indirectly, by the Company, the Partnership, the Services Company and/or by one or more Subsidiaries, (b) any partnership or limited liability company of which fifty percent (50%) or more of the equity interests are owned, directly or indirectly, by the Company, the Partnership, the Services Company and/or by one or more Subsidiaries, and (c) any other entity not described in clauses (a) or (b) above of which fifty percent (50%) or more of the ownership and the power (whether voting interests or otherwise), pursuant to a written contract or agreement, to direct the policies and management or the financial and the other affairs thereof, are owned or controlled by the Company, the Partnership, the Services Company and/or by one or more Subsidiaries.

2.58 "Substitute Award" shall mean an Award granted under the Plan in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock, in any case, upon the assumption of, or in substitution for, an outstanding equity award previously granted by a company or other entity that is a party to such transaction; provided, however, that in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.

2.59 "Successor Entity" shall have the meaning provided in Section 2.8(c)(i) hereof.

2.60 "Termination of Service" shall mean:

(a) As to a Consultant, the time when the engagement of a Participant as a Consultant to the Company and its Affiliates is terminated for any reason, with or without cause, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where the Consultant simultaneously commences or remains in employment and/or service as an Employee and/or Director with the Company or any Affiliate.

(b) As to a Non-Employee Director, the time when a Participant who is a Non-Employee Director ceases to be a Director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or retirement, but excluding terminations where the Participant simultaneously commences or remains in employment and/or service as an Employee and/or Consultant with the Company or any Affiliate.

(c) As to an Employee, the time when the employee-employer relationship between a Participant and the Company and its Affiliates is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement, but excluding terminations where the Participant simultaneously commences or remains in service as a Consultant and/or Director with the Company or any Affiliate.

The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service, including, without limitation, whether a Termination of Service has occurred, whether any Termination of Service resulted from a discharge for cause and whether any particular leave of absence constitutes a Termination of Service; provided, however, that, with respect to Incentive Stock Options, unless the Administrator otherwise provides in the terms of any Program, Award Agreement or otherwise, or as otherwise required by Applicable Law, a leave of absence, change in status from an employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code. For purposes of the Plan, a Participant's employee-employer relationship or consultancy relationship shall be deemed to be terminated in the event that the Affiliate employing or contracting with such Participant ceases to remain an Affiliate following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

## ARTICLE 3.

## SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to Section 3.1(b) and Section 13.2 hereof, the aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan is two million two hundred seventy-two thousand six hundred eighty-nine (2,272,689) Shares

(the "Share Limit"). In order that the applicable regulations under the Code relating to Incentive Stock Options be satisfied, the maximum number of Shares that may be issued under the Plan upon the exercise of Incentive Stock Options shall be two million two hundred seventy-two thousand six hundred eighty-nine (2,272,689) Shares. Subject to Section 13.2 hereof, each LTIP Unit issued pursuant to an Award shall count as one Share for purposes of calculating the aggregate number of Shares available for issuance under the Plan as set forth in this Section 3.1(a) and for purposes of calculating the Individual Award Limit set forth in Section 3.3 hereof.

(b) If any Shares subject to an Award are forfeited or expire or such Award is settled for cash (in whole or in part), the Shares subject to such Award shall, to the extent of such forfeiture, expiration or cash settlement, again be available for future grants of Awards under the Plan and shall be added back to the Share Limit in the same number of Shares as were debited from the Share Limit in respect of the grant of such Award (as may be adjusted in accordance with Section 13.2 hereof). Notwithstanding anything to the contrary contained herein, the following Shares shall not be added back to the Share Limit and will not be available for future grants of Awards: (i) Shares tendered by a Participant or withheld by the Company in payment of the exercise price of an Option; (ii) Shares tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to an Award; (iii) Shares subject to a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right on exercise thereof; and (iv) Shares purchased on the open market with the cash proceeds from the exercise of Options. Any Shares repurchased by the Company under Section 8.4 hereof at the same price paid by the Participant so that such Shares are returned to the Company will again be available for Awards. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under the Plan. Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code.

(c) Substitute Awards shall not reduce the Shares authorized for grant under the Plan. Additionally, in the event that a company acquired by the Company or any Affiliate, or with which the Company or any Affiliate combines, has shares available under a pre-existing plan approved by its stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided, however, that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Affiliates immediately prior to such acquisition or combination.

3.2 Stock Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Common Stock or, if authorized by the Board, Common Stock purchased on the open market.

3.3 Limitation on Number of Shares Subject to Awards. Notwithstanding any provision in the Plan to the contrary, and subject to Section 13.2 hereof, (a) the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be one million five hundred thousand (1,500,000) Shares and the maximum aggregate amount of cash that may be paid in cash during any calendar year with respect to one or more Awards payable in cash shall be two million dollars ($2,000,000) (together, the "Individual Award Limits"), provided, however, that the foregoing limitations shall not apply until the earliest of the following events to occur after the Public Trading Date: (a) the first material modification of the Plan (including any increase in the Share Limit in accordance with Section 3.1 hereof); (b) the issuance of all of the Shares reserved for issuance under the Plan; (c) the expiration of the Plan; (d) the first meeting of stockholders at which members of the Board are to be elected that occurs after the close of the third calendar year following the calendar year in which occurred the first registration of an equity security of the Company under Section 12 of the Exchange Act; or (e) such other date required by Section 162(m) of the Code and the rules and regulations promulgated thereunder.

## ARTICLE 4.

## GRANTING OF AWARDS

4.1 Participation. The Administrator may, from time to time, select from among all Eligible Individuals, those to whom one or more Awards shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. No Eligible Individual shall have any right to be granted an Award pursuant to the Plan.

4.2 Award Agreement. Each Award shall be evidenced by an Award Agreement stating the terms and conditions applicable to such Award, consistent with the requirements of the Plan and any applicable Program.

4.3 Limitations Applicable to Section 16 Persons. Notwithstanding anything contained herein to the contrary, with respect to any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act, the Plan, any applicable Program and the applicable Award Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 of the Exchange Act and any amendments thereto) that are requirements for the application of such exemptive rule, and such additional limitations shall be deemed to be incorporated by reference into such Award to the extent permitted by Applicable Law.

4.4 At-Will Service. Nothing in the Plan or in any Program or Award Agreement hereunder shall confer upon any Participant any right to continue as an Employee, Director or Consultant of the Company or any Affiliate, or shall interfere with or restrict in any way the rights of the Company or any Affiliate, which rights are hereby expressly reserved, to discharge any Participant at any time for any reason whatsoever, with or without cause, and with or without

notice, or to terminate or change all other terms and conditions of any Participant's employment or engagement, except to the extent expressly provided otherwise in a written agreement between the Participant and the Company or any Affiliate.

4.5 Foreign Participants. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Affiliates operate or have Employees, Non-Employee Directors or Consultants, or in order to comply with the requirements of any foreign securities exchange, the Administrator, in its sole discretion, shall have the power and authority to: (a) determine which Affiliates shall be covered by the Plan; (b) determine which Eligible Individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals outside the United States to comply with applicable foreign laws or listing requirements of any such foreign securities exchange; (d) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; provided, however, that no such subplans and/or modifications shall increase the Share Limit or Individual Award Limits contained in Sections 3.1 and 3.3 hereof, respectively; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any such foreign securities exchange. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate Applicable Law.

4.6 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the sole discretion of the Administrator, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

## ARTICLE 5.

## PROVISIONS APPLICABLE TO AWARDS INTENDED TO QUALIFY AS PERFORMANCE-BASED COMPENSATION

5.1 Purpose. The Committee, in its sole discretion, may determine whether any Award is intended to qualify as Performance-Based Compensation. If the Committee, in its sole discretion, decides to grant an Award to an Eligible Individual that is intended to qualify as Performance-Based Compensation, then the provisions of this Article 5 shall control over any contrary provision contained in the Plan. The Administrator may in its sole discretion grant Awards to Eligible Individuals that are based on Performance Criteria or Performance Goals but that do not satisfy the requirements of this Article 5 and that are not intended to qualify as Performance-Based Compensation. Unless otherwise specified by the Committee at the time of grant, the Performance Criteria with respect to an Award intended to be Performance-Based Compensation payable to a Covered Employee shall be determined on the basis of Applicable Accounting Standards.

5.2 Applicability. The grant of an Award to an Eligible Individual for a particular Performance Period shall not require the grant of an Award to such Eligible Individual in any

subsequent Performance Period and the grant of an Award to any one Eligible Individual shall not require the grant of an Award to any other Eligible Individual in such period or in any other period.

5.3 Procedures with Respect to Performance-Based Awards. To the extent necessary to comply with the requirements of Section 162(m)(4)(C) of the Code, with respect to any Award which is intended to qualify as Performance-Based Compensation, no later than ninety (90) days following the commencement of any Performance Period or any designated fiscal period or period of service (or such earlier time as may be required under Section 162(m) of the Code), the Committee shall, in writing, (a) designate one or more Eligible Individuals; (b) select the Performance Criteria applicable to the Performance Period; (c) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such Performance Period based on the Performance Criteria; and (d) specify the relationship between Performance Criteria and the Performance Goals and the amounts of such Awards, as applicable, to be earned by each Covered Employee for such Performance Period. Following the completion of each Performance Period, the Committee shall certify in writing whether and the extent to which the applicable Performance Goals have been achieved for such Performance Period. In determining the amount earned under such Awards, unless otherwise provided in an Award Agreement, the Committee shall have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant, including the assessment of individual or corporate performance for the Performance Period.

5.4 Payment of Performance-Based Awards. Unless otherwise provided in the applicable Program or Award Agreement (and only to the extent otherwise permitted by Section 162(m)(4)(C) of the Code), the holder of an Award that is intended to qualify as Performance-Based Compensation must be employed by the Company or an Affiliate throughout the applicable Performance Period. Unless otherwise provided in the applicable Performance Goals, Program or Award Agreement, a Participant shall be eligible to receive payment pursuant to such Awards for a Performance Period only if and to the extent the Performance Goals for such Performance Period are achieved.

5.5 Additional Limitations. Notwithstanding any other provision of the Plan and except as otherwise determined by the Administrator, any Award which is granted to an Eligible Individual and is intended to qualify as Performance-Based Compensation shall be subject to any additional limitations imposed by Section 162(m) of the Code that are requirements for qualification as Performance-Based Compensation, and the Plan, the Program and the Award Agreement shall be deemed amended to the extent necessary to conform to such requirements.

## ARTICLE 6.

## GRANTING OF OPTIONS

6.1 Granting of Options to Eligible Individuals. The Administrator is authorized to grant Options to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine which shall not be inconsistent with the Plan.

6.2 Qualification of Incentive Stock Options. No Incentive Stock Option shall be granted to any person who is not an Employee of the Company or any "parent corporation" or "subsidiary corporation" of the Company (as defined in Sections 424(e) and 424(f) of the Code, respectively). No person who qualifies as a Greater Than 10% Stockholder may be granted an Incentive Stock Option unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code. Any Incentive Stock Option granted under the Plan may be modified by the Administrator, with the consent of the Participant, to disqualify such Option from treatment as an "incentive stock option" under Section 422 of the Code. To the extent that the aggregate fair market value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by a Participant during any calendar year under the Plan and all other plans of the Company or any "parent corporation" or "subsidiary corporation" of the Company (as defined in Section 424(e) and 424(f) of the Code, respectively) exceeds one hundred thousand dollars ($100,000), the Options shall be treated as Non-Qualified Stock Options to the extent required by Section 422 of the Code. The rule set forth in the preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted and the Fair Market Value of stock shall be determined as of the time the respective options were granted. In addition, to the extent that any Options otherwise fail to qualify as Incentive Stock Options, such Options shall be treated as Nonqualified Stock Options.

6.3 Option Exercise Price. The exercise price per Share subject to each Option shall be set by the Administrator, but shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted (or, as to Incentive Stock Options, on the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). In addition, in the case of Incentive Stock Options granted to a Greater Than 10% Stockholder, such price shall not be less than one hundred ten percent (110%) of the Fair Market Value of a Share on the date the Option is granted (or the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code).

6.4 Option Term. The term of each Option shall be set by the Administrator in its sole discretion; provided, however, that the term shall not be more than ten (10) years from the date the Option is granted, or five (5) years from the date an Incentive Stock Option is granted to a Greater Than 10% Stockholder. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Participant has the right to exercise the vested Options, which time period may not extend beyond the stated term of the Option. Except as limited by the requirements of Section 409A or Section 422 of the Code, the Administrator may extend the term of any outstanding Option, and may extend the time period during which vested Options may be exercised, in connection with any Termination of Service of the Participant, and may amend any other term or condition of such Option relating to such a Termination of Service.

6.5 Option Vesting.

(a) The terms and conditions pursuant to which an Option vests in the Participant and becomes exercisable shall be determined by the Administrator and set forth in the applicable Award Agreement. Such vesting may be based on service with the Company or any

Affiliate, any of the Performance Criteria, or any other criteria selected by the Administrator. At any time after the grant of an Option, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the vesting of the Option.

(b) No portion of an Option which is unexercisable at a Participant's Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in an applicable Program, the applicable Award Agreement or by action of the Administrator following the grant of the Option.

6.6 Substitute Awards. Notwithstanding the foregoing provisions of this Article 6 to the contrary, in the case of an Option that is a Substitute Award, the price per Share of the Shares subject to such Option may be less than the Fair Market Value per share on the date of grant, provided, however, that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Sections 424 and 409A of the Code.

6.7 Substitution of Stock Appreciation Rights. The Administrator may, in its sole discretion, substitute an Award of Stock Appreciation Rights for an outstanding Option at any time prior to or upon exercise of such Option; provided, however, that such Stock Appreciation Rights shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable, and shall also have the same exercise price and remaining term as the substituted Option.

## ARTICLE 7.

## EXERCISE OF OPTIONS

7.1 Partial Exercise. An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional shares and the Administrator may require that, by the terms of the Option, a partial exercise must be with respect to a minimum number of Shares.

7.2 Manner of Exercise. All or a portion of an exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company, or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Option, or a portion thereof, is exercised. The notice shall be signed by the Participant or other person then entitled to exercise the Option or such portion of the Option;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with Applicable Law. The Administrator may, in its sole discretion, also take such additional actions as it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars;

(c) In the event that the Option shall be exercised pursuant to Section 11.3 hereof by any person or persons other than the Participant, appropriate proof of the right of such

person or persons to exercise the Option, as determined in the sole discretion of the Administrator; and

(d) Full payment of the exercise price and applicable withholding taxes to the stock administrator of the Company for the Shares with respect to which the Option, or portion thereof, is exercised, in a manner permitted by the Administrator in accordance with Sections 11.1 and 11.2 hereof.

7.3 Notification Regarding Disposition. The Participant shall give the Company prompt written or electronic notice of any disposition of Shares acquired by exercise of an Incentive Stock Option which occurs within (a) two (2) years after the date of granting (including the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code) of such Option to such Participant, or (b) one (1) year after the date of transfer of such Shares to such Participant.

**ARTICLE 8.**

**RESTRICTED STOCK**

8.1 Award of Restricted Stock.

(a) The Administrator is authorized to grant Restricted Stock to Eligible Individuals, and shall determine the terms and conditions, including the restrictions applicable to each award of Restricted Stock, which terms and conditions shall not be inconsistent with the Plan, and may impose such conditions on the issuance of such Restricted Stock as it deems appropriate.

(b) The Administrator shall establish the purchase price, if any, and form of payment for Restricted Stock; provided, however, that if a purchase price is charged, such purchase price shall be no less than the par value of the Shares to be purchased, unless otherwise permitted by Applicable Law. In all cases, legal consideration shall be required for each issuance of Restricted Stock to the extent required by Applicable Law.

8.2 Rights as Stockholders. Subject to Section 8.4 hereof, upon issuance of Restricted Stock, the Participant shall have, unless otherwise provided by the Administrator, all the rights of a stockholder with respect to said shares, subject to the restrictions in an applicable Program or in the applicable Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the shares; provided, however, that, in the sole discretion of the Administrator, any extraordinary distributions with respect to the shares shall be subject to the restrictions set forth in Section 8.3 hereof.

8.3 Restrictions. All shares of Restricted Stock (including any shares received by Participants thereof with respect to shares of Restricted Stock as a result of stock dividends, stock splits or any other form of recapitalization) shall, in the terms of an applicable Program or the applicable Award Agreement, be subject to such restrictions and vesting requirements as the Administrator shall provide. Such restrictions may include, without limitation, restrictions concerning voting rights and transferability and such restrictions may lapse separately or in combination at such times and pursuant to such circumstances or based on such criteria as

selected by the Administrator, including, without limitation, criteria based on the Participant's continued employment, directorship or consultancy with the Company, the Performance Criteria, Company or Affiliate performance, individual performance or other criteria selected by the Administrator. By action taken after the Restricted Stock is issued, the Administrator may, on such terms and conditions as it may determine to be appropriate, accelerate the vesting of such Restricted Stock by removing any or all of the restrictions imposed by the terms of any Program or by the applicable Award Agreement. Restricted Stock may not be sold or encumbered until all restrictions are terminated or expire.

8.4 Repurchase or Forfeiture of Restricted Stock. If no purchase price was paid by the Participant for the Restricted Stock, upon a Termination of Service, the Participant's rights in unvested Restricted Stock then subject to restrictions shall lapse, and such Restricted Stock shall be surrendered to the Company and cancelled without consideration. If a purchase price was paid by the Participant for the Restricted Stock, upon a Termination of Service the Company shall have the right to repurchase from the Participant the unvested Restricted Stock then-subject to restrictions at a cash price per share equal to the price paid by the Participant for such Restricted Stock or such other amount as may be specified in an applicable Program or the applicable Award Agreement. The Administrator in its sole discretion may provide that, upon certain events, including without limitation a Change in Control, the Participant's death, retirement or disability, any other specified Termination of Service or any other event, the Participant's rights in unvested Restricted Stock shall not terminate, such Restricted Stock shall vest and cease to be forfeitable and, if applicable, the Company shall cease to have a right of repurchase.

8.5 Certificates for Restricted Stock. Restricted Stock granted pursuant to the Plan may be evidenced in such manner as the Administrator shall determine. Certificates or book entries evidencing shares of Restricted Stock must include an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may, in its sole discretion, retain physical possession of any stock certificate until such time as all applicable restrictions lapse.

## ARTICLE 9.

## PERFORMANCE AWARDS; DIVIDEND EQUIVALENTS; STOCK PAYMENTS; RESTRICTED STOCK UNITS; PERFORMANCE SHARES; OTHER INCENTIVE AWARDS; LTIP UNITS

9.1 Performance Awards.

(a) The Administrator is authorized to grant Performance Awards to any Eligible Individual and to determine whether such Performance Awards shall be Performance-Based Compensation. The value of Performance Awards may be linked to any one or more of the Performance Criteria or other specific criteria determined by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator.

(b) Without limiting Section 9.1(a) hereof, the Administrator may grant Performance Awards to any Eligible Individual in the form of a cash bonus payable upon the attainment of objective Performance Goals, or such other criteria, whether or not objective,

which are established by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator. Any such bonuses paid to a Participant which are intended to be Performance-Based Compensation shall be based upon objectively determinable bonus formulas established in accordance with the provisions of Article 5 hereof.

9.2 Dividend Equivalents.

(a) Subject to Section 9.2(b) hereof, Dividend Equivalents may be granted by the Administrator, either alone or in tandem with another Award, based on dividends declared on the Common Stock, to be credited as of dividend payment dates during the period between the date the Dividend Equivalents are granted to a Participant and the date such Dividend Equivalents terminate or expire, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Administrator. In addition, Dividend Equivalents with respect to Shares covered by a Performance Award shall only be paid out to the Participant at the same time or times and to the same extent that the vesting conditions, if any, are subsequently satisfied and the Performance Award vests with respect to such Shares.

(b) Notwithstanding the foregoing, no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights.

9.3 Stock Payments. The Administrator is authorized to make one or more Stock Payments to any Eligible Individual. The number or value of Shares of any Stock Payment shall be determined by the Administrator and may be based upon one or more Performance Criteria or any other specific criteria, including service to the Company or any Affiliate, determined by the Administrator. Stock Payments may, but are not required to be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to such Eligible Individual.

9.4 Restricted Stock Units. The Administrator is authorized to grant Restricted Stock Units to any Eligible Individual. The number and terms and conditions of Restricted Stock Units shall be determined by the Administrator. The Administrator shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate, including conditions based on one or more Performance Criteria or other specific criteria, including service to the Company or any Affiliate, in each case, on a specified date or dates or over any period or periods, as determined by the Administrator. The Administrator shall specify, or permit the Participant to elect, the conditions and dates upon which the Shares underlying the Restricted Stock Units shall be issued, which dates shall not be earlier than the date as of which the Restricted Stock Units vest and become nonforfeitable and which conditions and dates shall be consistent with the applicable provisions of Section 409A of the Code or an exemption therefrom. On the distribution dates, the Company shall issue to the Participant one unrestricted, fully transferable Share (or the Fair Market Value of one such Share in cash) for each vested and nonforfeitable Restricted Stock Unit.

9.5 Performance Share Awards. Any Eligible Individual selected by the Administrator may be granted one or more Performance Share awards which shall be denominated in a number of Shares and the vesting of which may be linked to any one or more

of the Performance Criteria, other specific performance criteria (in each case on a specified date or dates or over any period or periods determined by the Administrator) and/or time-vesting or other criteria, as determined by the Administrator.

9.6 Other Incentive Awards. The Administrator is authorized to grant Other Incentive Awards to any Eligible Individual, which Awards may cover Shares or the right to purchase Shares or have a value derived from the value of, or an exercise or conversion privilege at a price related to, or that are otherwise payable in or based on, Shares, shareholder value or shareholder return, in each case, on a specified date or dates or over any period or periods determined by the Administrator. Other Incentive Awards may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Administrator.

9.7 LTIP Units. The Administrator is authorized to grant LTIP Units in such amount and subject to such terms and conditions as may be determined by the Administrator; provided, however, that LTIP Units may only be issued to a Participant for the performance of services to or for the benefit of the Partnership (a) in the Participant's capacity as a partner of the Partnership, (b) in anticipation of the Participant becoming a partner of the Partnership, or (c) as otherwise determined by the Administrator, provided that the LTIP Units are intended to constitute "profits interests" within the meaning of the Code, including, to the extent applicable, Revenue Procedure 93-27, 1993-2 C.B. 343 and Revenue Procedure 2001-43, 2001-2 C.B. 191. The Administrator shall specify the conditions and dates upon which the LTIP Units shall vest and become nonforfeitable. LTIP Units shall be subject to the terms and conditions of the Partnership Agreement and such other restrictions, including restrictions on transferability, as the Administrator may impose. These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Administrator determines at the time of the grant of the Award or thereafter.

9.8 Other Terms and Conditions. All applicable terms and conditions of each Award described in this Article 9, including without limitation, as applicable, the term, vesting conditions and exercise/purchase price applicable to the Award, shall be set by the Administrator in its sole discretion, provided, however, that the value of the consideration paid by a Participant for an Award shall not be less than the par value of a Share, unless otherwise permitted by Applicable Law.

9.9 Exercise upon Termination of Service. Awards described in this Article 9 are exercisable or distributable, as applicable, only while the Participant is an Employee, Director or Consultant, as applicable. The Administrator, however, in its sole discretion may provide that such Award may be exercised or distributed subsequent to a Termination of Service as provided under an applicable Program, Award Agreement, payment deferral election and/or in certain events, including without limitation, a Change in Control, the Participant's death, retirement or disability or any other specified Termination of Service.

**ARTICLE 10.**

**STOCK APPRECIATION RIGHTS**

10.1 Grant of Stock Appreciation Rights.

(a) The Administrator is authorized to grant Stock Appreciation Rights to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine consistent with the Plan.

(b) A Stock Appreciation Right shall entitle the Participant (or other person entitled to exercise the Stock Appreciation Right pursuant to the Plan) to exercise all or a specified portion of the Stock Appreciation Right (to the extent then-exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying the difference obtained by subtracting the exercise price per Share of the Stock Appreciation Right from the Fair Market Value on the date of exercise of the Stock Appreciation Right by the number of Shares with respect to which the Stock Appreciation Right shall have been exercised, subject to any limitations the Administrator may impose. Except as described in Section 10.1(c) hereof, the exercise price per Share subject to each Stock Appreciation Right shall be set by the Administrator, but shall not be less than one hundred percent (100%) of the Fair Market Value on the date the Stock Appreciation Right is granted.

(c) Notwithstanding the foregoing provisions of Section 10.1(b) hereof to the contrary, in the case of a Stock Appreciation Right that is a Substitute Award, the price per share of the shares subject to such Stock Appreciation Right may be less than 100% of the Fair Market Value per share on the date of grant; provided, however, that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Sections 424 and 409A of the Code.

10.2 Stock Appreciation Right Vesting.

(a) The Administrator shall determine the period during which the Participant shall vest in a Stock Appreciation Right and have the right to exercise such Stock Appreciation Rights (subject to Section 10.4 hereof) in whole or in part. Such vesting may be based on service with the Company or any Affiliate, any of the Performance Criteria or any other criteria selected by the Administrator. At any time after grant of a Stock Appreciation Right, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which the Stock Appreciation Right vests.

(b) No portion of a Stock Appreciation Right which is unexercisable at Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in an applicable Program or Award Agreement or by action of the Administrator following the grant of the Stock Appreciation Right.

10.3 Manner of Exercise. All or a portion of an exercisable Stock Appreciation Right shall be deemed exercised upon delivery of all of the following to the stock administrator of the Company, or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Stock Appreciation Right, or a portion thereof,

is exercised. The notice shall be signed by the Participant or other person then-entitled to exercise the Stock Appreciation Right or such portion of the Stock Appreciation Right;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act and any other federal, state or foreign securities laws or regulations. The Administrator may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance;

(c) In the event that the Stock Appreciation Right shall be exercised pursuant to this Section 10.3 by any person or persons other than the Participant, appropriate proof of the right of such person or persons to exercise the Stock Appreciation Right; and

(d) Full payment of the applicable withholding taxes for the Shares with respect to which the Stock Appreciation Rights, or portion thereof, are exercised, in a manner permitted by the Administrator in accordance with Sections 11.1 and 11.2 hereof.

10.4 Stock Appreciation Right Term. The term of each Stock Appreciation Right shall be set by the Administrator in its sole discretion; provided, however, that the term shall not be more than ten (10) years from the date the Stock Appreciation Right is granted. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Participant has the right to exercise the vested Stock Appreciation Rights, which time period may not extend beyond the expiration date of the Stock Appreciation Right term. Except as limited by the requirements of Section 409A of the Code, the Administrator may extend the term of any outstanding Stock Appreciation Right, and may extend the time period during which vested Stock Appreciation Rights may be exercised, in connection with any Termination of Service of the Participant, and may amend any other term or condition of such Stock Appreciation Right relating to such a Termination of Service.

## ARTICLE 11.

## ADDITIONAL TERMS OF AWARDS

11.1 Payment. The Administrator shall determine the methods by which payments by any Participant with respect to any Awards granted under the Plan shall be made, including, without limitation: (a) cash or check, (b) Shares (including, in the case of payment of the exercise price of an Award, Shares issuable pursuant to the exercise of the Award) held for such period of time as may be required by the Administrator in order to avoid adverse accounting consequences, in each case, having a Fair Market Value on the date of delivery equal to the aggregate payments required, (c) delivery of a written or electronic notice that the Participant has placed a market sell order with a broker with respect to Shares then-issuable upon exercise or vesting of an Award, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate payments required; provided, however, that payment of such proceeds is then made to the Company upon settlement of such sale, or (d) other form of legal consideration acceptable to the Administrator. The Administrator shall also determine the methods by which Shares shall be delivered or deemed to be delivered to Participants. Notwithstanding any other provision of the Plan to the contrary, no

Participant who is a Director or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to make payment with respect to any Awards granted under the Plan, or continue any extension of credit with respect to such payment with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

11.2 Tax Withholding. The Company and its Affiliates shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company or an Affiliate, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Participant's social security, Medicare and any other employment tax obligation) required by law to be withheld with respect to any taxable event concerning a Participant arising in connection with any Award. The Administrator may in its sole discretion and in satisfaction of the foregoing requirement allow a Participant to satisfy such obligations by any payment means described in Section 11.1 hereof, including without limitation, by allowing such Participant to elect to have the Company or an Affiliate withhold Shares otherwise issuable under an Award (or allow the surrender of Shares). The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase no greater than the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income. The Administrator shall determine the fair market value of the Shares, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with a broker-assisted cashless Option or Stock Appreciation Right exercise involving the sale of Shares to pay the Option or Stock Appreciation Right exercise price or any tax withholding obligation.

11.3 Transferability of Awards.

(a) Except as otherwise provided in Section 11.3(b) or (c) hereof:

(i) No Award under the Plan may be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO, unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed;

(ii) No Award or interest or right therein shall be subject to the debts, contracts or engagements of the Participant or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed, and any attempted disposition of an Award prior to the satisfaction of these conditions shall be null and void and of no effect, except to the extent that such disposition is permitted by clause (i) of this provision; and

(iii) During the lifetime of the Participant, only the Participant may exercise an Award (or any portion thereof) granted to him under the Plan, unless it has been disposed of pursuant to a DRO; after the death of the Participant, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Program or Award Agreement, be exercised by his personal representative or by any person empowered to do so under the deceased Participant's will or under the then-applicable laws of descent and distribution.

(b) Notwithstanding Section 11.3(a) hereof, the Administrator, in its sole discretion, may determine to permit a Participant or a Permitted Transferee of such Participant to transfer an Award other than an Incentive Stock Option (unless such Incentive Stock Option is to become a Non-Qualified Stock Option) to any one or more Permitted Transferees of such Participant, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee (other than to another Permitted Transferee of the applicable Participant) other than by will or the laws of descent and distribution; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Participant (other than the ability to further transfer the Award); and (iii) the Participant (or transferring Permitted Transferee) and the Permitted Transferee shall execute any and all documents requested by the Administrator, including without limitation, documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under applicable federal, state and foreign securities laws and (C) evidence the transfer. In addition, and further notwithstanding Section 11.3(a) hereof, the Administrator, in its sole discretion, may determine to permit a Participant to transfer Incentive Stock Options to a trust that constitutes a Permitted Transferee if, under Section 671 of the Code and applicable state law, the Participant is considered the sole beneficial owner of the Incentive Stock Option while it is held in the trust.

(c) Notwithstanding Section 11.3(a) hereof, a Participant may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Program or Award Agreement applicable to the Participant, except to the extent the Plan, the Program and the Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Administrator. If the Participant is married or a domestic partner in a domestic partnership qualified under Applicable Law and resides in a "community property" state, a designation of a person other than the Participant's spouse or domestic partner, as applicable, as his or her beneficiary with respect to more than fifty percent (50%) of the Participant's interest in the Award shall not be effective without the prior written or electronic consent of the Participant's spouse or domestic partner. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is delivered to the Administrator prior to the Participant's death.

11.4 Conditions to Issuance of Shares.

(a) Notwithstanding anything herein to the contrary, neither the Company nor its Affiliates shall be required to issue or deliver any certificates or make any book entries evidencing Shares pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel, that the issuance of such Shares is in compliance with Applicable Law, and the Shares are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Administrator may require that a Participant make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements.

(b) All Share certificates delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with Applicable Law. The Administrator may place legends on any Share certificate or book entry to reference restrictions applicable to the Shares.

(c) The Administrator shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator.

(d) No fractional Shares shall be issued and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding down.

(e) Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by Applicable Law, the Company and/or its Affiliates may, in lieu of delivering to any Participant certificates evidencing Shares issued in connection with any Award, record the issuance of Shares in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

11.5 Forfeiture and Claw-Back Provisions.

(a) Pursuant to its general authority to determine the terms and conditions applicable to Awards under the Plan, the Administrator shall have the right to provide, in the terms of Awards made under the Plan, or to require a Participant to agree by separate written or electronic instrument, that: (i) any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt or exercise of the Award, or upon the receipt or resale of any Shares underlying the Award, must be paid to the Company, and (ii) the Award shall terminate and any unexercised portion of the Award (whether or not vested) shall be forfeited, if (x) a Termination of Service occurs prior to a specified date, or within a specified time period following receipt or exercise of the Award, (y) the Participant at any time, or during a specified time period, engages in any activity in competition with the Company, or which is inimical, contrary or harmful to the interests of the Company, as further defined by the Administrator or (z) the Participant incurs a Termination of Service for cause; and

(b) All Awards (including any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award) shall be subject to the applicable provisions of any claw-back policy implemented by the Company, whether implemented prior to or after the grant of such Award, including without limitation, any claw-back policy adopted to comply with the requirements of Applicable Law.

11.6 Prohibition on Repricing. Subject to Section 13.2 hereof, the Administrator shall not, without the approval of the stockholders of the Company, (a) authorize the amendment of any outstanding Option or Stock Appreciation Right to reduce its price per share, or (b) cancel any Option or Stock Appreciation Right in exchange for cash or another Award when the Option or Stock Appreciation Right price per share exceeds the Fair Market Value of the underlying Shares. Subject to Section 13.2 hereof, the Administrator shall have the authority, without the approval of the stockholders of the Company, to amend any outstanding award to increase the price per share or to cancel and replace an Award with the grant of an Award having a price per share that is greater than or equal to the price per share of the original Award.

11.7 Cash Settlement. Without limiting the generality of any other provision of the Plan, the Administrator may provide, in an Award Agreement or subsequent to the grant of an Award, in its discretion, that any Award may be settled in cash, Shares or a combination thereof.

11.8 Leave of Absence. Unless the Administrator provides otherwise, vesting of Awards granted hereunder shall be suspended during any unpaid leave of absence. A Participant shall not cease to be considered an Employee, Non-Employee Director or Consultant, as applicable, in the case of any (a) leave of absence approved by the Company, (b) transfer between locations of the Company or between the Company and any of its Affiliates or any successor thereof, or (c) change in status (Employee to Director, Employee to Consultant, etc.), provided that such change does not affect the specific terms applying to the Participant's Award.

11.9 Terms May Vary Between Awards. The terms and conditions of each Award shall be determined by the Administrator in its sole discretion and the Administrator shall have complete flexibility to provide for varied terms and conditions as between any Awards, whether of the same or different Award type and/or whether granted to the same or different Participants (in all cases, subject to the terms and conditions of the Plan).

**ARTICLE 12.**

**ADMINISTRATION**

12.1 Administrator. Unless the Board has otherwise theretofore delegated the administration of the Plan to a Committee as set forth herein, prior to the Public Trading Date, the Board shall administer the Plan. Effective as of the Public Trading Date, the Committee (or another committee or a subcommittee of the Board assuming the functions of the Committee under the Plan) shall administer the Plan (except as otherwise permitted herein) and, unless otherwise determined by the Board, shall consist solely of two or more Non-Employee Directors appointed by and holding office at the pleasure of the Board, each of whom is intended to qualify as a "non-employee director" as defined by Rule 16b-3 of the Exchange Act, an "outside director" for

purposes of Section 162(m) of the Code and an "independent director" under the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded, in each case, to the extent required under such provision; provided, however, that any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 12.l or otherwise provided in the Company's charter or Bylaws or any charter of the Committee. Except as may otherwise be provided in any charter of the Committee, appointment of Committee members shall be effective upon acceptance of appointment, Committee members may resign at any time by delivering written or electronic notice to the Board, and vacancies in the Committee may only be filled by the Board. Notwithstanding the foregoing, (a) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to Awards granted to Non-Employee Directors and (b) the Board or Committee may delegate its authority hereunder to the extent permitted by Section 12.6 hereof.

12.2 Duties and Powers of Administrator. It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with its provisions. The Administrator shall have the power to interpret the Plan and all Programs and Award Agreements, and to adopt such rules for the administration, interpretation and application of the Plan and any Program as are not inconsistent with the Plan, to interpret, amend or revoke any such rules and to amend any Program or Award Agreement provided that the rights or obligations of the holder of the Award that is the subject of any such Program or Award Agreement are not affected adversely by such amendment, unless the consent of the Participant is obtained or such amendment is otherwise permitted under Section 13.13 hereof. Any such grant or award under the Plan need not be the same with respect to each Participant. Any such interpretations and rules with respect to Incentive Stock Options shall be consistent with the provisions of Section 422 of the Code. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan except with respect to matters which under Rule 16b-3 under the Exchange Act, Section 162(m) of the Code, or the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded are required to be determined in the sole discretion of the Committee.

12.3 Action by the Committee. Unless otherwise established by the Board, in the Company's charter or Bylaws or in any charter of the Committee or as required by Applicable Law or, a majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by all members of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. To the greatest extend permitted by Applicable Law, each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

12.4 Authority of Administrator. Subject to any specific designation in the Plan and Applicable Law, the Administrator has the exclusive power, authority and sole discretion to:

(a) Designate Eligible Individuals to receive Awards;

(b) Determine the type or types of Awards to be granted to each Eligible Individual;

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any performance criteria, any reload provision, any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Administrator in its sole discretion determines;

(e) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) Determine as between the Company, the Services Company, the Partnership and any Subsidiary which entity will make payments with respect to an Award, consistent with applicable securities laws and other Applicable Law;

(h) Decide all other matters that must be determined in connection with an Award;

(i) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(j) Interpret the terms of, and any matter arising pursuant to, the Plan, any Program or any Award Agreement; and

(k) Make all other decisions and determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan.

12.5 Decisions Binding. The Administrator's interpretation of the Plan, any Awards granted pursuant to the Plan, any Program, any Award Agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding, and conclusive on all parties.

12.6 Delegation of Authority. To the extent permitted by Applicable Law, the Board or Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to this Article 12; provided, however, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held

by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act, (b) Covered Employees with respect to Awards intended to constitute Performance-Based Compensation, or (c) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under Section 162(m) of the Code and other Applicable Law. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 12.6 shall serve in such capacity at the pleasure of the Board and the Committee.

## ARTICLE 13.

## MISCELLANEOUS PROVISIONS

13.1 Amendment, Suspension or Termination of the Plan. Except as otherwise provided in this Section 13.1, the Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board. However, without approval of the Company's stockholders given within twelve (12) months before or after the action by the Administrator, no action of the Administrator may, except as provided in Section 13.2 hereof, (i) increase the Share Limit, (ii) reduce the price per share of any outstanding Option or Stock Appreciation Right granted under the Plan, or (iii) cancel any Option or Stock Appreciation Right in exchange for cash or another Award in violation of Section 11.6 hereof. Except as provided in Section 13.13 hereof, no amendment, suspension or termination of the Plan shall, without the consent of the Participant, impair any rights or obligations under any Award theretofore granted or awarded, unless the Award itself otherwise expressly so provides. The annual increase to the Share Limit (set forth in Section 3.1(a)(ii) hereof) shall terminate on the tenth ($10^{th}$) anniversary of the Effective Date and, from and after such tenth ($10^{th}$) anniversary, no additional share increases shall occur pursuant to Section 3.1(a)(ii) hereof. In addition, notwithstanding anything herein to the contrary, no ISO shall be granted under the Plan after the tenth ($10^{th}$) anniversary of the Effective Date.

13.2 Changes in Common Stock or Assets of the Company, Acquisition or Liquidation of the Company and Other Corporate Events.

(a) In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of the Company's stock or the share price of the Company's stock other than an Equity Restructuring, the Board may make equitable adjustments, if any, to reflect such change with respect to (i) the aggregate number and kind of shares that may be issued under the Plan (including, but not limited to, adjustments of the Share Limit and Individual Award Limits); (ii) the number and kind of Shares (or other securities or property) subject to outstanding Awards; (iii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and/or (iv) the grant or exercise price per share for any outstanding Awards under the Plan. Any adjustment affecting an Award intended as Performance-Based

Compensation shall be made consistent with the requirements of Section 162(m) of the Code unless otherwise determined by the Administrator.

(b) In the event of any transaction or event described in Section 13.2(a) hereof or any unusual or nonrecurring transactions or events affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in Applicable Law or accounting principles, the Board, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event, is hereby authorized to take any one or more of the following actions whenever the Board determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(i) To provide for either (A) termination of any such Award in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 13.2, the Board determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment) or (B) the replacement of such Award with other rights or property selected by the Board in its sole discretion having an aggregate value not exceeding the amount that could have been attained upon the exercise of such Award or realization of the Participant's rights had such Award been currently exercisable or payable or fully vested;

(ii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(iii) To make adjustments in the number and type of securities subject to outstanding Awards and Awards which may be granted in the future and/or in the terms, conditions and criteria included in such Awards (including the grant or exercise price, as applicable);

(iv) To provide that such Award shall be exercisable or payable or fully vested with respect to all securities covered thereby, notwithstanding anything to the contrary in the Plan or an applicable Program or Award Agreement; and

(v) To provide that the Award cannot vest, be exercised or become payable after such event.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Sections 13.2(a) and 13.2(b) hereof:

(i) The number and type of securities subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted; and/or

(ii) The Board shall make such equitable adjustments, if any, as the Board in its discretion may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of shares that may be issued under the Plan (including, but not limited to, adjustments to the Share Limit and the Individual Award Limits).

The adjustments provided under this Section 13.2(c) shall be nondiscretionary and shall be final and binding on the affected Participant and the Company.

(d) Except as may otherwise be provided in any applicable Award Agreement or other written agreement entered into between the Company (or an Affiliate) and a Participant, if a Change in Control occurs and a Participant's outstanding Awards are not continued, converted, assumed, or replaced by the surviving or successor entity in such Change in Control, then immediately prior to the Change in Control such outstanding Awards, to the extent not continued, converted, assumed, or replaced, shall become fully vested and, as applicable, exercisable and shall be deemed exercised immediately prior to the consummation of such transaction, and all forfeiture, repurchase and other restrictions on such Awards shall lapse immediately prior to such transaction. If an Award vests and, as applicable, is exercised in lieu of continuation, conversion, assumption or replacement in connection with a Change in Control, the Administrator shall notify the Participant of such vesting and any applicable deemed exercise, and the Award shall terminate upon the Change in Control. Upon, or in anticipation of, a Change in Control, the Administrator may cause any and all Awards outstanding hereunder to terminate at a specific time in the future, including but not limited to the date of such Change in Control, and shall give each Participant the right to exercise such Awards during a period of time as the Administrator, in its sole and absolute discretion, shall determine. For the avoidance of doubt, if the value of an Award that is terminated in connection with this Section 13.2(d) is zero or negative at the time of such Change in Control, such Award shall be terminated upon the Change in Control without payment of consideration therefor.

(e) The Administrator may, in its sole discretion, include such further provisions and limitations in any Award, agreement or certificate, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

(f) With respect to Awards which are granted to Covered Employees and are intended to qualify as Performance-Based Compensation, no adjustment or action described in this Section 13.2 or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause such Award to fail to so qualify as Performance-Based Compensation, unless the Administrator determines that the Award should not so qualify. No adjustment or action described in this Section 13.2 or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause the Plan to violate Section 422(b)(1) of the Code. Furthermore, no such adjustment or action shall be authorized with respect to any Award to the extent such adjustment or action would result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of

Rule 16b-3 of the Exchange Act unless the Administrator determines that the Award is not to comply with such exemptive conditions.

(g) The existence of the Plan, any Program, any Award Agreement and/or any Award granted hereunder shall not affect or restrict in any way the right or power of the Company, the stockholders of the Company or any Affiliate to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's or such Affiliate's capital structure or its business, any merger or consolidation of the Company or any Affiliate, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock, the securities of any Affiliate or the rights thereof or which are convertible into or exchangeable for Common Stock or securities of any Affiliate, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(h) No action shall be taken under this Section 13.2 which shall cause an Award to fail to comply with Section 409A of the Code or an exemption therefrom, in either case, to the extent applicable to such Award, unless the Administrator determines any such adjustments to be appropriate.

(i) In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Shares or the share price of the Common Stock including any Equity Restructuring, for reasons of administrative convenience, the Company in its sole discretion may refuse to permit the exercise of any Award during a period of thirty (30) days prior to the consummation of any such transaction.

13.3 Approval of Plan by Stockholders. The Plan shall be submitted for the approval of the Company's stockholders within twelve (12) months after the date of the Board's initial adoption of the Plan. Awards may be granted or awarded prior to such stockholder approval, provided, however, that such Awards shall not be exercisable, shall not vest and the restrictions thereon shall not lapse and no Shares shall be issued pursuant thereto prior to the time when the Plan is approved by the Company's stockholders, and provided, further, that if such approval has not been obtained at the end of such twelve (12)-month period, all such Awards previously granted or awarded under the Plan shall thereupon be canceled and become null and void.

13.4 No Stockholders Rights. Except as otherwise provided herein or in an applicable Program or Award Agreement, a Participant shall have none of the rights of a stockholder with respect to Shares covered by any Award until the Participant becomes the record owner of such Shares.

13.5 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Participant may be permitted through the use of such an automated system.

13.6 Section 83(b) Election. No Participant may make an election under Section 83(b) of the Code with respect to any Award under the Plan without the consent of the Administrator, which the Administrator may grant (prospectively or retroactively) or withhold in its sole discretion. If, with the consent of the Administrator, a Participant makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Participant would otherwise be taxable under Section 83(a) of the Code, the Participant shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service.

13.7 Grant of Awards to Certain Employees or Consultants. The Company, the Services Company, the Partnership or any Subsidiary may provide through the establishment of a formal written policy (which shall be deemed a part of this Plan) or otherwise for the method by which Shares or other securities of the Company or the Partnership may be issued and by which such Shares or other securities and/or payment therefor may be exchanged or contributed among such entities, or may be returned upon any forfeiture of Shares or other securities by the Participant.

13.8 REIT Status. The Plan shall be interpreted and construed in a manner consistent with the Company's status as a REIT. No Award shall be granted or awarded, and with respect to any Award granted under the Plan, such Award shall not vest, be exercisable or be settled:

(a) to the extent that the grant, vesting, exercise or settlement of such Award could cause the Participant or any other person to be in violation of the Common Stock Ownership Limit or the Aggregate Stock Ownership Limit (each as defined in the Company's charter, as amended from time to time) or any other provision of Section 6.2.1 of the Company's charter; or

(b) if, in the discretion of the Administrator, the grant, vesting, exercise or settlement of such award could impair the Company's status as a REIT.

13.9 Effect of Plan upon Other Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Affiliate. Nothing in the Plan shall be construed to limit the right of the Company or any Affiliate: (a) to establish any other forms of incentives or compensation for Employees, Directors or Consultants of the Company or any Affiliate or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including without limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, partnership, limited liability company, firm or association.

13.10 Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan, the issuance and delivery of Shares and LTIP Units and the payment of money under the Plan or under Awards granted or awarded hereunder are subject to compliance with all Applicable Law and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the

person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all Applicable Law. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such Applicable Law.

13.11 Titles and Headings, References to Sections of the Code or Exchange Act. The titles and headings of the sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code or the Exchange Act shall include any amendment or successor thereto.

13.12 Governing Law. The Plan and any Programs or Award Agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Maryland without regard to conflicts of laws thereof.

13.13 Section 409A. To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A of the Code, the Plan, any applicable Program and the Award Agreement covering such Award shall be interpreted in accordance with Section 409A of the Code. Notwithstanding any provision of the Plan to the contrary, in the event that, following the Effective Date, the Administrator determines that any Award may be subject to Section 409A of the Code, the Administrator may adopt such amendments to the Plan, any applicable Program and the Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to avoid the imposition of taxes on the Award under Section 409A of the Code, either through compliance with the requirements of Section 409A of the Code or with an available exemption therefrom.

13.14 No Rights to Awards. No Eligible Individual or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Administrator is obligated to treat Eligible Individuals, Participants or any other persons uniformly.

13.15 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Program or Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Affiliate.

13.16 Indemnification. To the extent allowable pursuant to Applicable Law and the Company's charter and Bylaws, each member of the Board and any officer or other employee to whom authority to administer any component of the Plan is delegated shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding

against him or her; provided, however, that he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.17 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Affiliate except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.18 Expenses. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

* * * * *

I hereby certify that the foregoing Plan was duly adopted by the Board of Directors of Rexford Industrial Realty, Inc. on , 2013.

* * * * *

I hereby certify that the foregoing Plan was approved by the stockholders of Rexford Industrial Realty, Inc. on , 2013.

Executed on this day of , 2013.

Corporate Secretary

**Exhibit 10.5**

**INDEMNIFICATION AGREEMENT**

THIS INDEMNIFICATION AGREEMENT ("Agreement") is made and entered into as of the day of , 2013, by and between Rexford Industrial Realty, Inc., a Maryland corporation (the "Company"), and ("Indemnitee").

WHEREAS, at the request of the Company, Indemnitee currently serves as a **[director] [and] [an officer]** of the Company and may, therefore, be subjected to claims, suits or proceedings arising as a result of such service;

WHEREAS, as an inducement to Indemnitee to serve or continue to serve in such capacity, the Company has agreed to indemnify Indemnitee and to advance expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings, to the maximum extent permitted by law; and

WHEREAS, the parties by this Agreement desire to set forth their agreement regarding indemnification and advance of expenses;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. For purposes of this Agreement:

(a) "Change in Control" means

(i) a transaction or series of transactions (other than an offering of common stock of the Company or other securities of the Company that may be substituted for common stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (other than the Company, any of its subsidiaries, an employee benefit plan maintained by the Company or any of its subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(ii) during any period of two consecutive years, individuals who, at the beginning of such period, constitute the Company's Board of Directors (the "Board of Directors") together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in Section 1(a)(i) or Section 1(a)(iii)) whose election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(iii) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(A) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(B) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; *provided, however,* that no person or group shall be treated for purposes of this Section 1(a)(iii)(B) as beneficially owning 50% or more of combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

(b) "Corporate Status" means the status of a person as a present or former director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company. As a clarification and without limiting the circumstances in which Indemnitee may be serving at the request of the Company, service by Indemnitee shall be deemed to be at the request of the Company: (i) if Indemnitee serves or served as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any corporation, partnership, limited liability company, joint venture, trust or other enterprise (1) of which a majority of the voting power or equity interest is or was owned directly or indirectly by the Company or (2) the management of which is controlled directly or indirectly by the Company or (ii) if, as a result of Indemnitee's service to the Company or any of its affiliated entities, Indemnitee is subject to duties by, or required to perform services for, an employee benefit plan or its participants or beneficiaries, including as deemed fiduciary thereof.

(c) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification and/or advance of Expenses is sought by Indemnitee.

(d) "Effective Date" means the date set forth in the first paragraph of this Agreement.

(e) “Expenses” means any and all reasonable and out-of-pocket attorneys’ fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties and any other disbursements or expenses incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in or otherwise participating in a Proceeding. Expenses shall also include Expenses incurred in connection with any appeal resulting from any Proceeding, including, without limitation, the premium, security for and other costs relating to any cost bond, supersedeas bond or other appeal bond or its equivalent.

(f) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements), or (ii) any other party to or participant or witness in the Proceeding giving rise to a claim for indemnification or advance of Expenses hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(g) “Proceeding” means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative or investigative (formal or informal) nature, including any appeal therefrom, except one pending or completed on or before the Effective Date, unless otherwise specifically agreed in writing by the Company and Indemnitee. If Indemnitee reasonably believes that a given situation may lead to or culminate in the institution of a Proceeding, such situation shall also be considered a Proceeding.

Section 2. Services by Indemnitee. Indemnitee will serve in the capacity or capacities set forth in the first WHEREAS clause above. However, this Agreement shall not impose any obligation on Indemnitee or the Company to continue Indemnitee’s service to the Company. This Agreement shall not be deemed an employment contract between the Company (or any other entity) and Indemnitee.

Section 3. General. The Company shall indemnify, and advance Expenses to, Indemnitee (a) as provided in this Agreement and (b) otherwise to the maximum extent permitted by Maryland law in effect on the Effective Date and as amended from time to time; provided, however, that no change in Maryland law shall have the effect of reducing the benefits available to Indemnitee hereunder based on Maryland law as in effect on the Effective Date. The rights of Indemnitee provided in this Section 3 shall include, without limitation, the rights set forth in the other sections of this Agreement and any additional indemnification permitted by Section 2-418(g) of the Maryland General Corporation Law (the “MGCL”).

Section 4. Standard for Indemnification. If, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall indemnify Indemnitee against all judgments, penalties, fines and amounts paid in settlement and all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with any such Proceeding unless it is established that (a) the act or omission of Indemnitee was material to the matter giving rise to the Proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) Indemnitee actually received an improper personal benefit in money, property or services or (c) in the case of any criminal Proceeding, Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

Section 5. Certain Limits on Indemnification. Notwithstanding any other provision of this Agreement (other than Section 6), Indemnitee shall not be entitled to:

(a) indemnification hereunder if the Proceeding was one by or in the right of the Company and Indemnitee is adjudged, in a final adjudication of the Proceeding not subject to further appeal, to be liable to the Company;

(b) indemnification hereunder if Indemnitee is adjudged, in a final adjudication of the Proceeding not subject to further appeal, to be liable on the basis that personal benefit was improperly received in any Proceeding charging improper personal benefit to Indemnitee, whether or not involving action in the Indemnitee's Corporate Status; or

(c) indemnification or advance of Expenses hereunder if the Proceeding was brought by Indemnitee, unless: (i) the Proceeding was brought to enforce indemnification under this Agreement, and then only to the extent in accordance with and as authorized by Section 12 of this Agreement, or (ii) the Company's charter or Bylaws, a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors or an agreement approved by the Board of Directors to which the Company is a party expressly provide otherwise.

Section 6. Court-Ordered Indemnification. Notwithstanding any other provision of this Agreement, a court of appropriate jurisdiction, upon application of Indemnitee and such notice as the court shall require, may order indemnification of Indemnitee by the Company in the following circumstances:

(a) if such court determines that Indemnitee is entitled to reimbursement under Section 2-418(d)(1) of the MGCL, the court shall order indemnification, in which case Indemnitee shall be entitled to recover the Expenses of securing such reimbursement; or

(b) if such court determines that Indemnitee is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not Indemnitee (i) has met the standards of conduct set forth in Section 2-418(b) of the MGCL or (ii) has been adjudged liable for receipt of an improper personal benefit under Section 2-418(c) of the MGCL, the court may order such indemnification as the court shall deem proper without regard to any limitation on such court ordered indemnification contemplated by Section 2-418(d)(2)(ii) of the MGCL.

Section 7. Indemnification for Expenses of an Indemnitee Who is Wholly or Partially Successful Notwithstanding any other provision of this Agreement, and without limiting any

such provision, to the extent that Indemnitee was or is, by reason of Indemnitee's Corporate Status, made a party to any Proceeding and is successful, on the merits or otherwise, in the defense of such Proceeding, the Company shall indemnify Indemnitee for all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee under this Section 7 for all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each such claim, issue or matter, allocated on a reasonable and proportionate basis. For purposes of this Section 7 and, without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 8. Advance of Expenses for Indemnitee. If, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall, without requiring a preliminary determination of Indemnitee's ultimate entitlement to indemnification hereunder, advance all Expenses incurred by or on behalf of Indemnitee in connection with such Proceeding. The Company shall make such advance within ten days after the receipt by the Company of a statement or statements requesting such advance from time to time, whether prior to or after final disposition of such Proceeding and may be in the form of, in the reasonable discretion of the Indemnitee (but without duplication) (a) payment of such Expenses directly to third parties on behalf of Indemnitee, (b) advance of funds to Indemnitee in an amount sufficient to pay such Expenses or (c) reimbursement to Indemnitee for Indemnitee's payment of such Expenses. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written affirmation by Indemnitee and a written undertaking by or on behalf of Indemnitee, in substantially the form attached hereto as Exhibit A or in such form as may be required under applicable law as in effect at the time of the execution thereof. To the extent that Expenses advanced to Indemnitee do not relate to a specific claim, issue or matter in the Proceeding, such Expenses shall be allocated on a reasonable and proportionate basis. The undertaking required by this Section 8 shall be an unlimited general obligation by or on behalf of Indemnitee and shall be accepted without reference to Indemnitee's financial ability to repay such advanced Expenses and without any requirement to post security therefor.

Section 9. Indemnification and Advance of Expenses as a Witness or Other Participant. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is or may be, by reason of Indemnitee's Corporate Status, made a witness or otherwise asked to participate in any Proceeding, whether instituted by the Company or any other person, and to which Indemnitee is not a party, Indemnitee shall be advanced and indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith within ten days after the receipt by the Company of a statement or statements requesting any such advance or indemnification from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee. In connection with any such advance of Expenses, the Company may require Indemnitee to provide an undertaking and affirmation substantially in the form attached hereto as Exhibit A.

Section 10. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. Indemnitee may submit one or more such requests from time to time and at such time(s) as Indemnitee deems appropriate in Indemnitee's sole discretion. The officer of the Company receiving any such request from Indemnitee shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a) above, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall promptly be made in the specific case: (i) if a Change in Control has occurred, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, which Independent Counsel shall be selected by the Indemnitee and approved by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL, which approval shall not be unreasonably withheld; or (ii) if a Change in Control has not occurred, (A) by a majority vote of the Disinterested Directors or, by the majority vote of a group of Disinterested Directors designated by the Disinterested Directors to make the determination, (B) if Independent Counsel has been selected by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL and approved by the Indemnitee, which approval shall not be unreasonably withheld or delayed, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee or (C) if so directed by the Board of Directors, by the stockholders of the Company, other than directors or officers who are parties to the Proceeding. If it is so determined that Indemnitee is entitled to indemnification, the Company shall make payment to Indemnitee within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary or appropriate to such determination in the discretion of the Board of Directors or Independent Counsel if retained pursuant to clause (ii)(B) of this Section 10(b). Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company shall indemnify and hold Indemnitee harmless therefrom.

(c) The Company shall pay the reasonable fees and expenses of Independent Counsel, if one is appointed.

Section 11. Presumptions and Effect of Certain Proceedings.

(a) In making any determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall have the burden of overcoming that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, upon a plea of *nolo contendere* or its equivalent, or entry of an order of probation prior to judgment, does not create a presumption that Indemnitee did not meet the requisite standard of conduct described herein for indemnification.

(c) The knowledge and/or actions, or failure to act, of any other director, officer, employee or agent of the Company or any other director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise shall not be imputed to Indemnitee for purposes of determining any other right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) If (i) a determination is made pursuant to Section 10(b) of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advance of Expenses is not timely made pursuant to Sections 8 or 9 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(b) of this Agreement within 60 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 7 or 9 of this Agreement within ten days after receipt by the Company of a written request therefor, or (v) payment of indemnification pursuant to any other section of this Agreement or the charter or Bylaws of the Company is not made within ten days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication in an appropriate court located in the State of Maryland, or in any other court of competent jurisdiction or arbitration conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association, of Indemnitee's entitlement to indemnification or advance of Expenses. Indemnitee shall commence a proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing clause shall not apply to a proceeding brought by Indemnitee to enforce Indemnitee's rights under Section 7 of this Agreement. Except as set forth herein, the provisions of Maryland law (without regard to its conflicts of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In any judicial proceeding or arbitration commenced pursuant to this Section 12, Indemnitee shall be presumed to be entitled to indemnification or advance of Expenses, as the case may be, under this Agreement and the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advance of Expenses, as the case may be. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 12, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 8 of this Agreement until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed). The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any

judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all of the provisions of this Agreement.

(c) If a determination shall have been made pursuant to Section 10(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification that was not disclosed in connection with the determination.

(d) In the event that Indemnitee is successful in seeking, pursuant to this Section 12, a judicial adjudication of or an award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company for, any and all Expenses actually and reasonably incurred by Indemnitee in such judicial adjudication or arbitration. If it shall be determined in such judicial adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advance of Expenses sought, the Expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

(e) Interest shall be paid by the Company to Indemnitee at the maximum rate allowed to be charged for judgments under the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for amounts which the Company pays or is obligated to pay for the period (i) commencing with either the tenth day after the date on which the Company was requested to advance Expenses in accordance with Sections 8 or 9 of this Agreement or the 60th day after the date on which the Company was requested to make the determination of entitlement to indemnification under Section 10(b) of this Agreement, as applicable, and (ii) ending on the date such payment is made to Indemnitee by the Company.

Section 13. Defense of the Underlying Proceeding.

(a) Indemnitee shall notify the Company promptly in writing upon being served with any summons, citation, subpoena, complaint, indictment, request or other document relating to any Proceeding which may result in the right to indemnification or the advance of Expenses hereunder and shall include with such notice a description of the nature of the Proceeding and a summary of the facts underlying the Proceeding. The failure to give any such notice shall not disqualify Indemnitee from the right, or otherwise affect in any manner any right of Indemnitee, to indemnification or the advance of Expenses under this Agreement unless the Company's ability to defend in such Proceeding or to obtain proceeds under any insurance policy is materially and adversely prejudiced thereby, and then only to the extent the Company is thereby actually so prejudiced.

(b) Subject to the provisions of the last sentence of this Section 13(b) and of Section 13(c) below, the Company shall have the right to defend Indemnitee in any Proceeding which may give rise to indemnification hereunder; provided, however, that the Company shall

notify Indemnitee of any such decision to defend within 15 calendar days following receipt of notice of any such Proceeding under Section 13(a) above. The Company shall not, without the prior written consent of Indemnitee, which shall not be unreasonably withheld or delayed, consent to the entry of any judgment against Indemnitee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnitee, (ii) does not include, as an unconditional term thereof, the full release of Indemnitee from all liability in respect of such Proceeding, which release shall be in form and substance reasonably satisfactory to Indemnitee, or (iii) would impose any Expense, judgment, fine, penalty or limitation on Indemnitee. This Section 13(b) shall not apply to a Proceeding brought by Indemnitee under Section 12 of this Agreement.

(c) Notwithstanding the provisions of Section 13(b) above, if in a Proceeding to which Indemnitee is a party by reason of Indemnitee's Corporate Status, (i) Indemnitee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld or delayed, that Indemnitee may have separate defenses or counterclaims to assert with respect to any issue which may not be consistent with other defendants in such Proceeding, (ii) Indemnitee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld or delayed, that an actual or apparent conflict of interest or potential conflict of interest exists between Indemnitee and the Company, or (iii) if the Company fails to assume the defense of such Proceeding in a timely manner, Indemnitee shall be entitled to be represented by separate legal counsel of Indemnitee's choice, subject to the prior approval of the Company, which approval shall not be unreasonably withheld or delayed, at the expense of the Company. In addition, if the Company fails to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any Proceeding to deny or to recover from Indemnitee the benefits intended to be provided to Indemnitee hereunder, Indemnitee shall have the right to retain counsel of Indemnitee's choice, subject to the prior approval of the Company, which approval shall not be unreasonably withheld or delayed, at the expense of the Company (subject to Section 12(d) of this Agreement), to represent Indemnitee in connection with any such matter.

Section 14. Non-Exclusivity; Survival of Rights; Subrogation.

(a) The rights of indemnification and advance of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the charter or Bylaws of the Company, any agreement or a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors, or otherwise. Unless consented to in writing by Indemnitee, no amendment, alteration or repeal of the charter or Bylaws of the Company, this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal, regardless of whether a claim with respect to such action or inaction is raised prior or subsequent to such amendment, alteration or repeal. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right or remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder, or otherwise, shall not prohibit the concurrent assertion or employment of any other right or remedy.

(b) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

Section 15. Insurance.

(a) The Company will use its reasonable best efforts to acquire directors and officers liability insurance, on terms and conditions deemed appropriate by the Board of Directors, with the advice of counsel, covering Indemnitee or any claim made against Indemnitee by reason of Indemnitee's Corporate Status and covering the Company for any indemnification or advance of Expenses made by the Company to Indemnitee for any claims made against Indemnitee by reason of Indemnitee's Corporate Status. In the event of a Change in Control, the Company shall maintain in force any and all directors and officers liability insurance policies that were maintained by the Company immediately prior to the Change in Control for a period of six years with the insurance carrier or carriers and through the insurance broker in place at the time of the Change in Control; provided, however, (i) if the carriers will not offer the same policy and an expiring policy needs to be replaced, a policy substantially comparable in scope and amount shall be obtained and (ii) if any replacement insurance carrier is necessary to obtain a policy substantially comparable in scope and amount, such insurance carrier shall have an AM Best rating that is the same or better than the AM Best rating of the existing insurance carrier; provided, further, however, in no event shall the Company be required to expend in the aggregate in excess of 250% of the annual premium or premiums paid by the Company for directors and officers liability insurance in effect on the date of the Change in Control. In the event that 250% of the annual premium paid by the Company for such existing directors and officers liability insurance is insufficient for such coverage, the Company shall spend up to that amount to purchase such lesser coverage as may be obtained with such amount.

(b) Without in any way limiting any other obligation under this Agreement, the Company shall indemnify Indemnitee for any payment by Indemnitee which would otherwise be indemnifiable hereunder arising out of the amount of any deductible or retention and the amount of any excess of the aggregate of all judgments, penalties, fines, settlements and Expenses incurred by Indemnitee in connection with a Proceeding over the coverage of any insurance referred to in Section 15(a). The purchase, establishment and maintenance of any such insurance shall not in any way limit or affect the rights or obligations of the Company or Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and the Indemnitee shall not in any way limit or affect the rights or obligations of the Company under any such insurance policies. If, at the time the Company receives notice from any source of a Proceeding to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

(c) The Indemnitee shall cooperate with the Company or any insurance carrier of the Company with respect to any Proceeding.

Section 16. Coordination of Payments. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as Expenses hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 17. Contribution. If the indemnification provided in this Agreement is unavailable in whole or in part and may not be paid to Indemnitee for any reason, other than for failure to satisfy the standard of conduct set forth in Section 4 or due to the provisions of Section 5, then, in respect to any Proceeding in which the Company is jointly liable with Indemnitee (or would be joined in such Proceeding), to the fullest extent permissible under applicable law, the Company, in lieu of indemnifying and holding harmless Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for Expenses, judgments, penalties, and/or amounts paid or to be paid in settlement, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

Section 18. Reports to Stockholders. To the extent required by the MGCL, the Company shall report in writing to its stockholders the payment of any amounts for indemnification of, or advance of Expenses to, Indemnitee under this Agreement arising out of a Proceeding by or in the right of the Company with the notice of the meeting of stockholders of the Company next following the date of the payment of any such indemnification or advance of Expenses or prior to such meeting.

Section 19. Duration of Agreement; Binding Effect.

(a) This Agreement shall continue until and terminate on the later of (i) the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company and (ii) the date that Indemnitee is no longer subject to any actual or possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement).

(b) The indemnification and advance of Expenses provided by, or granted pursuant to, this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(c) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(d) The Company and Indemnitee agree that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which Indemnitee may be entitled. Indemnitee shall further be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertakings in connection therewith. The Company acknowledges that, in the absence of a waiver, a bond or undertaking may be required of Indemnitee by a court, and the Company hereby waives any such requirement of such a bond or undertaking.

Section 20. Severability. If any provision or provisions of this Agreement shall be held to be invalid, void, illegal or otherwise unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 21. Counterparts. This Agreement may be executed in one or more counterparts (delivery of which may be by facsimile, or via e-mail as a portable document format (.pdf) or other electronic format), each of which will be deemed to be an original, and it will not be necessary in making proof of this agreement or the terms of this Agreement to produce or account for more than one such counterpart. One such counterpart signed by the party against whom enforceability is sought shall be sufficient to evidence the existence of this Agreement.

Section 22. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 23. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor, unless otherwise expressly stated, shall such waiver constitute a continuing waiver.

Section 24. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, on the day of such delivery, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee, to the address set forth on the signature page hereto.

(b) If to the Company, to:

Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025
Attn: Secretary

or to such other address as may have been furnished in writing to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 25. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without regard to its conflicts of laws rules.

[SIGNATURE PAGE FOLLOWS]

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

REXFORD INDUSTRIAL REALTY, INC.

By: _____
Name: Howard Schwimmer
Title: Co-Chief Executive Officer

By: _____
Name: Michael Frankel
Title: Co-Chief Executive Officer

INDEMNITEE

_____
Name:
Address: c/o Rexford Industrial Realty, Inc.
11620 Wilshire Boulevard, Suite 300
Los Angeles, CA 90025

**EXHIBIT A**

AFFIRMATION AND UNDERTAKING TO REPAY EXPENSES ADVANCED

The Board of Directors of Rexford Industrial Realty, Inc.

Re: Affirmation and Undertaking

Ladies and Gentlemen:

This Affirmation and Undertaking is being provided pursuant to that certain Indemnification Agreement dated the day of , 20 , by and between Rexford Industrial Realty, Inc., a Maryland corporation (the "Company"), and the undersigned Indemnitee (the "Indemnification Agreement"), pursuant to which I am entitled to advance of Expenses in connection with **[Description of Proceeding]** (the "Proceeding").

Terms used herein and not otherwise defined shall have the meanings specified in the Indemnification Agreement.

I am subject to the Proceeding by reason of my Corporate Status or by reason of alleged actions or omissions by me in such capacity. I hereby affirm my good faith belief that at all times, insofar as I was involved as **[a director] [and] [an officer]** of the Company, in any of the facts or events giving rise to the Proceeding, I (1) did not act with bad faith or active or deliberate dishonesty, (2) did not receive any improper personal benefit in money, property or services and (3) in the case of any criminal proceeding, had no reasonable cause to believe that any act or omission by me was unlawful.

In consideration of the advance by the Company for Expenses incurred by me in connection with the Proceeding (the "Advanced Expenses"), I hereby agree that if, in connection with the Proceeding, it is established that (1) an act or omission by me was material to the matter giving rise to the Proceeding and (a) was committed in bad faith or (b) was the result of active and deliberate dishonesty or (2) I actually received an improper personal benefit in money, property or services or (3) in the case of any criminal proceeding, I had reasonable cause to believe that the act or omission was unlawful, then I shall promptly reimburse the portion of the Advanced Expenses relating to the claims, issues or matters in the Proceeding as to which the foregoing findings have been established.

IN WITNESS WHEREOF, I have executed this Affirmation and Undertaking on this day of , 20 .

_____

Name:

**Exhibit 10.8**

**EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (this "***Agreement***"), dated as of , 2013, is entered into by and between Rexford Industrial Realty, Inc., a Maryland corporation (the "***REIT***"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "***Operating Partnership***") and Michael S. Frankel (the "***Executive***").

WHEREAS, the REIT and the Operating Partnership (collectively, the "***Company***") desire to employ the Executive and to enter into an agreement embodying the terms of such employment; and

WHEREAS, the Executive desires to accept employment with the Company, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Employment Period. Subject to the provisions for earlier termination hereinafter provided, the Executive's employment hereunder shall be for a term (the "***Employment Period***") commencing on the closing of the initial public offering of shares of the REIT's common stock (the "***Effective Date***") and ending on the fourth anniversary of the Effective Date (the "***Initial Termination Date***"). If not previously terminated, the Employment Period shall automatically be extended for one (1) additional year on the Initial Termination Date and on each subsequent anniversary of the Initial Termination Date (each such extension, a "***Renewal Term***"), unless either party elects not to so extend the Employment Period by notifying the other party, in writing, of such election (a "***Non-Renewal***") at least sixty (60) days prior to the last day of the then-current Employment Period. The Executive's employment hereunder is terminable at will by the Company or by the Executive at any time (for any reason or for no reason), subject to the provisions of Section 4 hereof.

2. Terms of Employment.

(a) Position and Duties.

(i) Role and Responsibilities. During the Employment Period, the Executive shall serve as co-Chief Executive Officer of the REIT and the Operating Partnership, and shall perform such employment duties as are usual and customary for such positions. The Executive shall report directly to the Board of Directors of the REIT (the "***Board***"). In addition, during the Employment Period, the Company shall cause the Executive to be nominated to stand for election to the Board at any meeting of stockholders of the REIT during which any such election is held and the Executive's term as director will expire if he is not reelected; provided, however, that the Company shall not be obligated to cause such nomination if any of the events constituting Cause (as defined below) have occurred and not been cured. Provided that the Executive is so nominated and is elected to the Board, the Executive hereby agrees to serve as a member of the Board. At the Company's request, the Executive shall serve the Company and/or its subsidiaries and affiliates in other capacities in addition to the foregoing, consistent

with the Executive's position as co-Chief Executive Officer of the Company. In the event that the Executive, during the Employment Period, serves in any one or more of such additional capacities, the Executive's compensation shall not be increased beyond that specified in Section 2(b) hereof. In addition, in the event the Executive's service in one or more of such additional capacities is terminated, the Executive's compensation, as specified in Section 2(b) hereof, shall not be diminished or reduced in any manner as a result of such termination provided that the Executive otherwise remains employed under the terms of this Agreement.

(ii) Exclusivity. During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive may be entitled, the Executive agrees to devote his full business time and attention to the business and affairs of the Company. Notwithstanding the foregoing, during the Employment Period, it shall not be a violation of this Agreement for the Executive to: (A) serve on boards, committees or similar bodies of charitable or nonprofit organizations, (B) fulfill limited teaching, speaking and writing engagements, and (C) manage his personal investments, in each case, so long as such activities do not individually or in the aggregate materially interfere or conflict with the performance of the Executive's duties and responsibilities under this Agreement.

(iii) Principal Location. During the Employment Period, the Executive shall perform the services required by this Agreement at the Company's principal offices located in Los Angeles, California (the "***Principal Location***"), except for travel to other locations as may be necessary to fulfill the Executive's duties and responsibilities hereunder.

(b) Compensation, Benefits, Etc.

(i) Base Salary. During the Employment Period, the Executive shall receive a base salary (the "***Base Salary***") of $495,000 per annum. The Base Salary shall be reviewed annually by the Compensation Committee of the Board (the "***Compensation Committee***") and may be increased from time to time by the Compensation Committee in its sole discretion. The Base Salary shall be paid in accordance with the Company's normal payroll practices for executive salaries generally, but no less often than monthly. The Base Salary may be increased in the Compensation Committee's discretion, but not reduced, and the term "Base Salary" as utilized in this Agreement shall refer to the Base Salary as so increased.

(ii) Annual Cash Bonus. In addition to the Base Salary, the Executive shall be eligible to earn, for each fiscal year of the Company ending during the Employment Period, a discretionary cash performance bonus (an "***Annual Bonus***") under the Company's bonus plan or program applicable to senior executives. The Executive's target Annual Bonus shall be set at one hundred percent (100%) of the Base Salary in effect for the relevant year (the "***Target Bonus***"). The actual amount of any Annual Bonus shall be determined by reference to the attainment of Company performance metrics and/or individual performance objectives, in each case, as determined by the Compensation Committee. Payment of any Annual Bonus(es), to the extent any Annual Bonus(es) become payable, will be contingent upon the Executive's continued employment through the applicable payment date, which shall occur on the date on which annual bonuses are paid generally to the Company's senior executives.

(iii) Equity Compensation.

(A) Subject to the adoption by the Board and approval by the REIT's stockholders of the Company's 2013 Incentive Award Plan (the "***Plan***"), on or as soon as practicable following the date of the closing of the REIT's initial public offering (the "***Offering Date***"), the Company shall issue to the Executive an award of Restricted Stock (as defined in the Plan) with respect to the number of shares of the REIT's common stock equal to the quotient obtained by dividing (x) $4,000,000 by (y) the initial public offering price of a share of the REIT's common stock (the "***Restricted Stock Award***"). Subject to the Executive's continued service with the Company through the applicable vesting date, 25% of the Restricted Stock Award shall vest and become nonforfeitable on each of the first, second, third and fourth anniversaries of the Offering Date. The terms and conditions of the Restricted Stock Award shall be set forth in a separate award agreement in a form prescribed by the Company (the "***Restricted Stock Award Agreement***"), to be entered into by the Company and the Executive, which shall evidence the grant of the Restricted Stock Award.

(B) In addition, in calendar year 2014 and each calendar year of the Company during the Employment Period after 2014, the Executive shall be eligible to receive an annual equity award pursuant to the Plan or an applicable successor incentive award plan, to be determined, in all events, by the Committee in its sole discretion.

(iv) Benefits. During the Employment Period, the Executive (and the Executive's spouse and/or eligible dependents to the extent provided in the applicable plans and programs) shall be eligible to participate in and be covered under the health and welfare benefit plans and programs maintained by the Company for the benefit of its senior executive officers from time to time, pursuant to the terms of such plans and programs including any medical, life, hospitalization, dental, disability, accidental death and dismemberment and travel accident insurance plans and programs. During the Employment Period, the Company shall provide the Executive and the Executive's eligible dependents, at the Company's sole expense, with coverage under its group health plans; provided, however, that the Company shall determine, in its sole discretion, whether such coverage shall be paid for by the Company (in excess of subsidies provided generally to plan participants) if such payments by the Company would result in penalties assessed against the Company or the Executive under applicable law (including without limitation, pursuant to Section 2716 of the Public Health Service Act) and/or the imposition of taxes on benefits payable under such group health plan(s). In addition, during the Employment Period, Executive shall be eligible to participate in any retirement, savings and other employee benefit plans and programs maintained from time to time by the Company for the benefit of its senior executive officers. Nothing contained in this Section 2(b)(iv) shall create or be deemed to create any obligation on the part of the Company to adopt or maintain any health, welfare, retirement or other benefit plan or program at any time or to create any limitation on the Company's ability to modify or terminate any such plan or program.

(vi) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company provided to senior executives of the Company.

(vii) Fringe Benefits. During the Employment Period, the Executive shall be eligible to receive such fringe benefits and perquisites as are provided by the Company to its senior executives from time to time, in accordance with the policies, practices and procedures of the Company, and shall receive such additional fringe benefits and perquisites as the Company may, in its discretion, from time-to-time provide.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to its senior executives, but in no event shall the Executive accrue less than four (4) weeks of vacation per calendar year (pro-rated for any partial year of service); provided, however, that the Executive shall not accrue any vacation time in excess of four (4) weeks (twenty (20) days) (the "***Accrual Limit***"), and shall cease accruing vacation time if the Executive's accrued vacation reaches the Accrual Limit until such time as the Executive's accrued vacation time drops below the Accrual Limit.

3. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Either the Company or the Executive may terminate the Executive's employment in the event of the Executive's Disability during the Employment Period. For purposes of this Agreement, "***Disability***" shall mean that the Executive has become entitled to receive benefits under an applicable Company long-term disability plan or, if no such plan covers the Executive, Disability shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for ninety (90) consecutive days or for a total of one hundred eighty (180) days in any twelve (12)-month period, in either case as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Termination by the Company. The Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "***Cause***" shall mean the occurrence of any one or more of the following events unless, to the extent capable of correction, the Executive fully corrects the circumstances constituting Cause within fifteen (15) days after receipt of the Notice of Termination (as defined below):

(i) the Executive's gross misconduct in connection with the performance of his duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or any such actual or anticipated failure after his issuance of a Notice of Termination for Good Reason), after a written demand for performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not performed his duties;

(ii) the Executive's commission of an act of fraud or material dishonesty resulting in reputational, economic or financial injury to the Company;

(iii) the Executive's commission of, including any entry by the Executive of a guilty or no contest plea to, a felony or other crime involving moral turpitude;

(iv) a material breach by the Executive of his fiduciary duty to the Company which results in reputational, economic or other injury to the Company; or

(v) the Executive's material breach of the Executive's obligations under a written agreement between the Company and the Executive, including without limitation, such a breach of this Agreement.

(c) Termination by the Executive. The Executive's employment may be terminated by the Executive for any reason, including with Good Reason or by the Executive without Good Reason. For purposes of this Agreement, "***Good Reason***" shall mean the occurrence of any one or more of the following events without the Executive's prior written consent, unless the Company fully corrects the circumstances constituting Good Reason (provided such circumstances are capable of correction) as provided below:

(i) a material diminution in Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 2(a) hereof, excluding for this purpose any isolated, insubstantial or inadvertent actions not taken in bad faith and which are remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) the Company's material reduction of the Executive's Base Salary, as the same may be increased from time to time;

(iii) a material change in the geographic location of the Principal Location which shall, in any event, include only a relocation of the Principal Location by more than twenty-five (25) miles from its existing location;

(iv) the Company's material breach of this Agreement.

Notwithstanding the foregoing, the Executive will not be deemed to have resigned for Good Reason unless (1) the Executive provides the Company with written notice setting forth in reasonable detail the facts and circumstances claimed by the Executive to constitute Good Reason within sixty (60) days after the date of the occurrence of any event that the Executive knows or should reasonably have known to constitute Good Reason, (2) the Company fails to cure such acts or omissions within thirty (30) days following its receipt of such notice, and (3) the effective date of the Executive's termination for Good Reason occurs no later than sixty (60) days after the expiration of the Company's cure period.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by a Notice of Termination to the other parties hereto given in accordance with Section 12(b) hereof. For purposes of this Agreement, a "***Notice of Termination***" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty (30) days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Termination of Offices and Directorships; Return of Property. Upon termination of the Executive's employment for any reason, unless otherwise specified in a written agreement between the Executive and the Company, the Executive shall be deemed to have resigned from all offices, directorships, and other employment positions if any, then held with the Company, and shall take all actions reasonably requested by the Company to effectuate the foregoing. In addition, upon the termination of the Executive's employment for any reason, the Executive agrees to return to the Company all documents of the Company and its affiliates (and all copies thereof) and all other Company or Company affiliate property that the Executive has in his possession, custody or control. Such property includes, without limitation: (i) any materials of any kind that the Executive knows contain or embody any proprietary or confidential information of the Company or an affiliate of the Company (and all reproductions thereof), (ii) computers (including, but not limited to, laptop computers, desktop computers and similar devices) and other portable electronic devices (including, but not limited to, tablet computers), cellular phones/smartphones, credit cards, phone cards, entry cards, identification badges and keys, and (iii) any correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the customers, business plans, marketing strategies, products and/or processes of the Company or any of its affiliates and any information received from the Company or any of its affiliates regarding third parties.

4. Obligations of the Company upon Termination. Upon a termination of the Executive's employment for any reason, the Executive shall be paid, in a single lump-sum payment on the date of the Executive's termination of employment, the aggregate amount of the Executive's earned but unpaid Base Salary and accrued but unpaid vacation pay through the date of such termination (the "***Accrued Obligations***").

(a) Without Cause, For Good Reason or Company Non-Renewal. If the Executive's employment with the Company is terminated (x) by the Company without Cause (other than by reason of the Executive's Disability), (y) by the Executive for Good Reason or (z) by reason of a Non-Renewal of the Employment Period by the Company and the Executive is willing and able, at the time of such Non-Renewal, to continue performing services on the terms and conditions set forth herein during the Renewal Term (in any case, a "***Qualifying Termination***"), then following the Executive's Separation from Service (as defined below) (such date, the "***Date of Termination***"), in each case, subject to and conditioned upon compliance with Section 4(d) hereof, in addition to the Accrued Obligations:

(i) *Cash Severance.*

(A) The Executive shall be paid, in a single lump-sum payment on the sixtieth (60th) day after the Date of Termination, an amount equal to three (3) times the sum of (x) the Base Salary in effect on the Date of Termination, plus (y) the average Annual Bonus earned by the Executive for the three (3) Company fiscal years ending during the Employment Period and immediately preceding the Company fiscal year in which such termination occurs (regardless of whether such amount was paid out on a current basis or deferred), plus (z) the average Equity Award Value (as defined below) of any Annual Grant (as defined below) made to the Executive by the Company during the prior three (3) fiscal years during the Employment Period. For the avoidance of doubt, for purposes of this Section 4(a)(i)(A), "Annual Bonus" shall include any portion of the Executive's Annual Bonus received in the form of equity rather than cash.

(B) For purposes of Section 4(a)(i)(A)(y) hereof, in the event that the Date of Termination occurs prior to the end of the completion of three (3) Company fiscal years during the Employment Period, then the amount in Section 4(a)(i)(A)(y) hereof shall be determined by using the Executive's Target Bonus for any such fiscal years not yet elapsed, together with Annual Bonus(es) actually earned by the Executive for fiscal years elapsed during the Employment Period (if any), annualized for any such partial fiscal year.

(C) For purposes of Section 4(a)(i)(A)(z) hereof, in the event that the Date of Termination occurs prior to the end of the completion of the first three (3) full fiscal years of the Company during the Employment Period, then the amount in Section 4(a)(i)(A)(z) hereof shall be determined based on the average Equity Award Value of Annual Grants made to the Executive during the Employment Period prior to the Date of Termination (if any).

(D) For purposes of this Agreement, "***Equity Award Value***" shall mean (x) with respect to Stock Options and Stock Appreciation Rights (each as defined in the Plan), the grant date fair value, as computed in accordance with FASB Accounting Standards Codification Topic 718, *Compensation — Stock Compensation* (or any successor accounting standard), and (y) with respect to Awards (as defined in the Plan) other than Stock Options and Stock Appreciation Rights (and excluding cash Awards under the Plan), the product of (1) the number of shares or units subject to such Award, times (2) the "fair market value" of a share of the REIT's common stock on the date of grant as determined under the Plan. For purposes of this Agreement, "***Annual Grant***" shall mean the grant of an equity-based Award that constitutes a component of a given year's annual compensation package and shall not include any isolated, one-off or non-recurring grant outside of the Executive's annual compensation package, such as (but not limited to) the Restricted Stock Award granted pursuant to Section 2(b)(iii) hereof, an initial hiring Award, a retention Award, an Award that relates to multi-year or other long-term performance, an outperformance Award or other similar award, in any event, as determined by the Company in its sole discretion.

(ii) *Prior Year Bonus; Pro Rata Bonus.* The Executive shall be paid, in a single lump-sum payment on the sixtieth (60th) day after the Date of Termination, (A) any Annual Bonus relating to the year immediately preceding the year in which the Date of Termination occurs that remains unpaid on the Date of Termination (if any), and (B) a pro rata portion of the Executive's Target Bonus for the partial fiscal year in which the Date of Termination occurs (prorated based on the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination).

(iii) *Equity Award Acceleration.* All outstanding equity awards held by the Executive on the Date of Termination shall immediately become fully vested and, to the extent applicable, exercisable. For the avoidance of doubt, all such equity awards shall remain outstanding and eligible to vest following the Date of Termination and shall actually vest and become exercisable (if applicable) and non-forfeitable upon the effectiveness of the Release.

(iv) *COBRA*. During the period commencing on the Date of Termination and ending on the eighteen (18)-month anniversary of the Date of Termination (the "***COBRA Period***"), subject to the Executive's valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code and the regulations thereunder (together, the "***Code***"), the Company shall continue to provide the Executive and the Executive's eligible dependants with coverage under its group health plans at the same levels and the same cost to the Executive as would have applied if the Executive's employment had not been terminated based on the Executive's elections in effect on the Date of Termination, provided, however, that (A) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A (as defined below) under Treasury Regulation Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover the Executive under its group health plans without incurring penalties (including without limitation, pursuant to Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to the Executive in substantially equal monthly installments over the continuation coverage period (or the remaining portion thereof).

Notwithstanding the foregoing, it shall be a condition to the Executive's (or the Executive's estate's or beneficiaries', if applicable) right to receive the amounts provided for in Sections 4(a)(i), 4(a)(ii), 4(a)(iii) and 4(a)(iv) hereof that the Executive (or the Executive's estate or beneficiaries, if applicable) execute and deliver to the Company an effective release of claims in substantially the form attached hereto as Exhibit A (the "***Release***") within twenty-one (21) days (or, to the extent required by law, forty-five (45) days) following the Date of Termination and that Executive (or the Executive's estate or beneficiaries, if applicable) not revoke such Release during any applicable revocation period.

(b) Death or Disability. Subject to Section 4(d) hereof, if the Executive incurs a Separation from Service by reason of the Executive's death or Disability during the Employment Period, in addition to the Accrued Obligations, all outstanding equity awards held by the Executive on the Date of Termination shall immediately become fully vested and, as applicable, exercisable.

(c) For Cause, Without Good Reason or Other Terminations. If the Company terminates the Executive's employment for Cause, the Executive terminates the Executive's employment without Good Reason, or the Executive's employment terminates for any other reason not enumerated in Sections 4(a) or 4(b) hereof, in any case, during the Employment Period, the Company shall pay to the Executive the Accrued Obligations in cash within thirty (30) days after the Date of Termination (or by such earlier date as may be required by applicable law), and the Executive shall have no further rights hereunder.

(d) Six-Month Delay. Notwithstanding anything to the contrary in this Agreement, no compensation or benefits, including without limitation any severance payments or benefits payable under Section 4 hereof, shall be paid to the Executive during the six (6)-month period following the Executive's "separation from service" from the Company (within the meaning of Section 409A, a "***Separation from Service***") if the Company determines that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first day of the seventh month following the date of Separation from Service (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of the Executive's death), the Company shall pay the Executive a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Executive during such period.

(e) Exclusive Benefits. Except as expressly provided in this Section 4 and subject to Section 6 hereof, the Executive shall not be entitled to any additional payments or benefits upon or in connection with the Executive's termination of employment.

5. Change in Control. Notwithstanding anything to the contrary contained in this Agreement, in the event of a Change in Control (as defined in the Plan), all outstanding Company equity awards held by the Executive as of such date shall immediately become fully vested and, as applicable, exercisable.

6. Non-Exclusivity of Rights. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

7. Excess Parachute Payments, Limitation on Payments.

(a) Best Pay Cap. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 4 hereof, being hereinafter referred to as the "***Total Payments***") would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (the "***Excise Tax***"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash severance payments under this Agreement

shall first be reduced, and the noncash severance payments hereunder shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Certain Exclusions. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting firm (the "***Independent Advisors***") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

8. Confidential Information and Non-Solicitation.

(a) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company and its subsidiaries and affiliates, which shall have been obtained by the Executive in connection with the Executive's employment by the Company and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data, to anyone other than the Company and those designated by it; provided, however, that if the Executive receives actual notice that the Executive is or may be required by law or legal process to communicate or divulge any such information, knowledge or data, the Executive shall promptly so notify the Company.

(b) While employed by the Company and, for a period of twelve (12) months after the Date of Termination, the Executive shall not directly or indirectly solicit, induce, or encourage any employee or consultant of any member of the Company and its subsidiaries and affiliates to terminate their employment or other relationship with the Company and its subsidiaries and affiliates or to cease to render services to any member of the Company and its subsidiaries and affiliates and the Executive shall not initiate discussion with any such person for

any such purpose or authorize or knowingly cooperate with the taking of any such actions by any other individual or entity. During his employment with the Company and thereafter, the Executive shall not use any trade secret of the Company or its subsidiaries or affiliates to solicit, induce, or encourage any customer, client, vendor, or other party doing business with any member of the Company and its subsidiaries and affiliates to terminate its relationship therewith or transfer its business from any member of the Company and its subsidiaries and affiliates and the Executive shall not initiate discussion with any such person for any such purpose or authorize or knowingly cooperate with the taking of any such actions by any other individual or entity.

(c) In recognition of the facts that irreparable injury will result to the Company in the event of a breach by the Executive of his obligations under Sections 8(a) and (b) hereof, that monetary damages for such breach would not be readily calculable, and that the Company would not have an adequate remedy at law therefor, the Executive acknowledges, consents and agrees that in the event of such breach, or the threat thereof, the Company shall be entitled, in addition to any other legal remedies and damages available, to specific performance thereof and to temporary and permanent injunctive relief (without the necessity of posting a bond) to restrain the violation or threatened violation of such obligations by the Executive.

9. Representations. The Executive hereby represents and warrants to the Company that (a) the Executive is entering into this Agreement voluntarily and that the performance of the Executive's obligations hereunder will not violate any agreement between the Executive and any other person, firm, organization or other entity, and (b) the Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by the Executive's entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement.

10. Successors.

(a) This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

11. Payment of Financial Obligations. The payment or provision to the Executive by the Company of any remuneration, benefits or other financial obligations pursuant to this Agreement shall be allocated among the Operating Partnership, the REIT and any

subsidiary or affiliate thereof in such manner as such entities determine in order to reflect the services provided by the Executive to such entities; provided, however, that the Operating Partnership and the REIT shall be jointly and severally liable for such obligations.

12. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(b) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the REIT or the Operating Partnership:

Rexford Industrial Realty, Inc.
11620 Wilshire Blvd.
Los Angeles, CA 90025
Attn: General Counsel

with a copy to:

Latham & Watkins LLP
355 South Grand Ave.
Los Angeles, CA 90071-1560
Attn: Brad Helms

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) Sarbanes-Oxley Act of 2002. Notwithstanding anything herein to the contrary, if the Company determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "***Exchange Act***"), then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.

(d) Section 409A of the Code.

(i) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder (together, "***Section 409A***").

Notwithstanding any provision of this Agreement to the contrary, if the Company determines that any compensation or benefits payable under this Agreement may be subject to Section 409A, the Company shall work in good faith with the Executive to adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A, including without limitation, actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A; provided, however, that this Section 12(d) shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so.

(ii) Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. To the extent permitted under Section 409A, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A and Section 4(d) hereof to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A.

(iii) To the extent that any payments or reimbursements provided to the Executive under this Agreement are deemed to constitute compensation to the Executive to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and the Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

(e) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(f) Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(g) No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 3(c) hereof, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(h) Entire Agreement. As of the Effective Date, this Agreement, together with the Restricted Stock Award Agreement, constitutes the final, complete and exclusive agreement between the Executive and the Company with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or written, by any member of the Company and

its subsidiaries, affiliates or predecessors (a "***Predecessor Employer***"), or representative thereof, whose business or assets any member of the Company and its subsidiaries and affiliates succeeded to in connection with the initial public offering of the common stock of the REIT or the transactions related thereto. The Executive agrees that any such agreement, offer or promise between the Executive and a Predecessor Employer (or any representative thereof) is hereby terminated and will be of no further force or effect, and the Executive acknowledges and agrees that upon his execution of this Agreement, he will have no right or interest in or with respect to any such agreement, offer or promise. In the event that the Effective Date does not occur, this Agreement (including, without limitation, the immediately preceding sentence) shall have no force or effect.

(i) Amendment. No amendment or other modification of this Agreement shall be effective unless made in writing and signed by the parties hereto.

(j) Counterparts. This Agreement and any agreement referenced herein may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

[*SIGNATURE PAGE FOLLOWS*]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board, each of the REIT and the Operating Partnership has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, L.P., a Maryland limited partnership

By: REXFORD INDUSTRIAL REALTY, INC.
Its: General Partner

By: _____
Name:
Title:

"EXECUTIVE"

_____
Michael S. Frankel

**EXHIBIT A**

**GENERAL RELEASE**

For valuable consideration, the receipt and adequacy of which are hereby acknowledged, the undersigned does hereby release and forever discharge the "***Releasees***" hereunder, consisting of Rexford Industrial Realty, Inc., a Maryland corporation, Rexford Industrial Realty, L.P., a Maryland limited partnership, and each of their partners, subsidiaries, associates, affiliates, successors, heirs, assigns, agents, directors, officers, employees, representatives, lawyers, insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, losses, costs, attorneys' fees or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which the undersigned now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof. The Claims released herein include, without limiting the generality of the foregoing, any Claims in any way arising out of, based upon, or related to the employment or termination of employment of the undersigned by the Releasees, or any of them; any alleged breach of any express or implied contract of employment; any alleged torts or other alleged legal restrictions on Releasees' right to terminate the employment of the undersigned; and any alleged violation of any federal, state or local statute or ordinance including, without limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination In Employment Act, the Americans With Disabilities Act, and the California Fair Employment and Housing Act. Notwithstanding the foregoing, this general release (the "***Release***") shall not operate to release any rights or claims of the undersigned (i) to payments or benefits under either Section 4(a) or 4(b) of that certain Employment Agreement, dated as of , 2013, between Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P. and the undersigned (the "***Employment Agreement***"), whichever is applicable to the payments and benefits provided in exchange for this Release, (ii) to payments or benefits under any equity award agreement between the undersigned and the Company, (iii) with respect to Section 2(b)(vi) of the Employment Agreement, (iv) to accrued or vested benefits the undersigned may have, if any, as of the date hereof under any applicable plan, policy, practice, program, contract or agreement with the Company, (v) to any Claims, including claims for indemnification and/or advancement of expenses arising under any indemnification agreement between the undersigned and the Company or under the bylaws, certificate of incorporation of other similar governing document of the Company or (vi) to any Claims which cannot be waived by an employee under applicable law.

THE UNDERSIGNED ACKNOWLEDGES THAT THE EXECUTIVE 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 OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE UNDERSIGNED, BEING AWARE OF SAID CODE SECTION, HEREBY EXPRESSLY WAIVES ANY RIGHTS THE EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

IN ACCORDANCE WITH THE OLDER WORKERS BENEFIT PROTECTION ACT OF 1990, THE UNDERSIGNED IS HEREBY ADVISED AS FOLLOWS:

(A) THE EXECUTIVE HAS THE RIGHT TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS RELEASE;

(B) THE EXECUTIVE HAS TWENTY-ONE (21) DAYS TO CONSIDER THIS RELEASE BEFORE SIGNING IT; AND

(C) THE EXECUTIVE HAS SEVEN (7) DAYS AFTER SIGNING THIS RELEASE TO REVOKE THIS RELEASE, AND THIS RELEASE WILL BECOME EFFECTIVE UPON THE EXPIRATION OF THAT REVOCATION PERIOD.

The undersigned represents and warrants that there has been no assignment or other transfer of any interest in any Claim which the Executive may have against Releasees, or any of them, and the undersigned agrees to indemnify and hold Releasees, and each of them, harmless from any liability, Claims, demands, damages, costs, expenses and attorneys' fees incurred by Releasees, or any of them, as the result of any such assignment or transfer or any rights or Claims under any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the Releasees against the undersigned under this indemnity.

The undersigned agrees that if the Executive hereafter commences any suit arising out of, based upon, or relating to any of the Claims released hereunder or in any manner asserts against Releasees, or any of them, any of the Claims released hereunder, then the undersigned agrees to pay to Releasees, and each of them, in addition to any other damages caused to Releasees thereby, all attorneys' fees incurred by Releasees in defending or otherwise responding to said suit or Claim.

The undersigned further understands and agrees that neither the payment of any sum of money nor the execution of this Release shall constitute or be construed as an admission of any liability whatsoever by the Releasees, or any of them, who have consistently taken the position that they have no liability whatsoever to the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this Release this ____ day of _____, ____.

**Exhibit 10.9**

**EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (this "***Agreement***"), dated as of , 2013, is entered into by and between Rexford Industrial Realty, Inc., a Maryland corporation (the "***REIT***"), Rexford Industrial Realty, L.P., a Maryland limited partnership (the "***Operating Partnership***") and Howard Schwimmer (the "***Executive***").

WHEREAS, the REIT and the Operating Partnership (collectively, the "***Company***") desire to employ the Executive and to enter into an agreement embodying the terms of such employment; and

WHEREAS, the Executive desires to accept employment with the Company, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Employment Period. Subject to the provisions for earlier termination hereinafter provided, the Executive's employment hereunder shall be for a term (the "***Employment Period***") commencing on the closing of the initial public offering of shares of the REIT's common stock (the "***Effective Date***") and ending on the fourth anniversary of the Effective Date (the "***Initial Termination Date***"). If not previously terminated, the Employment Period shall automatically be extended for one (1) additional year on the Initial Termination Date and on each subsequent anniversary of the Initial Termination Date (each such extension, a "***Renewal Term***"), unless either party elects not to so extend the Employment Period by notifying the other party, in writing, of such election (a "***Non-Renewal***") at least sixty (60) days prior to the last day of the then-current Employment Period. The Executive's employment hereunder is terminable at will by the Company or by the Executive at any time (for any reason or for no reason), subject to the provisions of Section 4 hereof.

2. Terms of Employment.

(a) Position and Duties.

(i) Role and Responsibilities. During the Employment Period, the Executive shall serve as co-Chief Executive Officer of the REIT and the Operating Partnership, and shall perform such employment duties as are usual and customary for such positions. The Executive shall report directly to the Board of Directors of the REIT (the "***Board***"). In addition, during the Employment Period, the Company shall cause the Executive to be nominated to stand for election to the Board at any meeting of stockholders of the REIT during which any such election is held and the Executive's term as director will expire if he is not reelected; provided, however, that the Company shall not be obligated to cause such nomination if any of the events constituting Cause (as defined below) have occurred and not been cured. Provided that the Executive is so nominated and is elected to the Board, the Executive hereby agrees to serve as a member of the Board. At the Company's request, the Executive shall serve the Company and/or its subsidiaries and affiliates in other capacities in addition to the foregoing, consistent

with the Executive's position as co-Chief Executive Officer of the Company. In the event that the Executive, during the Employment Period, serves in any one or more of such additional capacities, the Executive's compensation shall not be increased beyond that specified in Section 2(b) hereof. In addition, in the event the Executive's service in one or more of such additional capacities is terminated, the Executive's compensation, as specified in Section 2(b) hereof, shall not be diminished or reduced in any manner as a result of such termination provided that the Executive otherwise remains employed under the terms of this Agreement.

(ii) Exclusivity. During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive may be entitled, the Executive agrees to devote his full business time and attention to the business and affairs of the Company. Notwithstanding the foregoing, during the Employment Period, it shall not be a violation of this Agreement for the Executive to: (A) serve on boards, committees or similar bodies of charitable or nonprofit organizations, (B) fulfill limited teaching, speaking and writing engagements, and (C) manage his personal investments, in each case, so long as such activities do not individually or in the aggregate materially interfere or conflict with the performance of the Executive's duties and responsibilities under this Agreement.

(iii) Principal Location. During the Employment Period, the Executive shall perform the services required by this Agreement at the Company's principal offices located in Los Angeles, California (the "***Principal Location***"), except for travel to other locations as may be necessary to fulfill the Executive's duties and responsibilities hereunder.

(b) Compensation, Benefits, Etc.

(i) Base Salary. During the Employment Period, the Executive shall receive a base salary (the "***Base Salary***") of $495,000 per annum. The Base Salary shall be reviewed annually by the Compensation Committee of the Board (the "***Compensation Committee***") and may be increased from time to time by the Compensation Committee in its sole discretion. The Base Salary shall be paid in accordance with the Company's normal payroll practices for executive salaries generally, but no less often than monthly. The Base Salary may be increased in the Compensation Committee's discretion, but not reduced, and the term "Base Salary" as utilized in this Agreement shall refer to the Base Salary as so increased.

(ii) Annual Cash Bonus. In addition to the Base Salary, the Executive shall be eligible to earn, for each fiscal year of the Company ending during the Employment Period, a discretionary cash performance bonus (an "***Annual Bonus***") under the Company's bonus plan or program applicable to senior executives. The Executive's target Annual Bonus shall be set at one hundred percent (100%) of the Base Salary in effect for the relevant year (the "***Target Bonus***"). The actual amount of any Annual Bonus shall be determined by reference to the attainment of Company performance metrics and/or individual performance objectives, in each case, as determined by the Compensation Committee. Payment of any Annual Bonus(es), to the extent any Annual Bonus(es) become payable, will be contingent upon the Executive's continued employment through the applicable payment date, which shall occur on the date on which annual bonuses are paid generally to the Company's senior executives.

(iii) Equity Compensation.

(A) Subject to the adoption by the Board and approval by the REIT's stockholders of the Company's 2013 Incentive Award Plan (the "***Plan***"), on or as soon as practicable following the date of the closing of the REIT's initial public offering (the "***Offering Date***"), the Company shall issue to the Executive an award of Restricted Stock (as defined in the Plan) with respect to the number of shares of the REIT's common stock equal to the quotient obtained by dividing (x) $4,000,000 by (y) the initial public offering price of a share of the REIT's common stock (the "***Restricted Stock Award***"). Subject to the Executive's continued service with the Company through the applicable vesting date, 25% of the Restricted Stock Award shall vest and become nonforfeitable on each of the first, second, third and fourth anniversaries of the Offering Date. The terms and conditions of the Restricted Stock Award shall be set forth in a separate award agreement in a form prescribed by the Company (the "***Restricted Stock Award Agreement***"), to be entered into by the Company and the Executive, which shall evidence the grant of the Restricted Stock Award.

(B) In addition, in calendar year 2014 and each calendar year of the Company during the Employment Period after 2014, the Executive shall be eligible to receive an annual equity award pursuant to the Plan or an applicable successor incentive award plan, to be determined, in all events, by the Committee in its sole discretion.

(iv) Benefits. During the Employment Period, the Executive (and the Executive's spouse and/or eligible dependents to the extent provided in the applicable plans and programs) shall be eligible to participate in and be covered under the health and welfare benefit plans and programs maintained by the Company for the benefit of its senior executive officers from time to time, pursuant to the terms of such plans and programs including any medical, life, hospitalization, dental, disability, accidental death and dismemberment and travel accident insurance plans and programs. During the Employment Period, the Company shall provide the Executive and the Executive's eligible dependents, at the Company's sole expense, with coverage under its group health plans; provided, however, that the Company shall determine, in its sole discretion, whether such coverage shall be paid for by the Company (in excess of subsidies provided generally to plan participants) if such payments by the Company would result in penalties assessed against the Company or the Executive under applicable law (including without limitation, pursuant to Section 2716 of the Public Health Service Act) and/or the imposition of taxes on benefits payable under such group health plan(s). In addition, during the Employment Period, Executive shall be eligible to participate in any retirement, savings and other employee benefit plans and programs maintained from time to time by the Company for the benefit of its senior executive officers. Nothing contained in this Section 2(b)(iv) shall create or be deemed to create any obligation on the part of the Company to adopt or maintain any health, welfare, retirement or other benefit plan or program at any time or to create any limitation on the Company's ability to modify or terminate any such plan or program.

(vi) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable business expenses incurred by the Executive in accordance with the policies, practices and procedures of the Company provided to senior executives of the Company.

(vii) Fringe Benefits. During the Employment Period, the Executive shall be eligible to receive such fringe benefits and perquisites as are provided by the Company to its senior executives from time to time, in accordance with the policies, practices and procedures of the Company, and shall receive such additional fringe benefits and perquisites as the Company may, in its discretion, from time-to-time provide.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to its senior executives, but in no event shall the Executive accrue less than four (4) weeks of vacation per calendar year (pro-rated for any partial year of service); provided, however, that the Executive shall not accrue any vacation time in excess of four (4) weeks (twenty (20) days) (the "***Accrual Limit***"), and shall cease accruing vacation time if the Executive's accrued vacation reaches the Accrual Limit until such time as the Executive's accrued vacation time drops below the Accrual Limit.

3. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Either the Company or the Executive may terminate the Executive's employment in the event of the Executive's Disability during the Employment Period. For purposes of this Agreement, "***Disability***" shall mean that the Executive has become entitled to receive benefits under an applicable Company long-term disability plan or, if no such plan covers the Executive, Disability shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for ninety (90) consecutive days or for a total of one hundred eighty (180) days in any twelve (12)-month period, in either case as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Termination by the Company. The Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "***Cause***" shall mean the occurrence of any one or more of the following events unless, to the extent capable of correction, the Executive fully corrects the circumstances constituting Cause within fifteen (15) days after receipt of the Notice of Termination (as defined below):

(i) the Executive's gross misconduct in connection with the performance of his duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or any such actual or anticipated failure after his issuance of a Notice of Termination for Good Reason), after a written demand for performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not performed his duties;

(ii) the Executive's commission of an act of fraud or material dishonesty resulting in reputational, economic or financial injury to the Company;

(iii) the Executive's commission of, including any entry by the Executive of a guilty or no contest plea to, a felony or other crime involving moral turpitude;

(iv) a material breach by the Executive of his fiduciary duty to the Company which results in reputational, economic or other injury to the Company; or

(v) the Executive's material breach of the Executive's obligations under a written agreement between the Company and the Executive, including without limitation, such a breach of this Agreement.

(c) Termination by the Executive. The Executive's employment may be terminated by the Executive for any reason, including with Good Reason or by the Executive without Good Reason. For purposes of this Agreement, "***Good Reason***" shall mean the occurrence of any one or more of the following events without the Executive's prior written consent, unless the Company fully corrects the circumstances constituting Good Reason (provided such circumstances are capable of correction) as provided below:

(i) a material diminution in Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 2(a) hereof, excluding for this purpose any isolated, insubstantial or inadvertent actions not taken in bad faith and which are remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) the Company's material reduction of the Executive's Base Salary, as the same may be increased from time to time;

(iii) a material change in the geographic location of the Principal Location which shall, in any event, include only a relocation of the Principal Location by more than twenty-five (25) miles from its existing location;

(iv) the Company's material breach of this Agreement.

Notwithstanding the foregoing, the Executive will not be deemed to have resigned for Good Reason unless (1) the Executive provides the Company with written notice setting forth in reasonable detail the facts and circumstances claimed by the Executive to constitute Good Reason within sixty (60) days after the date of the occurrence of any event that the Executive knows or should reasonably have known to constitute Good Reason, (2) the Company fails to cure such acts or omissions within thirty (30) days following its receipt of such notice, and (3) the effective date of the Executive's termination for Good Reason occurs no later than sixty (60) days after the expiration of the Company's cure period.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by a Notice of Termination to the other parties hereto given in accordance with Section 12(b) hereof. For purposes of this Agreement, a "***Notice of Termination***" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty (30) days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Termination of Offices and Directorships; Return of Property. Upon termination of the Executive's employment for any reason, unless otherwise specified in a written agreement between the Executive and the Company, the Executive shall be deemed to have resigned from all offices, directorships, and other employment positions if any, then held with the Company, and shall take all actions reasonably requested by the Company to effectuate the foregoing. In addition, upon the termination of the Executive's employment for any reason, the Executive agrees to return to the Company all documents of the Company and its affiliates (and all copies thereof) and all other Company or Company affiliate property that the Executive has in his possession, custody or control. Such property includes, without limitation: (i) any materials of any kind that the Executive knows contain or embody any proprietary or confidential information of the Company or an affiliate of the Company (and all reproductions thereof), (ii) computers (including, but not limited to, laptop computers, desktop computers and similar devices) and other portable electronic devices (including, but not limited to, tablet computers), cellular phones/smartphones, credit cards, phone cards, entry cards, identification badges and keys, and (iii) any correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the customers, business plans, marketing strategies, products and/or processes of the Company or any of its affiliates and any information received from the Company or any of its affiliates regarding third parties.

4. Obligations of the Company upon Termination. Upon a termination of the Executive's employment for any reason, the Executive shall be paid, in a single lump-sum payment on the date of the Executive's termination of employment, the aggregate amount of the Executive's earned but unpaid Base Salary and accrued but unpaid vacation pay through the date of such termination (the "***Accrued Obligations***").

(a) Without Cause, For Good Reason or Company Non-Renewal. If the Executive's employment with the Company is terminated (x) by the Company without Cause (other than by reason of the Executive's Disability), (y) by the Executive for Good Reason or (z) by reason of a Non-Renewal of the Employment Period by the Company and the Executive is willing and able, at the time of such Non-Renewal, to continue performing services on the terms and conditions set forth herein during the Renewal Term (in any case, a "***Qualifying Termination***"), then following the Executive's Separation from Service (as defined below) (such date, the "***Date of Termination***"), in each case, subject to and conditioned upon compliance with Section 4(d) hereof, in addition to the Accrued Obligations:

(i) *Cash Severance.*

(A) The Executive shall be paid, in a single lump-sum payment on the sixtieth (60th) day after the Date of Termination, an amount equal to three (3) times the sum of (x) the Base Salary in effect on the Date of Termination, plus (y) the average Annual Bonus earned by the Executive for the three (3) Company fiscal years ending during the Employment Period and immediately preceding the Company fiscal year in which such termination occurs (regardless of whether such amount was paid out on a current basis or deferred), plus (z) the average Equity Award Value (as defined below) of any Annual Grant (as defined below) made to the Executive by the Company during the prior three (3) fiscal years during the Employment Period. For the avoidance of doubt, for purposes of this Section 4(a)(i)(A), "Annual Bonus" shall include any portion of the Executive's Annual Bonus received in the form of equity rather than cash.

(B) For purposes of Section 4(a)(i)(A)(y) hereof, in the event that the Date of Termination occurs prior to the end of the completion of three (3) Company fiscal years during the Employment Period, then the amount in Section 4(a)(i)(A)(y) hereof shall be determined by using the Executive's Target Bonus for any such fiscal years not yet elapsed, together with Annual Bonus(es) actually earned by the Executive for fiscal years elapsed during the Employment Period (if any), annualized for any such partial fiscal year.

(C) For purposes of Section 4(a)(i)(A)(z) hereof, in the event that the Date of Termination occurs prior to the end of the completion of the first three (3) full fiscal years of the Company during the Employment Period, then the amount in Section 4(a)(i)(A)(z) hereof shall be determined based on the average Equity Award Value of Annual Grants made to the Executive during the Employment Period prior to the Date of Termination (if any).

(D) For purposes of this Agreement, "***Equity Award Value***" shall mean (x) with respect to Stock Options and Stock Appreciation Rights (each as defined in the Plan), the grant date fair value, as computed in accordance with FASB Accounting Standards Codification Topic 718, *Compensation — Stock Compensation* (or any successor accounting standard), and (y) with respect to Awards (as defined in the Plan) other than Stock Options and Stock Appreciation Rights (and excluding cash Awards under the Plan), the product of (1) the number of shares or units subject to such Award, times (2) the "fair market value" of a share of the REIT's common stock on the date of grant as determined under the Plan. For purposes of this Agreement, "***Annual Grant***" shall mean the grant of an equity-based Award that constitutes a component of a given year's annual compensation package and shall not include any isolated, one-off or non-recurring grant outside of the Executive's annual compensation package, such as (but not limited to) the Restricted Stock Award granted pursuant to Section 2(b)(iii) hereof, an initial hiring Award, a retention Award, an Award that relates to multi-year or other long-term performance, an outperformance Award or other similar award, in any event, as determined by the Company in its sole discretion.

(ii) *Prior Year Bonus; Pro Rata Bonus.* The Executive shall be paid, in a single lump-sum payment on the sixtieth (60th) day after the Date of Termination, (A) any Annual Bonus relating to the year immediately preceding the year in which the Date of Termination occurs that remains unpaid on the Date of Termination (if any), and (B) a pro rata portion of the Executive's Target Bonus for the partial fiscal year in which the Date of Termination occurs (prorated based on the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination).

(iii) *Equity Award Acceleration.* All outstanding equity awards held by the Executive on the Date of Termination shall immediately become fully vested and, to the extent applicable, exercisable. For the avoidance of doubt, all such equity awards shall remain outstanding and eligible to vest following the Date of Termination and shall actually vest and become exercisable (if applicable) and non-forfeitable upon the effectiveness of the Release.

(iv) *COBRA*. During the period commencing on the Date of Termination and ending on the eighteen (18)-month anniversary of the Date of Termination (the "***COBRA Period***"), subject to the Executive's valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code and the regulations thereunder (together, the "***Code***"), the Company shall continue to provide the Executive and the Executive's eligible dependants with coverage under its group health plans at the same levels and the same cost to the Executive as would have applied if the Executive's employment had not been terminated based on the Executive's elections in effect on the Date of Termination, provided, however, that (A) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A (as defined below) under Treasury Regulation Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover the Executive under its group health plans without incurring penalties (including without limitation, pursuant to Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to the Executive in substantially equal monthly installments over the continuation coverage period (or the remaining portion thereof).

Notwithstanding the foregoing, it shall be a condition to the Executive's (or the Executive's estate's or beneficiaries', if applicable) right to receive the amounts provided for in Sections 4(a)(i), 4(a)(ii), 4(a)(iii) and 4(a)(iv) hereof that the Executive (or the Executive's estate or beneficiaries, if applicable) execute and deliver to the Company an effective release of claims in substantially the form attached hereto as Exhibit A (the "***Release***") within twenty-one (21) days (or, to the extent required by law, forty-five (45) days) following the Date of Termination and that Executive (or the Executive's estate or beneficiaries, if applicable) not revoke such Release during any applicable revocation period.

(b) Death or Disability. Subject to Section 4(d) hereof, if the Executive incurs a Separation from Service by reason of the Executive's death or Disability during the Employment Period, in addition to the Accrued Obligations, all outstanding equity awards held by the Executive on the Date of Termination shall immediately become fully vested and, as applicable, exercisable.

(c) For Cause, Without Good Reason or Other Terminations. If the Company terminates the Executive's employment for Cause, the Executive terminates the Executive's employment without Good Reason, or the Executive's employment terminates for any other reason not enumerated in Sections 4(a) or 4(b) hereof, in any case, during the Employment Period, the Company shall pay to the Executive the Accrued Obligations in cash within thirty (30) days after the Date of Termination (or by such earlier date as may be required by applicable law), and the Executive shall have no further rights hereunder.

(d) Six-Month Delay. Notwithstanding anything to the contrary in this Agreement, no compensation or benefits, including without limitation any severance payments or benefits payable under Section 4 hereof, shall be paid to the Executive during the six (6)-month period following the Executive's "separation from service" from the Company (within the meaning of Section 409A, a "***Separation from Service***") if the Company determines that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first day of the seventh month following the date of Separation from Service (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of the Executive's death), the Company shall pay the Executive a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Executive during such period.

(e) Exclusive Benefits. Except as expressly provided in this Section 4 and subject to Section 6 hereof, the Executive shall not be entitled to any additional payments or benefits upon or in connection with the Executive's termination of employment.

5. Change in Control. Notwithstanding anything to the contrary contained in this Agreement, in the event of a Change in Control (as defined in the Plan), all outstanding Company equity awards held by the Executive as of such date shall immediately become fully vested and, as applicable, exercisable.

6. Non-Exclusivity of Rights. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

7. Excess Parachute Payments, Limitation on Payments.

(a) Best Pay Cap. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 4 hereof, being hereinafter referred to as the "***Total Payments***") would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (the "***Excise Tax***"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash severance payments under this Agreement shall first be reduced, and the noncash severance payments hereunder shall thereafter be reduced,

to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Certain Exclusions. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting firm (the "***Independent Advisors***") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

8. Confidential Information and Non-Solicitation.

(a) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company and its subsidiaries and affiliates, which shall have been obtained by the Executive in connection with the Executive's employment by the Company and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data, to anyone other than the Company and those designated by it; provided, however, that if the Executive receives actual notice that the Executive is or may be required by law or legal process to communicate or divulge any such information, knowledge or data, the Executive shall promptly so notify the Company.

(b) While employed by the Company and, for a period of twelve (12) months after the Date of Termination, the Executive shall not directly or indirectly solicit, induce, or encourage any employee or consultant of any member of the Company and its subsidiaries and affiliates to terminate their employment or other relationship with the Company and its subsidiaries and affiliates or to cease to render services to any member of the Company and its subsidiaries and affiliates and the Executive shall not initiate discussion with any such person for any such purpose or authorize or knowingly cooperate with the taking of any such actions by any other individual or entity. During

his employment with the Company and thereafter, the Executive shall not use any trade secret of the Company or its subsidiaries or affiliates to solicit, induce, or encourage any customer, client, vendor, or other party doing business with any member of the Company and its subsidiaries and affiliates to terminate its relationship therewith or transfer its business from any member of the Company and its subsidiaries and affiliates and the Executive shall not initiate discussion with any such person for any such purpose or authorize or knowingly cooperate with the taking of any such actions by any other individual or entity.

(c) In recognition of the facts that irreparable injury will result to the Company in the event of a breach by the Executive of his obligations under Sections 8(a) and (b) hereof, that monetary damages for such breach would not be readily calculable, and that the Company would not have an adequate remedy at law therefor, the Executive acknowledges, consents and agrees that in the event of such breach, or the threat thereof, the Company shall be entitled, in addition to any other legal remedies and damages available, to specific performance thereof and to temporary and permanent injunctive relief (without the necessity of posting a bond) to restrain the violation or threatened violation of such obligations by the Executive.

9. Representations. The Executive hereby represents and warrants to the Company that (a) the Executive is entering into this Agreement voluntarily and that the performance of the Executive's obligations hereunder will not violate any agreement between the Executive and any other person, firm, organization or other entity, and (b) the Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by the Executive's entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement.

10. Successors.

(a) This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

11. Payment of Financial Obligations. The payment or provision to the Executive by the Company of any remuneration, benefits or other financial obligations pursuant to this Agreement shall be allocated among the Operating Partnership, the REIT and any subsidiary or affiliate thereof in such manner as such entities determine in order to reflect the services provided by the Executive to such entities; provided, however, that the Operating Partnership and the REIT shall be jointly and severally liable for such obligations.

12. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(b) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the Executive's most recent address on the records of the Company.

If to the REIT or the Operating Partnership:

Rexford Industrial Realty, Inc.
11620 Wilshire Blvd.
Los Angeles, CA 90025
Attn: General Counsel

with a copy to:

Latham & Watkins LLP
355 South Grand Ave.
Los Angeles, CA 90071-1560
Attn: Brad Helms

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) Sarbanes-Oxley Act of 2002. Notwithstanding anything herein to the contrary, if the Company determines, in its good faith judgment, that any transfer or deemed transfer of funds hereunder is likely to be construed as a personal loan prohibited by Section 13(k) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "***Exchange Act***"), then such transfer or deemed transfer shall not be made to the extent necessary or appropriate so as not to violate the Exchange Act and the rules and regulations promulgated thereunder.

(d) Section 409A of the Code.

(i) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other

interpretive guidance issued thereunder (together, "***Section 409A***"). Notwithstanding any provision of this Agreement to the contrary, if the Company determines that any compensation or benefits payable under this Agreement may be subject to Section 409A, the Company shall work in good faith with the Executive to adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A, including without limitation, actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A; provided, however, that this Section 12(d) shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so.

(ii) Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. To the extent permitted under Section 409A, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A and Section 4(d) hereof to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A.

(iii) To the extent that any payments or reimbursements provided to the Executive under this Agreement are deemed to constitute compensation to the Executive to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and the Executive's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

(e) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(f) Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(g) No Waiver. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 3(c) hereof, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(h) Entire Agreement. As of the Effective Date, this Agreement, together with the Restricted Stock Award Agreement, constitutes the final, complete and exclusive agreement between the Executive and the Company with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or

written, by any member of the Company and its subsidiaries, affiliates or predecessors (a "***Predecessor Employer***"), or representative thereof, whose business or assets any member of the Company and its subsidiaries and affiliates succeeded to in connection with the initial public offering of the common stock of the REIT or the transactions related thereto. The Executive agrees that any such agreement, offer or promise between the Executive and a Predecessor Employer (or any representative thereof) is hereby terminated and will be of no further force or effect, and the Executive acknowledges and agrees that upon his execution of this Agreement, he will have no right or interest in or with respect to any such agreement, offer or promise. In the event that the Effective Date does not occur, this Agreement (including, without limitation, the immediately preceding sentence) shall have no force or effect.

(i) Amendment. No amendment or other modification of this Agreement shall be effective unless made in writing and signed by the parties hereto.

(j) Counterparts. This Agreement and any agreement referenced herein may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

[*SIGNATURE PAGE FOLLOWS*]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board, each of the REIT and the Operating Partnership has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name:
Title:

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

By: REXFORD INDUSTRIAL REALTY, INC.
Its: General Partner

By: _____
Name:
Title:

"EXECUTIVE"

_____
Howard Schwimmer

**EXHIBIT A**

**GENERAL RELEASE**

For valuable consideration, the receipt and adequacy of which are hereby acknowledged, the undersigned does hereby release and forever discharge the "***Releasees***" hereunder, consisting of Rexford Industrial Realty, Inc., a Maryland corporation, Rexford Industrial Realty, L.P., a Maryland limited partnership, and each of their partners, subsidiaries, associates, affiliates, successors, heirs, assigns, agents, directors, officers, employees, representatives, lawyers, insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, losses, costs, attorneys' fees or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which the undersigned now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof. The Claims released herein include, without limiting the generality of the foregoing, any Claims in any way arising out of, based upon, or related to the employment or termination of employment of the undersigned by the Releasees, or any of them; any alleged breach of any express or implied contract of employment; any alleged torts or other alleged legal restrictions on Releasees' right to terminate the employment of the undersigned; and any alleged violation of any federal, state or local statute or ordinance including, without limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination In Employment Act, the Americans With Disabilities Act, and the California Fair Employment and Housing Act. Notwithstanding the foregoing, this general release (the "***Release***") shall not operate to release any rights or claims of the undersigned (i) to payments or benefits under either Section 4(a) or 4(b) of that certain Employment Agreement, dated as of , 2013, between Rexford Industrial Realty, Inc., Rexford Industrial Realty, L.P. and the undersigned (the "***Employment Agreement***"), whichever is applicable to the payments and benefits provided in exchange for this Release, (ii) to payments or benefits under any equity award agreement between the undersigned and the Company, (iii) with respect to Section 2(b)(vi) of the Employment Agreement, (iv) to accrued or vested benefits the undersigned may have, if any, as of the date hereof under any applicable plan, policy, practice, program, contract or agreement with the Company, (v) to any Claims, including claims for indemnification and/or advancement of expenses arising under any indemnification agreement between the undersigned and the Company or under the bylaws, certificate of incorporation of other similar governing document of the Company or (vi) to any Claims which cannot be waived by an employee under applicable law.

THE UNDERSIGNED ACKNOWLEDGES THAT THE EXECUTIVE 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 OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE UNDERSIGNED, BEING AWARE OF SAID CODE SECTION, HEREBY EXPRESSLY WAIVES ANY RIGHTS THE EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

IN ACCORDANCE WITH THE OLDER WORKERS BENEFIT PROTECTION ACT OF 1990, THE UNDERSIGNED IS HEREBY ADVISED AS FOLLOWS:

(A) THE EXECUTIVE HAS THE RIGHT TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS RELEASE;

(B) THE EXECUTIVE HAS TWENTY-ONE (21) DAYS TO CONSIDER THIS RELEASE BEFORE SIGNING IT; AND

(C) THE EXECUTIVE HAS SEVEN (7) DAYS AFTER SIGNING THIS RELEASE TO REVOKE THIS RELEASE, AND THIS RELEASE WILL BECOME EFFECTIVE UPON THE EXPIRATION OF THAT REVOCATION PERIOD.

The undersigned represents and warrants that there has been no assignment or other transfer of any interest in any Claim which the Executive may have against Releasees, or any of them, and the undersigned agrees to indemnify and hold Releasees, and each of them, harmless from any liability, Claims, demands, damages, costs, expenses and attorneys' fees incurred by Releasees, or any of them, as the result of any such assignment or transfer or any rights or Claims under any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the Releasees against the undersigned under this indemnity.

The undersigned agrees that if the Executive hereafter commences any suit arising out of, based upon, or relating to any of the Claims released hereunder or in any manner asserts against Releasees, or any of them, any of the Claims released hereunder, then the undersigned agrees to pay to Releasees, and each of them, in addition to any other damages caused to Releasees thereby, all attorneys' fees incurred by Releasees in defending or otherwise responding to said suit or Claim.

The undersigned further understands and agrees that neither the payment of any sum of money nor the execution of this Release shall constitute or be construed as an admission of any liability whatsoever by the Releasees, or any of them, who have consistently taken the position that they have no liability whatsoever to the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this Release this_____ day of _____, _____.

_____

**Exhibit 10.13**

**CONSENT AGREEMENT**

**THIS CONSENT AGREEMENT** (this "**Agreement**") is made as of this day of , 2013 ("**Effective Date**"), by and between:

RIF V—JERSEY, LLC, a Delaware limited liability company ("**Borrower**");

REXFORD INDUSTRIAL REALTY, INC., a Maryland corporation (the "**REIT**");

REXFORD INDUSTRIAL REALTY, L.P., a Maryland limited partnership ("**Rexford LP**", and together with the REIT, "**New Guarantor**"); and

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE, SUCCESSOR-IN-INTEREST TO BANK OF AMERICA, N. A., AS TRUSTEE, SUCCESSOR BY MERGER TO LASALLE BANK, NATIONAL ASSOCIATION, AS TRUSTEE FOR MORGAN STANLEY CAPITAL I INC., COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2005-TOP17 ("**Noteholder**"), whose Master Servicer is Wells Fargo Bank, National Association.

**BACKGROUND**

A. On or about November 29, 2004, WELLS FARGO BANK, NATIONAL ASSOCIATION ("**Original Lender**") made a certain loan and extended credit in the amount of SIX MILLION AND NO/100 DOLLARS ($6,000,000.00) (the "**Loan**") to JERSEY BUSINESS PARK, a California general partnership ("**Original Borrower**"), as evidenced by those certain documents, including, but not limited to, the Loan Documents (the "**Loan Documents**") more specifically described in **Exhibit A** attached hereto and incorporated herein for all purposes, in connection with 10700 Jersey Boulevard, Rancho Cucamonga, California (the "**Property**").

B. Pursuant to that certain Assumption Agreement dated November 8, 2011, Original Borrower transferred to Borrower all of its right, title and interest in and to the Loan and the Loan Documents.

C. The parties hereto (other than Noteholder) have requested that Noteholder consent to: (i) the merger of each of Rexford Industrial Fund V, LP, a Delaware limited partnership ("**Rexford Fund**") with and into Rexford LP (with Rexford LP being the surviving entity) (the "**Rexford Fund Merger**"); (ii) the merger of Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company ("**Rexford Fund V REIT**") with and into the REIT (with the REIT being the surviving entity) (the "**Rexford Fund V Merger**", and together with the Rexford Fund Merger, each a "**Merger**" and collectively the "**Mergers**"); (iii) the initial public offering of Rexford Industrial Realty, Inc., a Maryland limited partnership (the "**REIT**"), the sole general partner of Rexford LP (the "**IPO**"); (iv) the assumption by Rexford LP of all of the obligations of Rexford Fund and the assumption by the REIT of all of the obligations of Rexford Fund V REIT, in each case as guarantor under the Loan by operation of law as a result of the applicable Merger.

**TERMS AND CONDITIONS**

**NOW, THEREFORE**, in consideration of the mutual promises and agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Borrower, New Guarantor and Noteholder agree as follows:

1. **Defined Terms.** All capitalized terms not otherwise defined herein shall have the meanings given to them in the Deed of Trust (as defined in Exhibit A attached hereto).

2. **Ownership of Borrower**.

Prior to the Effective Date, Borrower was owned:

a) 100% by RIF V – SPE Owner, LLC, a Delaware limited liability company ("**SPE Owner**") and managed by RIF V – SPE Manager, LLC, a California limited liability company ("**Manager**");

b) SPE owner was owned 100% by Rexford Fund; and

c) Rexford Fund was owned 99.13% by Rexford Fund V REIT and 0.87% by Rexford Fund V Manager, LLC, a Delaware limited liability company.

From and after the Effective Date (but subject to Section 6.15(c)(ii) of the Deed of Trust, as amended), Borrower is owned:

d) 100% by SPE Owner and managed by Manager;

e) SPE Owner is owned 100% by Rexford LP; and

f) The REIT is the sole general partner of Rexford LP.

3. **Consent by Noteholder.** Subject to the terms and conditions contained herein, Noteholder hereby consents to the following: (i) the Mergers; (ii) the IPO; (iii) the assumption by Rexford LP of all of the obligations of the Rexford Fund as guarantor under the Loan by operation of law as a result of the Rexford Fund Merger, and (iv) the assumption by the REIT of all of the obligations of Rexford Fund V REIT as guarantor under the Loan by operation of law as a result of the Rexford Fund V REIT Merger. The transfers described in paragraphs 2 and 3 are hereinafter referred to as the "**Transaction**". Noteholder consents to the Transaction subject to the terms and conditions set forth herein.

4. **No Release of Borrower; Ratification**. As a further condition to Noteholder entering into this Agreement and giving its consent to the Transaction, Noteholder has required Borrower to ratify its liabilities and obligations under Loan Documents. Borrower hereby ratifies and confirms all of its obligations and liabilities under the Note and the Loan Documents.

5. **No Release of Guarantor; Ratification**. As a further condition to Noteholder entering into this Agreement and giving its consent to the Transaction, Noteholder has required Rexford LP, as successor of Rexford Fund, and the REIT, as successor of Rexford Fund V REIT, in each case by operation of law as a result of the applicable Merger, to ratify and confirm that it has assumed all liabilities and obligations of Rexford Fund and Rexford Fund V REIT, as applicable, under the Existing Guaranty (as defined in Exhibit A attached hereto). Rexford LP hereby ratifies and confirms that, as a result of the Rexford Fund Merger, Rexford LP has assumed liabilities and obligations of the Rexford Fund under the Existing Guaranty, as amended pursuant to Section 9 below. The REIT hereby ratifies and confirms that, as a result of the Rexford Fund V REIT Merger, the REIT has assumed liabilities and obligations of Rexford Fund V REIT under the Existing Guaranty, as amended pursuant to Section 9 below.

6. **Borrower's Representation and Warranties**. To induce the Noteholder to enter into this Agreement, the Borrower hereby represents and warrants to the Noteholder that:

(a) Borrower is validly existing under the laws of the state of its organization and has full power and authority to enter into this Agreement, to execute and deliver all documents and instruments required hereunder, and to incur and perform the obligations provided for herein and therein, and to perform and carry out the terms of the Loan Documents, all of which have been duly authorized by all necessary entity action of the Borrower, and no consent or approval of any third party (other than the Noteholder, whose consent and approval is given pursuant to the terms of this Agreement) is required as a condition to the validity or enforceability hereof or thereof; except for the amendments set forth in Paragraph below, this Agreement has not affected any obligations and liabilities of Borrower under the Loan Documents;

(b) the current financial position of Borrower has not materially and adversely changed from that reflected in the financial statements most recently provided to Noteholder;

(c) [intentionally omitted];

(d) this Agreement has been duly executed and delivered by the Borrower;

(e) this Agreement will constitute the valid and legally binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and equitable principles relating to or limiting creditors' rights generally;

(f) the execution, delivery and performance by the Borrower of this Agreement will not violate (i) any provision of law or any order, rule or regulation of any court or governmental authority, or (ii) any instrument, contract, agreement, indenture, mortgage, deed of trust or other material document or obligation to which the Borrower is a party or by which the Property is bound;

(g) there is no action, suit, proceeding or investigation pending or, to Borrower's knowledge, threatened that challenges the validity or enforceability of this Agreement or any of the Loan Documents, or any action required to be taken pursuant hereto or thereto;

(h) no Default has occurred and is continuing under the Note and/or the Loan Documents; and

(i) Borrower further represents and warrants to Noteholder that Borrower is not, and none of the principals, affiliates or, to Borrower's knowledge, other persons holding direct or indirect interests in Borrower are "**Non-Qualified Persons**" or "**Embargoed Persons**" as those terms are more particularly defined on **Exhibit "B"** attached hereto and made a part hereof.

7. **REIT's and Rexford LP's Representation and Warranties** To induce the Noteholder to enter into this Agreement, each of the REIT and Rexford LP hereby represents and warrants to the Noteholder that:

(a) Such entity is or on the Effective Date will be validly existing under the laws of the state of its organization and has full power and authority to enter into this Agreement, to execute and deliver all documents and instruments required hereunder, and to incur and perform the obligations provided for herein and therein, and to perform and carry out the terms of the Loan Documents to which it is a party, all of which have been duly authorized by all necessary entity action of such party, and no consent or approval of any third party (other than the Noteholder, whose consent and approval is given pursuant to the terms of this Agreement) is required as a condition to the validity or enforceability hereof or thereof;

(b) After giving effect to the Mergers and the IPO, the financial position of such party shall not be materially and adversely different from that reflected in the proforma financial statements most recently provided to Noteholder;

(c) [intentionally omitted];

(d) this Agreement has been duly executed and delivered by such party;

(e) this Agreement will constitute the valid and legally binding obligation of Rexford LP, enforceable against the Rexford LP in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and equitable principles relating to or limiting creditors' rights generally;

(f) the execution, delivery and performance by such party of this Agreement will not violate (i) any provision of law or any order, rule or regulation of any court or governmental authority, or (ii) any instrument, contract, agreement, indenture, mortgage, deed of trust or other material document or obligation to which such party is a party or by which such party, or any of such party's property, is bound;

(g) there is no action, suit, proceeding or investigation pending or, to such party's knowledge, threatened that challenges the validity or enforceability of this Agreement or any of the Loan Documents to which it is a party, or any action required to be taken pursuant hereto or thereto;

(h) no Default has occurred and is continuing under the Note and/or the Loan Documents; and

(i) such party is not, and none of the principals, affiliates or, to such party's knowledge, persons holding direct or indirect interests in such party are "**Non-Qualified Persons**" or "**Embargoed Persons**" as those terms are more particularly defined on **Exhibit "B"** attached hereto and made a part hereof.

8. **Amendments to Loan Documents**. From and after the Effective Date, the Loan Documents are amended as follows:

The Deed of Trust

The following new definitions shall be added:

"Affiliate" shall mean any Person that, directly or indirectly (including through one or more intermediaries), Controls, is Controlled by or is under common Control with the Operating Partnership.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise.

"Operating Partnership" shall mean Rexford Industrial Realty, L.P., a Maryland limited partnership.

"Person" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity."

"REIT" shall mean Rexford Industrial Realty, Inc., a Maryland corporation.

Add to the following to the end of the definition of "Restricted Party":

"… provided, however, that the term 'Restricted Party' shall not include any limited partner of the Operating Partnership or any holder of securities of the REIT, or any Person owning direct or indirect interests in or through such limited partners of the Operating Partnership or such holders of securities of the REIT."

**Section 6.15(c)(ii) Permitted Equity Transfers**

Delete provision added at the end of Section 6.15(c)(ii) pursuant to Section 22 of the Assumption Agreement.

Add the following after subsection (D) that was added to Section 6.15(c)(ii) pursuant to Section 8(b) of the Assumption Agreement:

"(E) Transfers of direct or indirect interests in Borrower to the Operating Partnership and any Affiliate, provided that the REIT shall continue to Control the Operating Partnership and Borrower; (F) issuances and Transfers of securities, options, warrants or other interests in the REIT, whether directly or indirectly; (G) issuances and Transfers of partnership interests and other interests in the Operating Partnership (including, without limitation, the adjustment of partnership units held by partners in the Operating Partnership to reflect redemptions pertaining to the limited partner interests in the Operating Partnership), whether directly or indirectly, provided that the REIT shall continue to Control the Operating Partnership; and (H) a merger, consolidation or

exchange of securities to which the REIT or the Operating Partnership is a party, as applicable, provided that the surviving entity shall be the REIT or the Operating Partnership, as applicable, and that the REIT shall continue to Control the Operating Partnership and Borrower."

**Section 7.1(a) Optional Default**

Delete Section 7.1(a)(vi)

9. **Management**. Noteholder acknowledges and approves, effective as of the closing date (and conditioned upon the closing) of the Transaction, (i) the termination of that certain Property Management Agreement dated as of August 11, 2011 by and between Borrower and Rexford Industrial Realty and Management, Inc., a California corporation, and (ii) Rexford LP or any wholly-owned subsidiary thereof as the new property manager. The form and substance of the new property management agreement shall be subject to Noteholder's prior reasonable approval.

10. **Releases, Covenants Not to Litigate, and Assignments**. For the period from the inception of the Loan to and including the Effective Date, and in consideration for Noteholder's consent given herein, Borrower, the REIT and Rexford LP (Borrower, the REIT and Rexford LP are sometimes collectively referred to as "**Releasing Parties**") hereby:

(a) fully and finally acquit, quitclaim, release and discharge each of the Released Parties (the term "**Released Parties**" shall be defined as Original Lender, Noteholder, and Wells Fargo, and their respective officers, directors, shareholders, representatives, employees, servicers, agents and attorneys) of and from any and all obligations, claims, liabilities, damages, demands, debts, liens, deficiencies or cause or causes of action (including claims and causes of action for usury), to, of or for the benefit (whether directly or indirectly) of the Releasing Parties, or any or all of them, at law or in equity, known or unknown, contingent or otherwise, whether asserted or unasserted, whether now known or hereafter discovered, whether statutory, in contract or in tort, as well as any other kind or character of action now held, owned or possessed (whether directly or indirectly) by the Releasing Parties or any or all of them on account of, arising out of, related to or concerning, whether directly or indirectly, proximately or remotely (x) the Note or any of the Loan Documents, or (y) this Agreement (except for the extent of the Released Parties obligations under this Agreement);

(b) waives any and all defenses to payment of the Note for any reason; and

(c) waives any and all defenses, counterclaims or offsets to the Loan Documents ((i), (ii), and (iii) above are collectively referred to as the "**Released Claims**").

11. **Conditions**. It shall be a condition to the effectiveness of this Agreement that on or before the Effective Date, Noteholder shall have approved and be in receipt of:

(a) executed and filed organizational documents of Rexford LP and the REIT;

(b) the final, fully-executed merger agreement by and between Rexford Fund and Rexford LP, and the final, fully-executed merger agreement by and between Rexford Fund V REIT and the REIT;

(c) [intentionally omitted];

(d) confirmation that Borrower's insurance policies (and insurance carriers) comply with any applicable requirements in the Loan Documents, including, without limitation, amounts and types of insurance, loss payee and applicable insurance certificates;

(e) a preliminary title report;

(f) a new title insurance policy or title insurance policy update and endorsements;

(g) property management contract between Borrower, as owner, and Rexford LP, as manager, and assignment thereof to Noteholder;

(h) an opinion of counsel, satisfactory to Noteholder as to form, substance and rendering attorney, opining to the validity and enforceability of this Agreement and the terms and provisions hereof, and any other Loan Documents contemplated hereby, the due execution and authority of Borrower, Rexford LP and the REIT, to execute and deliver this Agreement and perform their obligations under the Note and other Loan Documents, corporate and such other matters as reasonably requested by Noteholder;

(i) all credit, litigation, anti-terrorism, anti-money laundering and other searches, as Noteholder may require;

(j) certification from (i) Borrower certifying, among other things reasonably requested by Noteholder, that the current financial position of Borrower has not materially and adversely changed from that reflected in the financial statements most recently provided to Noteholder, and (ii) the REIT certifying, among other things reasonably requested by Noteholder, that after giving effect to the Mergers and the IPO, the financial position of the REIT and its consolidated subsidiaries shall not be materially and adversely different from that reflected in the proforma financial statements most recently provided to Noteholder;

(k) Borrower shall have paid Noteholder all fees and all costs and expenses of Noteholder relative to this Agreement and the other Loan Documents and/or other documents executed pursuant hereto and any and all amendments, modifications and supplements thereto, and

(l) Borrower, the REIT and Rexford LP shall execute and/or deliver to Noteholder such other documents as Noteholder shall reasonably request.

12. **Counterparts.** It is understood and agreed that this Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. It is understood and agreed that photostatic, facsimile or .pdf signatures of the original signatures of this Agreement, and/or photostatic, facsimile or ..pdf copies of this Agreement fully executed, shall be deemed an original for all purposes. Any parties submitting a facsimile or .pdf signature shall be estopped from denying that an original signature was required, and such parties hereby agree to provide original signatures upon demand by the other parties. The parties hereto waive the "best evidence" rule or any similar law or rule in any proceeding in which this Agreement shall be presented as evidence.

13. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. **APPLICABLE LAW**. **THIS CONSENT AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE WHICH THE LOAN DOCUMENTS PROVIDE THAT THE LOAN DOCUMENTS ARE TO BE GOVERNED BY AND CONSTRUED WITH.**

[**SIGNATURE PAGES FOLLOW**]

**IN WITNESS WHEREOF,** the parties have caused this instrument to be signed and sealed the day and year first above written.

**NOTEHOLDER:**

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE, SUCCESSOR-IN-INTEREST TO BANK OF AMERICA, N. A., AS TRUSTEE, SUCCESSOR BY MERGER TO LASALLE BANK, NATIONAL ASSOCIATION, AS TRUSTEE FOR MORGAN STANLEY CAPITAL I INC., COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2005-TOP17

By: Wells Fargo Bank, National Association, as Master Servicer under the Pooling and Servicing Agreement dated as of January 1, 2005, among Morgan Stanley Capital I Inc., Wells Fargo Bank, National Association,C-III Asset Management (f/k/a Centerline Servicing, Inc.), Bank of America, National Association, as successor by merger to LaSalle Bank, National Association, Wells Fargo Bank, National Association, and ABN AMRO Bank N.V.

By: _____
Name: _____
Title: _____

THE UNDERSIGNED HEREBY CONSENTS TO THE TRANSACTION DESCRIBED HEREIN.

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., a Delaware corporation

By: _____
Name: _____
Title: Assistant Secretary

**BORROWER**:

RIF V—JERSEY, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

[Signature page to Consent Agreement]

**REIT**:

REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation

By: _____
Name: _____
Title: _____

**REXFORD LP**:

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

By: Rexford Industrial Realty, Inc.,
a Maryland corporation,
its general partner

By: _____
Name: _____
_____
Title: _____
_____

[Signature page to Consent Agreement]

**ACKNOWLEDGMENT FOR NOTEHOLDER**

STATE OF CALIFORNIA )
)
COUNTY OF ALAMEDA )

On , 2013, before me, , the undersigned Notary Public in and for said County and State, personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity(ies), and that by his/her signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

My Commission Expires:

**ACKNOWLEDGMENT OF MERS**

STATE OF CALIFORNIA )
)
COUNTY OF ALAMEDA )

On , 2013, before me, , the undersigned Notary Public in and for said County and State, personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity(ies), and that by his/her signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

My Commission Expires:

**ACKNOWLEDGMENT FOR BORROWER**

STATE OF _____ )
) ss
COUNTY OF _____ )

On , 2013 before me, , the undersigned Notary Public in and for said County and State, personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public

My Commission Expires:

**ACKNOWLEDGMENT FOR REIT**

STATE OF _____ )
) ss
COUNTY OF _____ )

On , 2013 before me, , the undersigned Notary Public in and for said County and State, personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

My Commission Expires:

**ACKNOWLEDGMENT FOR REXFORD LP**

STATE OF _____ )
) ss
COUNTY OF _____ )

On , 2013 before me, , the undersigned Notary Public in and for said County and State, personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

My Commission Expires:

**EXHIBIT A**

To

Consent and Assumption Agreement

1. Promissory Note Secured by Security Instrument, dated as of November 29, 2004, in the original principal amount of $6,000,000.00 from Original Borrower payable to the order of Original Lender (the "**Note**").

2. Deed of Trust, Absolute Assignment of Rents and Leases and Security Agreement (and Fixture Filing), dated as of November 29, 2004 (the "**Deed of Trust**"), executed by Original Borrower to MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., a Delaware corporation ("**MERS**") as Beneficiary and nominee for Original Lender, which was recorded in the Official Records of the San Bernardino County Recorder, State of California (the "**Official Records**") on December 10, 2004 as Document Number 2004-911545, covering the property commonly known as 10700 Jersey Boulevard, Rancho Cucamonga, CA 91730 and more particularly described in the Deed of Trust (collectively, the "**Property**").

3. Assumption Agreement (the "**Assumption Agreement**"), dated as of November 8, 2011, by and between Original Borrower, Borrower, Guarantor and Noteholder.

4. Memorandum of Assumption Agreement (the "**Memorandum of Assumption**") dated as of November 8, 2011, by and between Original Borrower, Borrower, Guarantor and Noteholder and recorded November 9, 2011, as Document Number 2011-0465795, with the Official Records.

5. Financing Statement from Borrower in favor of Noteholder which was filed with the Delaware Secretary of State on November 9, 2011 as Initial Filing Number 20114328970.

6. Limited Guaranty (the "**Existing Guaranty**"), dated as of November 8, 2011, executed by the Existing Guarantor in favor of Noteholder.

7. Assignment of Management Contracts (the "**Assignment of Contracts**") dated as of November 8, 2011, executed by Borrower in favor of Noteholder.

WELLS FARGO

## PROMISSORY NOTE SECURED BY SECURITY INSTRUMENT

$6,000,000 — Loan No. 31-0901787

San Francisco, California

MERS MIN No 800010100000005354 — November 29, 2004

1. **PROMISE TO PAY** For value received, the undersigned JERSEY BUSINESS PARK, a California general partnership ("Borrower"), promise(s) to pay to the order of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender"), 1320 Willow Pass Road, Suite 205, Concord, California 94520, or at such other place as may be designated in writing by Lender, the principal sum of SIX MILLION AND NO/100THS DOLLARS ($6,000,000) ("Loan"), with interest thereon as specified herein. All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds, without offset, deduction or counterclaim of any kind.

2. **SECURED BY SECURITY INSTRUMENT.** This Note is secured by, among other things, that Deed of Trust and Absolute Assignment of Rents and Leases and Security Agreement (and Fixture Filing) ("Security Instrument") of even date herewith given by Borrower for the benefit of Mortgage Electronic Registration Systems, Inc. a Delaware corporation, identifying this Note as an obligation secured thereby and encumbering certain real property described therein ("Property").

3 **DEFINITIONS.** For the purposes of this Note, the following terms shall have the following meanings:

"30/360 Basis" means on the basis of a 360-day year consisting of 12 months of 30 days each.

"Actual/360 Basis" means on the basis of a 360-day year and charged on the basis of actual days elapsed for any whole or partial month in which interest is being calculated.

"Amortization Period" means 30 years.

"Business Day" means any day other than a Saturday, Sunday, legal holiday or other day on which commercial banks in California are authorized or required by law to close. All references in this Note to a "day" or a "date" shall be to a calendar day unless specifically referenced as a Business Day.

"Code" means the Internal Revenue Code of 1986, as amended to date and as further amended from time to time, or any successor statutes thereto, together with applicable regulations issued pursuant thereto in temporary or final form.

"Collateral" shall have the meaning stated in the Security Instrument

"Default" shall have the meaning stated in the Security Instrument.

"Default Rate" means the lesser of (a) a fixed annual rate equal to 5% plus the Note Rate and (b) the maximum rate of interest permitted by applicable law.

"Defeasance" means the Borrower's substitution of Collateral and Lender's release of the lien of the Security Instrument upon satisfaction of all of the terms and conditions of Section 12. A Defeasance may be either a Full Defeasance or a Partial Defeasance.

"Defeasance Collateral" means obligations or securities, not subject to prepayment, call or early redemption, each of which qualifies as a "Government security" as defined in Section 2(a)(16) of the Investment Company Act of 1940, as

amended (15 U.S.C. §80a-1 et seq.), together with all revenues and proceeds of such obligations or securities.

"Defeasance Date" means the date upon which the Defeasance is completed.

"Defeasance Option End Date" means September 30, 2014.

"Defeasance Option Period" means the period from and including the Defeasance Option Start Date to and including the Defeasance Option End Date.

"Defeasance Option Start Date" means the later of (a) the twenty-fifth Due Date following the Startup Day of any REMIC which holds this Note on the Defeasance Date and (b) January 1, 2008.

"Defeasance Property" means any Individual Property or Properties that are released from the lien of the Security Instrument as a result of a Partial Defeasance.

"Defeasance Security Agreements" means a pledge and security agreement and an account control agreement, each in form and substance customary in commercial mortgage defeasance transactions and, in case of Partial Defeasance, the New Note.

"Disbursement Date" means the date upon which the Loan proceeds are funded by Lender into escrow in connection with the closing of the Loan.

"Due Date" means the first day of each calendar month during the period commencing on the First Due Date and ending on December 1, 2014.

"Effective Date" means the earlier of (a) the date the Security Instrument is recorded in the real property records of the jurisdiction where the Property is located and (b) the date Lender authorizes the Loan proceeds to be released to Borrower.

"First Due Date" means January 1, 2005

"First P & I Due Date" means February 1, 2005

"Loan Documents" means the documents identified as such in Exhibit B

"Maturity Date" means January 1, 2015.

"Note Rate" means a fixed annual rate of 5.45%

"Open Period Start Date" means October 1, 2014.

"P & I Payment Amount" means $33,879.35, based on the Note Rate and the Amortization Period.

"Prepayment Lockout End Date" means September 30, 2014.

"Prepayment Lockout Period" means the period from and including the Effective Date to and including the Prepayment Lockout End Date.

"Rating Agencies" means Fitch, Inc , Moody's Investors Service, Inc., Standard & Poor's Rating Services and any other nationally-recognized statistical rating organization that, in connection with the securitization of the Loan by a REMIC maintains a rating, on the Defeasance Date, of the securities issued by the REMIC

"REMIC" means a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code.

"Startup Day" means the "startup day" within the meaning of Section 860G(a)(9) of the Code.

"Successor Borrower" means an entity designated by Lender whose sole purpose is to own the Defeasance Collateral delivered by Borrower under Section 12 and assume Borrower's obligations with respect to the Loan either alone, or together with the Defeasance Collateral for other, previously defeased loans or portions of loans assumed by Successor Borrower which are also held by the REMIC that holds this Note. Successor Borrower shall, in either case, be restricted from taking actions that could result in its bankruptcy or dissolution.

4. **INTEREST; PAYMENTS.**

4.1 Interest Accrual Interest on the outstanding principal balance of this Note shall accrue from the Disbursement Date at the Note Rate calculated on an Actual/360 Basis.

4.2 Payments. Monthly payments, each in the P&I Payment Amount, shall commence on the First P&I Due Date and continue on each Due Date thereafter. In addition, if the Disbursement Date is not the first day of a calendar month, an interest-only payment shall be due on the First Due Date Borrower acknowledges that the P&I Payment Amount was determined using a 30/360 Basis despite the fact that interest on this Note accrues on an Actual /360 Basis On the Maturity Date, all unpaid principal and accrued but unpaid interest shall be due and owing in full All interest shall be paid in arrears. Except as otherwise specifically provided in this Note or the other Loan Documents, all payments and deposits due under this Note or the other Loan Documents shall be made to Lender not later than 12:00 noon, California time, on the day on which such payment or deposit is due. Any funds received by Lender after such time shall, for all purposes, be deemed to have been received on the next succeeding Business Day.

4.3 Acknowledgments Borrower acknowledges that interest calculated on an Actual/360 Basis exceeds interest calculated on a 30/360 Basis and, therefore: (a) a greater portion of each monthly installment of principal and interest will be applied to interest using the Actual/360 Basis than would be the case if interest accrued on a 30/360 Basis, and (b) the unpaid principal balance of this Note on the Maturity Date will be greater using the Actual/360 Basis than would be the case if interest accrued on a 30/360 Basis

4.4 Application of Payments. In the absence of a specific determination by Lender to the contrary, all payments paid by Borrower to Lender in connection with the obligations of Borrower under this Note and under the other Loan Documents shall be applied in the following order of priority: (a) to amounts, other than principal and interest, due to Lender pursuant to this Note or the other Loan Documents; (b) to accrued but unpaid interest on this Note; and (c) to the unpaid principal balance of this Note. Borrower irrevocably waives the right to direct the application of any payments at any time received by Lender from or on behalf of Borrower, and Borrower agrees that Lender shall have the continuing exclusive right to apply any such payments to the then due and owing obligations of Borrower in such order of priority as Lender may deem advisable

5 **LATE CHARGE; DEFAULT RATE.**

5.1 **Late Charge.** If all or any portion of any payment (including, without limitation, any payment of any interest, P & I Payment amount, impound or other deposit) required hereunder (other than the payment due on the Maturity Date) is not paid or deposited on or before the fourth day following the day on which the payment is due Borrower shall pay a late or collection charge, as liquidated damages, equal to 5% of the amount of such unpaid payment If all or any portion of the payment due on the Maturity Date is paid after the Maturity Date and on a date which is not the first day of a calendar month, Borrower shall pay a late or collection charge, as liquidated damages, equal to the interest which would have accrued on such amount during the period commencing on the date payment of such amount is actually made and ending on the last day of the calendar month in which payment of such amount is actually made. Borrower acknowledges that Lender will incur additional expenses as a result of any late payments or deposits hereunder, which expenses would be impracticable to quantify, and that Borrower's payments under this Section 5.1 are a reasonable estimate of such expenses.

5.2 **Default Rate** Commencing upon a Default and continuing until such Default shall have been cured by Borrower, all sums owing on this Note shall bear interest until paid in full at the Default Rate

6. **MAXIMUM RATE PERMITTED BY LAW.** Neither this Note nor the other Loan Documents shall be construed to require the payment or permit the collection of any interest or any late payment charge in excess of the maximum rate

permitted by law. If any such excess interest or late payment charge is provided for under this Note or any of the other Loan Documents or if this Note or any of the other Loan Documents shall be adjudicated to provide for such excess, Borrower shall not be obligated to pay such excess notwithstanding any other provision of the Loan Documents. If Lender shall collect amounts which are deemed to constitute interest and which would increase the effective interest rate to a rate in excess of the maximum rate permitted by law, all such amounts deemed to constitute interest in excess of the maximum legal rate shall, upon such determination, at the option of Lender, be returned to Borrower or credited against the outstanding principal balance of this Note.

7 **ACCELERATION** If (a) Borrower shall fail to pay when due any sums payable under this Note; (b) any other Default shall occur; or (c) any other event or condition shall occur which, under the terms of the Security Instrument or any other Loan Document, gives rise to a right of acceleration of sums owing under this Note, then Lender, at its sole option, shall have the right to declare all sums owing under this Note immediately due and payable; provided, however, that if the Security Instrument or any other Loan Document provides for the automatic acceleration of payment of sums owing under this Note, all sums owing under this Note shall be automatically due and payable in accordance with the terms of the Security Instrument or such other Loan Document.

8 **BORROWER'S LIABILITY.**

8.1 **Limitation**. Except as otherwise provided in this Section 8, Lender's recovery against Borrower under this Note and the other Loan Documents shall be limited solely to the Property and the Collateral.

8.2 **Exceptions**. Nothing contained in Section 8.1 or elsewhere in this Note or the other Loan Documents, however, shall limit in any way the personal liability of Borrower owed to Lender (a) for any losses or damages incurred by Lender (including, without limitation, any impairment of Lender's security for the Loan) with respect to any of the following matters: (i) fraud or willful misrepresentation; (ii) material physical waste of the Property or the Collateral; (iii) failure to pay property or other taxes, assessments or charges (other than amounts paid to Lender for taxes, assessments or charges pursuant to Impounds as defined in Exhibit A and where Lender elects not to apply such funds toward payment of the taxes, assessments or charges owed) which may create liens senior to the lien of the Security Instrument on all or any portion of the Property, (iv) failure to deliver any insurance or condemnation proceeds or awards or any security deposits received by Borrower to Lender or to otherwise apply such sums as required under the terms of the Loan Documents or any other instrument now or hereafter securing this Note, (v) failure to apply any rents, royalties, accounts, revenues, income, issues, profits and other benefits from the Property which are collected or received by Borrower during the period of any Default or after acceleration of the indebtedness and other sums owing under the Loan Documents to the payment of either (A) such indebtedness or other sums or (B) the normal and necessary operating expenses of the Property; or (vi) any breach by Borrower of any covenant in this Note or in the Security Instrument regarding Hazardous Materials (as defined in the Security Instrument) or any representation or warranty of Borrower regarding Hazardous Materials proving to have been untrue when made; (b) in the event the Property or the Collateral shall become an asset in (i) a voluntary bankruptcy or insolvency proceeding or (ii) an involuntary bankruptcy or insolvency proceeding (other than one filed by Lender) which is not dismissed within 90 days of filing; or (c) if a Default shall occur because of a Prohibited Property Transfer (as defined in the Security Instrument) or a Prohibited Equity Transfer (as defined in the Security Instrument).

8.3 **No Release or Impairment** Nothing contained in Section 8.1 shall be deemed to release, affect or impair the indebtedness evidenced by this Note or the obligations of Borrower under, or the liens and security interests created by the Loan Documents, or Lender's rights to enforce its remedies under this Note and the other Loan Documents, including, without limitation, the right to pursue any remedy for injunctive or other equitable relief, or any suit or action in connection with the preservation, enforcement or foreclosure of the liens, mortgages, assignments and security interests which are now or at any time hereafter secure for the payment or performance of any all obligations under this Note or the other Loan Documents.

8.4 **Prevail and Control**. The provisions of this Section 8 shall prevail and control over any contrary provisions elsewhere in this Note or the other Loan Documents.

9 **NON-TRUSTOR BORROWER**. If any Borrower is not also a Trustor (as defined in the Security Instrument), such person or entity hereby makes all representations and warranties contained in Article 5 of the Security Instrument, all covenants contained in Section 6.15 of the Security Instrument, and all indemnities contained in Section 6.19 of the

Security Instrument, jointly and severally with the Trustor, to and for the benefit of Beneficiary and Beneficiary Group (both as defined in the Security Instrument).

10 **MISCELLANEOUS.**

10.1 **Joint and Several Liability** If this Note is executed by more than one person or entity as Borrower, the obligations of each such person or entity shall be joint and several No person or entity shall be a mere accommodation maker, but each shall be primarily and directly liable hereunder

10 2 **Waiver of Presentment** Except as otherwise provided in any other Loan Document, Borrower hereby waives presentment, demand, notice of dishonor, notice of default or delinquency, notice of intent to accelerate, notice of acceleration, notice of nonpayment, notice of costs, expenses or losses and interest thereon, and notice of interest on interest and late charges.

10 3 **Delay In Enforcement**. No previous waiver or failure or delay by Lender in acting with respect to the terms of this Note or the Security Instrument shall constitute a waiver of any breach, default or failure of condition under this Note, the Security Instrument or the obligations secured thereby. A waiver of any term of this Note, the Security Instrument or of any of the obligations secured thereby must be made in writing signed by Lender, shall be limited to the express terms of such waiver, and shall not constitute a waiver of any subsequent obligation of Borrower. The acceptance at any time by Lender of any past-due amount shall not be deemed to be a waiver of the right to require prompt payment when due of any other amounts then or thereafter due and payable.

10.4 **Time of the Essence**. Time is of the essence with respect to every provision hereof.

10.5 **Governing Law**. This Note was accepted by Lender in the state of California and the proceeds of this Note were disbursed from the state of California, which state the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby. Accordingly, in all respects, including, without limiting the generality of the foregoing, matters of construction, validity, enforceability and performance, this Note, the Security Instrument and the other Loan Documents and the obligations arising hereunder and thereunder shall be governed by, and construed in accordance with, the laws of the state of California applicable to contracts made and performed in such state and any applicable law of the United States of America, except that at all times the provisions for the enforcement of the liens, assignments and security interests in and to the Property and related remedies granted Lender, including but not limited to foreclosure or exercise of Lender's STATUTORY POWER OF SALE or other POWER OF SALE (as permitted by law granted under the Security Instrument securing this Note and the creation, perfection and enforcement of the security interests created pursuant thereto and pursuant to the other Loan Documents shall be governed by and construed according to the law of the state where the Property is located. Except as provided in the immediately preceding sentence, Borrower hereby unconditionally and irrevocably waives, to the fullest extent permitted by law, any claim to assert that the law of any jurisdiction other than California governs the Security Instrument, this Note and the other Loan Documents

10.6 **Consent to Jurisdiction** Borrower irrevocably submits to the jurisdiction of (a) any state or federal court sitting in the state of California over any suit, action, or proceeding, brought by Borrower against Lender, arising out of or relating to this Note or the Loan evidenced hereby; (b) any state or federal court sitting in the state where the Property is located or the state in which Borrower's principal place of business is located over any suit, action or proceeding, brought by Lender against Borrower, arising out of or relating to this Note or the Loan evidenced hereby, and (c) any state court sitting in the state where the Property is located over any suit, action, or proceeding, brought by Lender to enforce the liens, assignments and security interests in and to the Property and related remedies granted Lender, including but not limited to foreclosure or exercise of Lender's STATUTORY POWER OF SALE or other POWER OF SALE (as permitted by law) under the Security Instrument or any action brought by the Lender to enforce its rights with respect to the Collateral. Borrower irrevocably waives, to the fullest extent permitted by law, any objection that Borrower may now or hereafter have to the laying of venue of any such suit, action, or proceeding brought in any such court and any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum

10.7 **Counterparts**. This Note may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which taken together shall be deemed to be one and the same Note.

10 8 **Heirs, Successors and Assigns**. All of the terms, covenants, conditions and indemnities contained in this Note and the other Loan Documents shall be binding upon the heirs, successors and assigns of Borrower and shall inure to the benefit of the successors and assigns of Lender. The foregoing sentence shall not be construed to permit Borrower to assign the Loan except as otherwise permitted in this Note or the other Loan Documents.

10 9 **Severability**. If any term of this Note, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

10.10 **Consents and Approvals**. Wherever Lender's consent, approval, acceptance or satisfaction is required under any provision of this Note or any of the other Loan Documents, such consent, approval, acceptance or satisfaction shall not be unreasonably withheld, conditioned or delayed by Lender unless such provision expressly so provides.

10.11 **Commercial Loan.** Borrower warrants that the Loan evidenced by this Note is being made solely to acquire or carry on a business or commercial enterprise, and/or Borrower is a business or commercial organization. Borrower further warrants that all of the proceeds of this Note shall be used for commercial purposes and stipulates that the Loan evidenced by this Note shall be construed for all purposes as a commercial loan, and is made for other than personal, family or household purposes.

10 12 **Notices**. All notices and other communications that are required or permitted to be given to a party under this Note shall be in writing and shall be sent to such party, either by personal delivery, by overnight delivery service, by certified first class mail, return receipt requested, or by facsimile transmission to the address or facsimile number below All such notices and communications shall be effective upon receipt of such delivery or facsimile transmission. The addresses and facsimile numbers of the parties shall be

Borrower:

JERSEY BUSINESS PARK
10700 Jersey Boulevard, Suite 610,
Rancho Cucmonga, CA 91730

Fax: 949-679-8502

Lender:

Wells Fargo Bank, National Association
1320 Willow Pass Road, Suite 205
Concord, CA 94520
Loan No. 31-0901787
FAX No.. (925) 691-5947

10.13 Exhibits A and B attached hereto are incorporated herein by this reference.

11. **PREPAYMENT - DEFEASANCE ONLY**. Borrower acknowledges that any prepayment of this Note will cause Lender to lose its interest rate yield on this Note and will possibly require that Lender reinvest any such prepayment amount in loans of a lesser interest rate yield (including, without limitation, in debt obligations other than first mortgage loans on commercial properties). As a consequence, Borrower agrees as follows, as an integral part of the consideration for Lender's making the Loan:

11.1 **Voluntary Prepayment.** Any voluntary prepayment of this Note: (a) is prohibited during the Prepayment Lockout Period, and (b) is permitted in full only, and not in part

11 2 **Prepayment Charge.**

a **Basic Charge**. Except as provided below, if this Note is prepaid prior to the Open Period, whether such prepayment is involuntary or upon acceleration of the principal amount of this Note by Lender following a Default, Borrower shall pay to Lender on the prepayment date (in addition to all other sums then due and owing to Lender under the Loan Documents) a prepayment charge equal to the greater of the

following two amounts: (i) an amount equal to 1% of the amount prepaid; or (ii) an amount equal to (A) the amount, if any, by which the sum of the present values as of the prepayment date of all unpaid principal and interest payments required under this Note, calculated by discounting such payments from their respective Due Dates (or, with respect to the payment required on the Maturity Date, from the Maturity Date) back to the prepayment date at a discount rate equal to the Periodic Treasury Yield (defined below) exceeds the outstanding principal balance of the Loan as of the prepayment date, multiplied by (B) a fraction whose numerator is the amount prepaid and whose denominator is the outstanding principal balance of the Loan as of the prepayment date. For purposes of the foregoing, "Periodic Treasury Yield" means (iii) the annual yield to maturity of the actively traded non-callable United States Treasury fixed interest rate security (other than any such security which can be surrendered at the option of the holder at face value in payment of federal estate tax or which was issued at a substantial discount) that has a maturity closest to (whether before, on or after) the Maturity Date (or if two or more such securities have maturity dates equally close to the Maturity Date, the average annual yield to maturity of all such securities), as reported in The Wall Street Journal or other authoritative publication or news retrieval service on the fifth Business Day preceding the prepayment date, divided by (iv) 12, if the Due Dates are monthly, or 4, if the scheduled Due Dates are quarterly.

b. **Additional Charge.** If this Note is prepaid on any day other than a Due Date, whether such prepayment is voluntary, involuntary or upon full acceleration of the principal amount of this Note by Lender following a Default, Borrower shall pay to Lender on the prepayment date (in addition to the basic prepayment charge described in Section 11.2 a above and all other sums then due and owing to Lender under this Note and the other Loan Documents) an additional prepayment charge equal to the interest which would otherwise have accrued on the amount prepaid (had such prepayment not occurred) during the period from and including the prepayment date to and including the last day of the calendar month in which the prepayment occurred

c. **Exclusion**. Notwithstanding the foregoing, no prepayment charge of any kind shall apply in respect to any prepayment resulting from Lender's application of any insurance proceeds or condemnation awards to the outstanding principal balance of the Loan.

11.3 **Effect of Prepayment.** No partial prepayment of this Note shall change any Due Date or the P&I Payment Amount, unless Lender otherwise agrees in writing.

11.4 **Waiver. Borrower waives any right to prepay this Note except under the terms and conditions set forth in this Section 11 and agrees that if this Note is prepaid, Borrower shall pay the prepayment charge set forth above. Borrower hereby acknowledges that: (a) the inclusion of this waiver of prepayment rights and agreement to pay the prepayment charge for the right to prepay this Note was separately negotiated with Lender; (b) the economic value of the various elements of this waiver and agreement was discussed; (c) the consideration given by Borrower for the Loan was adjusted to reflect the specific waiver and agreement negotiated between Borrower and Lender and contained herein; and (d) this waiver is intended to comply with California Civil Code Section 2954.10**

Borrower's Initials JTR

Borrower's Initials

12. **DEFEASANCE-FULL.**

12.1 **Borrower Right to Defease**. At any time during the Defeasance Option Period, Borrower may elect to effect a Defeasance in accordance with the provisions of this Section 12, at Borrower's sole cost and expense

12 2 **Conditions**. Borrower shall only have the right to cause a Defeasance if all of the following conditions have been satisfied.

a. **Notice** Borrower shall give at least 60 days but not more than 90 days written notice to Lender specifying the Borrower's intended Defeasance Date Simultaneously with the delivery of such notice, Borrower shall deposit with Lender an amount estimated by Lender to be sufficient to reimburse

Lender's anticipated expenses in connection with the Defeasance, for which Borrower shall be solely responsible whether or not the Defeasance shall be completed. If any such notice shall have been given by Borrower, Borrower shall be obligated to complete the Defeasance on the Defeasance Date, unless such notice is revoked in writing by Borrower prior to the Defeasance Date. Upon completion of the Defeasance or revocation by Borrower as specified above, Lender shall return any surplus deposit to Borrower;

b. **No Default.** No Default shall exist or would exist with notice or passage of time, or both, either on the date of receipt of Borrower's notice under Section 12.2.a above or on the Defeasance Date;

c. **Payments.** Borrower shall pay in full, on or before the Defeasance Date (i) all unpaid interest accruing under this Note to and including the Defeasance Date (or otherwise cause Successor Borrower to assume liability for such interest), (ii) all other sums due under this Note and the other Loan Documents on or before the Defeasance Date, (iii) all escrow, closing, recording, legal, appraisal, Rating Agency and other fees, costs and expenses paid or incurred by Lender or its agents in connection with the Defeasance, the release of the lien of the Security Instrument on the Property, the review of the proposed Defeasance Collateral and the preparation of the Defeasance Security Agreements and related documentation, (iv) a defeasance fee to Lender of 1.00% of the outstanding principle balance of the Loan as of the Defeasance Date, (v) any revenue, documentary stamp, intangible or other taxes, charges or fees due in connection with the transfer or assumption of this Note or the Defeasance;

d. **Deliveries.** Borrower shall, at Borrower's sole cost and expense, deliver the following items to Lender on or before the Defeasance Date:

(i) The Defeasance Collateral, as substitute collateral for the Loan, provided however the principal and interest payments under the Defeasance Collateral (without regard to earnings from reinvestment of proceeds) must be, in timing and amounts, sufficient to provide for payment prior, but as close as possible, to (A) all Due Dates occurring after the Defeasance Date, (with each such payment being equal to or greater than the amount of the corresponding P & I Payment Amount) and (B) the Maturity Date (with such payment being equal to or greater than the amount of the principal and interest payment due on the Maturity Date); and provided further, however, that Borrower shall take such actions, enter such agreements and issue such orders or directions (including those specified below), as are necessary or appropriate and in accordance with customary commercial standards to effectuate book-entry transfers and pledges through the book-entry facilities of the institution holding the Defeasance Collateral or otherwise to create and perfect a valid, enforceable, first priority security interest in the Defeasance Collateral in favor of Lender;

(ii) The Defeasance Security Agreements creating, attaching and perfecting a first priority security interest in favor of Lender in the Defeasance Collateral under the law of the jurisdiction selected by Lender, which agreements shall provide, among other things, that all payments generated by the Defeasance Collateral shall be paid directly to Lender and applied by Lender to amounts then due and payable under this Note;

(iii) A certificate of Borrower certifying that all of the requirements of this Section 12 have been satisfied;

(iv) Opinions of counsel for Borrower, addressed to Lender and all Rating Agencies and delivered by counsel satisfactory to Lender, subject only to customary assumptions, qualifications and exceptions, stating, among other things, that (A) Lender has a perfected first priority security interest in the Defeasance Collateral, (B) the Defeasance Security Agreements are enforceable against Borrower in accordance with their terms and (C) any REMIC that holds this Note immediately prior to the Defeasance Date will not, as a result of the Defeasance, fail to maintain its status as a REMIC;

(v) A certificate, addressed to Lender and all Rating Agencies, from a firm of independent certified public accountants acceptable to Lender, subject only to customary assumptions, qualifications

and exceptions, certifying that the Defeasance Collateral satisfies the requirements of Section 12.2 d. (i) above and certifying that in no fiscal year of Successor Borrower will the interest earned on the Defeasance Collateral exceed the interest payable for the same period on the Loan under this Note,

(vi) If this Note is held by a REMIC, written evidence from all of the Rating Agencies that the Defeasance will not result in a downgrading, withdrawal or qualification of the respective ratings in effect immediately prior to the Defeasance for any securities representing interests in such REMIC which are then outstanding; and

(vii) Such other certificates, opinions, documents or instruments as are customary in commercial mortgage defeasance transactions to effect the Defeasance.

e **Release of Lien.** Upon satisfaction of all conditions specified in this Section 12, the Property and the Collateral shall be released from the lien of the Security Instrument and the other Loan Documents, and the Defeasance Collateral and the proceeds thereof shall constitute the only collateral securing the obligations of Borrower under this Note and the other Loan Documents. Lender shall, at Borrower's expense, prepare, execute and deliver any instruments reasonably necessary to release the lien of the Security Instrument from the Property and the Collateral.

f. **Assignment and Assumption** In connection with the Defeasance, Borrower shall, at the request of Lender, assign all of its right, title and interest in and to the pledged Defeasance Collateral and all its obligations and rights under this Note and the Defeasance Security Agreements to Successor Borrower. Successor Borrower shall execute an assumption agreement in form and substance customary in commercial mortgage defeasance transactions, pursuant to which it shall assume Borrower's obligations under this Note and the Defeasance Security Agreements. As conditions to such assignment and assumption, Borrower shall (i) deliver to Lender opinions of counsel addressed to Lender and all Rating Agencies, in form and substance customary in commercial Defeasance transactions and delivered by counsel satisfactory to Lender, and subject only to customary assumptions, qualifications and exceptions, stating, among other things, that such assumption agreement is enforceable against Borrower and Successor Borrower in accordance with its terms and that this Note and the Defeasance Security Agreements, as so assumed, are enforceable against Successor Borrower in accordance with their respective terms, and that the bankruptcy of any affiliate of Successor Borrower will not affect the assets of Successor Borrower; and (ii) pay all costs and expenses incurred by Lender or its agents in connection with such assignment and assumption (including, without limitation, the formation or review of Successor Borrower and the preparation of the assumption agreement and related documentation) Upon such assumption by Successor Borrower, Borrower shall be relieved of its obligations under this Note, the Defeasance Security Agreements and the other Loan Documents other than (iii) representations and warranties made in connection with the Defeasance, (iv) the obligation to effect the Defeasance in accordance with this Section 12, and to provide further assurances as necessary to do so, (v) liability for losses to Lender resulting from an avoidance, rescission or set-aside of the Defeasance as a result of actions taken or suffered by Borrower, and (vi) those obligations which are specifically intended to survive the repayment of the Loan or other termination, satisfaction or assignment of this Note, the Defeasance Security Agreements or the other Loan Documents or Lender's exercise of its rights and remedies under any of such documents and instruments

13. **WAIVER OF JURY TRIAL. LENDER AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS NOTE OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF LENDER OR BORROWER. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN TO BORROWER.**

14 **FINAL EXPRESSION/NO ORAL AGREEMENTS. READ THIS DOCUMENT CAREFULLY. THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES**

**AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

**THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

"BORROWER"

JERSEY BUSINESS PARK,
a California general partnership

By: /s/ James T. Rountree
James T. Rountree, Trustee of The
James T. Rountree Revocable Trust
Under Declaration of Trust Dated
September 15, 1998,
General Partner

By: /s/ Barbara R Rountree
Barbara R. Rountree, Trustee of The
Barbara R. Rountree Revocable Trust
Under Declaration of Trust Dated
September 15, 1998,
General Partner

# EXHIBIT A
## Additional Terms And Conditions

This Exhibit A is attached to and forms a part of that Promissory Note secured by Security Instrument ("Note") executed by JERSEY BUSINESS PARK, a California general partnership ("Borrower") in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

1. **DISBURSEMENT OF LOAN PROCEEDS; LIMITATION OF LIABILITY** Borrower hereby authorizes Lender to disburse the proceeds of the Loan, after deducting any and all fees owed by Borrower to Lender in connection with the Loan, to Fidelity National Title Company. With respect to such disbursement, Borrower understands and agrees that Lender does not accept responsibility for errors, acts or omissions of others, including, without limitation, the escrow company, other banks, communications carriers or clearinghouses through which the transfer of Loan proceeds may be made or through which Lender receives or transmits information, and no such entity shall be deemed Lender's agent. As a consequence, Lender shall not be liable to Borrower for any actual (whether direct or indirect), consequential or punitive damages which may arise with respect to the disbursement of Loan proceeds, whether or not (a) any claim for such damages is based on tort or contract, or (b) either Lender or Borrower knew or should have known of the likelihood of such damages in any situation

2. **FINANCIAL STATEMENTS**

2.1 **Statements Required**. During the term of the Loan and while any liabilities of Borrower to Lender under any of the Loan Documents remain outstanding and unless Lender otherwise consents in writing, Borrower shall provide to Lender the following.

a **Operating Statement** Not later than 10 days after and as of the end of each calendar month during the period prior to any sale of the Loan, and thereafter not later than 30 days after and as of the end of each calendar quarter, an operating statement, signed and dated by Borrower, showing all revenues and expenses during such month or quarter and year-to-date, relating to the Property, including, without limitation, all information requested under any of the Loan Documents;

b. **Rent Roll**. Not later than 10 days after and as of the end of each calendar month during the period prior to any sale of the Loan, and thereafter not later than 30 days after and as of the end of each calendar quarter, a rent roll signed and dated by Borrower, showing the following lease information with regard to each tenant. the name of the tenant, monthly or other periodic rental amount, dates of commencement and expiration of the lease, and payment status;

c. **Balance Sheet**. If requested by Lender, not later than 90 days after and as of the end of each fiscal year, a balance sheet, signed and dated by Borrower, showing all assets and liabilities of Borrower; and

d. **Other Information**. From time to time, upon Lender's delivery to Borrower of at least 10 days' prior written notice, such other information with regard to Borrower, principals of Borrower, guarantors or the Property as Lender may reasonably request in writing.

2.2 **Form; Warranty**. Borrower agrees that all financial statements to be delivered to Lender pursuant to Section 2.1 shall: (a) be complete and correct, (b) present fairly the financial condition of the party, (c) disclose all liabilities that are required to be reflected or reserved against; and (d) be prepared in accordance with the same accounting standard used by Borrower to prepare the financial statements delivered to and approved by Lender in connection with the making of the Loan or other accounting standards acceptable to Lender. Borrower shall be deemed to warrant and represent that, as of the date of delivery of any such financial statement, there has been no material adverse change in financial condition, nor have any assets or properties been sold, transferred, assigned, mortgaged, pledged or encumbered since the date of such financial statement except as disclosed by Borrower in a writing delivered to Lender. Borrower agrees that all rent rolls

and other information to be delivered to Lender pursuant to Section 2.1 shall not contain any misrepresentation or omission of a material fact.

2 3 **Late Charge** If any financial statement, leasing schedule or other item required to be delivered to Lender pursuant to Section 2 1 is not timely delivered, Borrower shall promptly pay to Lender, as a late charge, the sum of $500.00 per item In addition, Borrower shall promptly pay to Lender an additional late charge of $500.00 per item for each full month during which such item remains undelivered following written notice from Lender Borrower acknowledges that Lender will incur additional expenses as a result of any such late deliveries, which expenses would be impracticable to quantify, and that Borrower's payments under this Section 2.3 are a reasonable estimate of such expenses.

3 **INTENTIONALL OMITTED.**

4 **TWO-TIME RIGHT OF TRANSFER OF PROPERTY**. Notwithstanding anything to the contrary contained in the Security Instrument, Lender shall, two times only, consent to the voluntary sale or exchange of all of the Property by Borrower so long as no Default has occurred and is continuing and all of the following conditions precedent have been satisfied:

4 1 **Notice.** Lender's receipt of not less than 60 days prior written notice of the proposed sale or exchange,

4.2 **Credit Review and Underwriting.** Lender's reasonable determination that the proposed purchaser, the proposed guarantor(s), if any, and the Property all satisfy Lender's then applicable credit review and underwriting standards, taking into consideration, among other things, (a) any decrease in the Property's cash flow which would result from any increase in real property taxes due to any anticipated reassessment of the Property for tax purposes and (b) if Borrower is obligated under the Loan Documents to be and remain a single purpose bankruptcy remote entity, Lender's then applicable criteria for a single purpose bankruptcy remote entity.

4 3 **Experience.** Lender's reasonable determination that the proposed purchaser possesses satisfactory recent experience in the ownership and operation of properties similar to the Property;

4.4 **Impounds.** Lender's receipt of such new or increased Impounds as Lender may require, including, without limitation, new or increased Impounds for taxes, insurance, general or designated tenant improvements and leasing commissions, capital improvements, capital expenditures and deferred maintenance, and the amendment of the Loan Documents to require the purchaser to make monthly deposits of such new or increased Impounds for such purposes thereafter.

4.5 **Documents and Instruments.** Lender 's receipt of such fully executed documents and instruments as Lender shall reasonably require, in form and content reasonably satisfactory to Lender, including, without limitation, (a) an assumption agreement under which the purchaser assumes all obligations and liabilities of Borrower under this Note and the other Loan Documents and agrees to such amendments to the Loan Documents as Lender may reasonably require in order to reflect the change in the borrowing entity and principals and any new or increased Impounds and (b) a consent to the sale or exchange by each existing guarantor and a reaffirmation of each guarantor's obligations and liabilities under each guaranty or the execution of new guaranties by new guarantors reasonably satisfactory to Lender;

4 6 **Title Insurance**. If required by Lender, delivery to Lender of evidence of title insurance reasonably satisfactory to Lender insuring Lender that the lien of the Security Instrument and the priority thereof will not be impaired or affected by reason of such sale or exchange of the Property;

4.7 **Assumption Fee.** Payment to Lender of an assumption fee equal to 1.00% of the then outstanding principal balance of this Note, but not less than $15,000,

4 8 **Costs and Expenses.** Reimbursement to Lender of any and all costs and expenses paid or incurred by Lender in connection with such sale or exchange and Lender's consent thereto, including, without limitation, all in-house or

outside counsel attorneys' fees, title insurance fees, appraisal fees, inspection fees, environmental insurance or consultant's fees and any fees or charges of the applicable Rating Agencies;

4.9 **No Downgrade**. If required by Lender, delivery to Lender of written evidence from the Rating Agencies that such sale or exchange will not result in a downgrading, withdrawal or qualification of the respective ratings in effect immediately prior to the sale or exchange for any securities issued in connection with the securitization of the Loan which are then outstanding; and

4.10 **No Adverse REMIC Event.** If required by Lender, delivery to Lender of an opinion of tax counsel, in form and content and issued by tax counsel satisfactory to Lender's counsel, that such sale or exchange shall not (a) constitute a "significant modification" of the Loan within the meaning of Treasury Regulation Section 1.860G-2(b) or (b) cause the Loan to fail to be a "qualified mortgage" within the meaning of Section 860G(a)(3)(A) of the Code

Lender shall fully release Borrower and each existing guarantor from any further obligation or liability to Lender under this Note and the other Loan Documents upon the assumption by the purchaser and each new guarantor of all such obligations and liabilities and the satisfaction of all other conditions precedent to a sale or exchange in accordance with the provisions of this Section.

5. **PREPAYMENT.**

5.1 The Note contains provisions which permit Full Defeasance Only.

# EXHIBIT B
## Loan Documents and Other Related Documents

This Exhibit B is attached to and forms a part of that Promissory Note ("Note") executed by JERSEY BUSINESS PARK, a California general partnership ("Borrower") in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender")

1 **LOAN DOCUMENTS** The documents numbered 1 1 through 1.9 below of even date herewith (unless otherwise specified) and any amendments, modifications and supplements thereto which have received the prior written approval of Lender and any documents executed in the future that are approved by Lender and that recite that they are "Loan Documents" for purposes of this Note are collectively referred to as the "Loan Documents".

1.1 This Note;

1 2 Security Instrument;

1.3 State of California Uniform Commercial Code - Financing Statement - Form UCC-1,

1.4. Partnership or Joint Venture Borrowing Certificate;

1.5. Two (2) Trust Certificates;

1 6 All Estoppels, Non-Disturbance and Attornment Agreements of various dates;

1.7. Assignment of Management Contract,

1.8. Payment Method Agreement, and

1.9 Agreement Regarding Required Insurance.

2 **OTHER RELATED DOCUMENTS WHICH ARE NOT LOAN DOCUMENTS**

2.1. Agreement for Disbursement Prior to Recording and Amendment to Note, and

2.2. Limited Guaranty.

FIDELITY NATIONAL TITLE CO.
9758569-DJ

Recording Requested by
and when recorded return to

WELLS FARGO BANK, National Association
Commercial Mortgage Origination
MAC# A0194-093
45 Fremont Street, 9th Floor,
San Francisco, California 94105

Attention CMO Loan Administration
Loan No 31-0901787

MERS MIN No 800010100000005354

Recorded In Official Records, County of San Bernardino
LARRY WALKER
Auditor/Controller – Recorder
688 Fidelity/Riverside

12/10/2004
8:00 AM
LM

Doc#: 2004-0941545 Titles: 4 Pages: 33

| | |
|---|---|
| Fees | 120.00 |
| Taxes | 0.00 |
| Other | 0.00 |
| PAID | $120.00 |

# DEED OF TRUST
and
# ABSOLUTE ASSIGNMENT OF RENTS AND LEASES
and
# SECURITY AGREEMENT (AND FIXTURE FILING)

The parties to this DEED OF TRUST AND ABSOLUTE ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT (AND FIXTURE FILING) ("Deed of Trust"), dated as of November 29, 2004 are JERSEY BUSINESS PARK, a California general partnership ("Trustor"), with a mailing address at 10700 Jersey Boulevard, Suite 610, Rancho Cucmonga, CA 91730, AMERICAN SECURITIES COMPANY ("Trustee"), with a mailing address at 1320 Willow Pass Road, Suite 205, Concord, CA 94520, and MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., a Delaware corporation ("MERS" or "Beneficiary"), with a mailing address at MERS Commercial, P O. Box 2300, Flint, Michigan 48501-2300

## RECITALS

A JERSEY BUSINESS PARK, a California general partnership ("Borrower") proposes to borrow from Wells Fargo Bank, National Association ("Lender") and Lender proposes to lend to Borrower the principal sum of SIX MILLION AND NO/100THS DOLLARS ($6,000,000) ("Loan"). The Loan is evidenced by a promissory note ("Note") executed by Borrower, dated the date of this Deed of Trust, payable to the order of Lender in the principal amount of the Loan The Maturity Date of the Loan is January 1, 2015

B The loan documents include this Deed of Trust, the Note and the other documents described in the Note as Loan Documents ("Loan Documents")

## ARTICLE 1. DEED OF TRUST

1.1 **GRANT** For the purposes of and upon the terms and conditions of this Deed of Trust, Trustor irrevocably grants, conveys and assigns to Trustee, in trust, for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may hereafter acquire in, to, under or derived from any or all of the following:

a. That real property ("Land") located in Rancho Cucamonga, County of San Bernardino, California and more particularly described on Exhibit A attached hereto,

b All appurtenances, easements, rights of way, water and water rights, pumps, pipes, flumes and ditches and ditch rights, water stock, ditch and/or reservoir stock or interests, royalties, development rights and credits, air rights, minerals, oil rights, and gas rights, now or later used or useful in connection with, appurtenant to or related to the Land;

c. All buildings, structures, facilities, other improvements and fixtures now or hereafter located on the Land,

d. All apparatus, equipment, machinery and appliances and all accessions thereto and renewals and replacements thereof and substitutions therefor used in the operation or occupancy of the Land, it being intended by the parties that all such items shall be conclusively considered to be a part of the Land, whether or not attached or affixed to the Land,

e All land lying in the right-of-way of any street, road, avenue, alley or right-of-way opened, proposed or vacated, and all sidewalks, strips and gores of land adjacent to or used in connection with the Land,

f All additions and accretions to the property described above,

g All licenses, authorizations, certificates, variances, consents, approvals and other permits now or hereafter pertaining to the Land and all estate, right, title and interest of Trustor in, to, under or derived from all tradenames or business names relating to the Land or the present or future development, construction, operation or use of the Land, and

h All proceeds of any of the foregoing

All of the property described above is hereinafter collectively defined as the "Property" The listing of specific rights or property shall not be interpreted as a limitation of general terms

## ARTICLE 2. OBLIGATIONS SECURED

2.1 **OBLIGATIONS SECURED**. Trustor makes the foregoing grant and assignment for the purpose of securing the following obligations ("Secured Obligations")

a Full and punctual payment to Lender of all sums at any time owing under the Note,

b Payment and performance of all covenants and obligations of Trustor under this Deed of Trust including, without limitation, indemnification obligations and advances made to protect the Property,

c Payment and performance of all additional covenants and obligations of Borrower and Trustor under the Loan Documents;

d. Payment and performance of all covenants and obligations, if any, which any rider attached as an exhibit to this Deed of Trust recites are secured hereby;

e Payment and performance of all future advances and other obligations that the then record owner of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when the obligation is evidenced by a writing which recites that it is secured by this Deed of Trust,

f All interest and charges on all obligations secured hereby including, without limitation, prepayment charges, late charges and loan fees,

g. All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly, and (ii) modifications, extensions or renewals at a different rate of interest whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes, and

h. Payment and performance of any other obligations which are defined as "Secured Obligations" in the Note

2 2 **OBLIGATIONS** The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and loan fees at any time accruing or assessed on any of the Secured Obligations.

2 3 **INCORPORATION** All terms and conditions of the documents which evidence any of the Secured Obligations are incorporated herein by this reference All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of the Secured Obligations and to have notice that the rate of interest on one or more Secured Obligation may vary from time to time.

## ARTICLE 3. ABSOLUTE ASSIGNMENT OF RENTS AND LEASES

3.1 **ASSIGNMENT**. Trustor irrevocably assigns to Beneficiary all of Trustor's right, title and interest in, to and under. (a) all present and future leases of the Property or any portion thereof, all licenses and agreements relating to the management, leasing or operation of the Property or any portion thereof, and all other agreements of any kind relating to the use or occupancy of the Property or any portion thereof, whether such leases, licenses and agreements are now existing or entered into after the date hereof ("Leases"), and (b) the rents, issues, deposits and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("Payments") The term "Leases" shall also include all guarantees of and security for the tenants' performance thereunder, and all amendments, extensions, renewals or modifications thereto which are permitted hereunder This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Property

3 2 **GRANT OF LICENSE** Beneficiary confers upon Trustor a revocable license ("License") to collect and retain the Payments as they become due and payable, until the occurrence of a Default (as hereinafter defined) Upon a Default, the License shall be automatically revoked and Beneficiary may collect and apply the Payments pursuant to the terms hereof without notice and without taking possession of the Property All Payments thereafter collected by Trustor shall be held by Trustor as trustee under a constructive trust for the benefit of Beneficiary Trustor hereby irrevocably authorizes and directs the tenants under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the tenants' undertakings under the Leases, and the tenants shall have no right or duty to inquire as to whether any Default has actually

occurred or is then existing Trustor hereby relieves the tenants from any liability to Trustor by reason of relying upon and complying with any such notice or demand by Beneficiary. Beneficiary may apply, in its sole discretion, any Payments so collected by Beneficiary against any Secured Obligation or any other obligation of Borrower, Trustor or any other person or entity, under any document or instrument related to or executed in connection with the Loan Documents, whether existing on the date hereof or hereafter arising Collection of any Payments by Beneficiary shall not cure or waive any Default or notice of Default or invalidate any acts done pursuant to such notice If and when no Default exists, Beneficiary shall re-confer the License upon Trustor until the occurrence of another Default

3.3 **EFFECT OF ASSIGNMENT** The foregoing irrevocable assignment shall not cause Beneficiary to be: (a) a mortgagee in possession, (b) responsible or liable for the control, care, management or repair of the Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; (c) responsible or liable for any waste committed on the Property by the tenants under any of the Leases or by any other parties, for any dangerous or defective condition of the Property; or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee, invitee or other person; or (d) responsible for or impose upon Beneficiary any duty to produce rents or profits. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of: (e) the exercise or failure to exercise any of the rights, remedies or powers granted to Beneficiary hereunder, or (f) the failure or refusal of Beneficiary to perform or discharge any obligation, duty or liability of Trustor arising under the Leases

3 4 **COVENANTS-LONG TERM LEASES**

a **All Leases** Trustor shall, at Trustor's sole cost and expense

(i) perform all obligations of the landlord under the Leases and use reasonable efforts to enforce performance by the tenants of all obligations of the tenants under the Leases,

(ii) use reasonable efforts to keep the Property leased at all times to tenants which Trustor reasonably and in good faith believes are creditworthy at rents not less than the fair market rental value (including, but not limited to, free or discounted rents to the extent the market so requires),

(iii) promptly upon Beneficiary's request, deliver to Beneficiary a copy of each requested Lease and all amendments thereto and waivers thereof, and

(iv) promptly upon Beneficiary's request, execute and record any additional assignments of landlord's interest under any Lease to Beneficiary and specific subordinations of any Lease to this Deed of Trust, in form and substance satisfactory to Beneficiary.

Unless consented to in writing by Beneficiary or otherwise permitted under any other provision of the Loan Documents, Trustor shall not

(v) grant any tenant under any Lease any option, right of first refusal or other right to purchase all or any portion of the Property under any circumstances,

(vi) grant any tenant under any Lease any right to prepay rent more than 1 month in advance;

(vii) except upon Beneficiary's request, execute any assignment of landlord's interest in any Lease, or

(viii) collect rent or other sums due under any Lease in advance, other than to collect rent 1 month in advance of the time when it becomes due

Any such attempted action in violation of the provisions of this Section shall be null and void

Trustor shall deposit with Beneficiary any sums received by Trustor in consideration of any termination, modification or amendment of any Lease or any release or discharge of any tenant under any Lease from any obligation thereunder and any such sums received by Trustor shall be held in trust by Trustor for such purpose. Notwithstanding the foregoing, so long as no Default exists, the portion of any such sum received by Trustor with respect to any Lease which is less than $50,000 shall be payable to Trustor All such sums received by Beneficiary with respect to any Lease shall be deemed "Impounds" (as defined in Section 6.12b) and shall be deposited by Beneficiary into a pledged account in accordance with Section 6.12b. If no Default exists, Beneficiary shall release such Impounds to Trustor from time to time as necessary to pay or reimburse Trustor for such tenant improvements, brokerage commissions and other leasing costs as may be required to re-tenant the affected space, provided, however, Beneficiary shall have received and approved each of the following for each tenant for which such costs were incurred; (1) Trustor's written request for such release, including the name of the tenant, the location and net rentable area of the space and a description and cost breakdown of the tenant improvements or other leasing costs covered by the request; (2) Trustor's certification that any tenant improvements have been completed lien-free and in a workmanlike manner; (3) a fully executed Lease, or extension or renewal of the current Lease; (4) an estoppel certificate executed by the tenant including its acknowledgement that all tenant improvements have been satisfactorily completed; and (5) such other information with respect to such costs as Beneficiary may require Following the re-tenanting of all affected space (including, without limitation, the completion of all tenant improvements), and provided no Default exists, Beneficiary shall release any remaining such Impounds relating to the affected space to Trustor. Trustor shall construct all tenant improvements in a workmanlike manner and in accordance with all applicable laws, ordinances, rules and regulations

b **Major Leases**. Trustor shall, at Trustor's sole cost and expense, give Beneficiary prompt written notice of any material default by landlord or tenant under any Major Lease (as defined below). Unless consented to in writing by Beneficiary or otherwise permitted under any other provision of the Loan Documents, Trustor shall not

(i) enter into any Major Lease which (aa) is not on fair market terms (which terms may include free or discounted rent to the extent the market so requires), (bb) does not contain a provision requiring the tenant to execute and deliver to the landlord an estoppel certificate in form and substance satisfactory to the landlord promptly upon the landlord's request, or (cc) allows the tenant to assign or sublet the premises without the landlord's consent,

(ii) reduce any rent or other sums due from the tenant under any Major Lease;

(iii) terminate or materially modify or amend any Major Lease, or

(iv) release or discharge the tenant or any guarantor under any Major Lease from any material obligation thereunder

Any such attempted action in violation of the provisions of this Section shall be null and void.

"Major Lease", as used herein, shall mean any Lease, which is, at any time, (1) a Lease of more than 20% of the total rentable area of the Property, as reasonably determined by Beneficiary; or (2) a Lease which generates a gross base monthly rent exceeding 20% of the total gross base monthly rent generated by all Leases (excluding all Leases under which the tenant is then in default), as reasonably determined by Beneficiary. Trustor's obligations with respect to Major Leases shall be governed by the provisions of Section 3 4a as well as by the provisions of this Section

c **Failure to Deny Request.** Beneficiary's failure to deny any written request by Trustor for Beneficiary's consent under the provisions of Sections 3 4a or 3 4b within 10 Business Days after Beneficiary's receipt of such request (and all documents and information reasonably related thereto) shall be deemed to constitute Beneficiary's consent to such request.

3 5 **ESTOPPEL CERTIFICATES.** Within 30 days after request by Beneficiary, Trustor shall deliver to Beneficiary and to any party designated by Beneficiary, estoppel certificates relating to the Leases executed by Trustor and by each of the tenants, in form and substance acceptable to Beneficiary, provided, however, if any tenant shall fail or refuse to so execute and deliver any such estoppel certificate upon request, Trustor shall use reasonable efforts to cause such tenant to execute and deliver such estoppel certificate but such tenant's continued failure or refusal to do so, despite Trustor's reasonable efforts, shall not constitute a default by Trustor under this Section

3 6 **RIGHT OF SUBORDINATION.** Beneficiary may at any time and from time to time by specific written instrument intended for the purpose unilaterally subordinate the lien of this Deed of Trust to any Lease, without joinder or consent of, or notice to, Trustor, any tenant or any other person Notice is hereby given to each tenant under a Lease of such right to subordinate No subordination referred to in this Section shall constitute a subordination to any lien or other encumbrance, whenever arising, or improve the right of any junior lienholder. Nothing herein shall be construed as subordinating this Deed of Trust to any Lease

## ARTICLE 4. SECURITY AGREEMENT AND FIXTURE FILING

4 1 **SECURITY INTEREST** Trustor grants and assigns to Beneficiary a security interest to secure payment and performance of all of the Secured Obligations, in all of the following described personal property in which Trustor now or at any time hereafter has any interest ("Collateral")

All goods, building and other materials, supplies, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property, wherever situated, which are or are to be incorporated into, used in connection with or appropriated for use on the Property; all rents, issues, deposits and profits of the Property (to the extent, if any, they are not subject to the Absolute Assignment of Rents and Leases), all inventory, accounts, cash receipts, deposit accounts, impounds, accounts receivable, contract rights, general intangibles, software, chattel paper, instruments, documents, promissory notes, drafts, letters of credit, letter of credit rights, supporting obligations, insurance policies, insurance and condemnation awards and proceeds, any other rights to the payment of money, trade names, trademarks and service marks arising from or related to the Property or any business now or hereafter conducted thereon by Trustor, all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Property, all deposits or other security now or hereafter made with or given to utility companies by Trustor with respect to the Property, all advance payments of insurance premiums made by Trustor with respect to the Property; all plans, drawings and specifications relating to the Property, all loan funds held by Beneficiary, whether or not disbursed; all funds deposited with Beneficiary pursuant to any Loan Document, all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Property or any portion thereof, including, without limitation, all "Impounds" as defined herein, together with all replacements and proceeds of, and additions and accessions to, any of the foregoing, and all books, records and files relating to any of the foregoing

As to all of the above-described personal property which is or which hereafter becomes a "fixture" under applicable law, this Deed of Trust constitutes a fixture filing under the California Uniform Commercial Code, as amended or recodified from time to time ("UCC")

4.2 **COVENANTS** Trustor agrees (a) to execute and deliver such documents as Beneficiary deems necessary to create, perfect and continue the security interests contemplated hereby; (b) not to change its name, and, as applicable, its chief executive offices, its principal residence or the jurisdiction in which it is organized without giving Beneficiary at least 30 days' prior written notice thereof; and (c) to cooperate with Beneficiary in perfecting all security interests granted herein and in obtaining such agreements from third parties as Beneficiary deems necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of Beneficiary's rights hereunder

4.3 **RIGHTS OF BENEFICIARY** In addition to Beneficiary's rights as a "Secured Party" under the UCC, Beneficiary may, but shall not be obligated to, at any time without notice and at the expense of Trustor, (a) give notice to any person of Beneficiary's rights hereunder and enforce such rights at law or in equity, (b) insure, protect, defend and preserve the Collateral or any rights or interests of Beneficiary therein, and (c) inspect the Collateral. Notwithstanding the above, in no event shall Beneficiary be deemed to have accepted any property other than cash in satisfaction of any obligation of Trustor to Beneficiary unless Beneficiary shall make an express written election of said remedy under the UCC or other applicable law.

4.4 **RIGHTS OF BENEFICIARY UPON DEFAULT**. Upon the occurrence of a Default, then in addition to all of Beneficiary's rights as a "Secured Party" under the UCC or otherwise at law:

a **Disposition of Collateral** Beneficiary may: (i) upon written notice, require Trustor to assemble any or all of the Collateral and make it available to Beneficiary at a place designated by Beneficiary, (ii) without prior notice, enter upon the Property or other place where the Collateral may be located and take possession of, collect, sell, lease, license and otherwise dispose of the Collateral, and store the same at locations acceptable to Beneficiary at Trustor's expense, or (iii) sell, assign and deliver the Collateral at any place or in any lawful manner and bid and become purchaser at any such sales, and

b **Other Rights** Beneficiary may, for the account of Trustor and at Trustor's expense: (i) operate, use, consume, sell, lease, license or otherwise dispose of the Collateral as Beneficiary deems appropriate for the purpose of performing any or all of the Secured Obligations; (ii) enter into any agreement, compromise or settlement including insurance claims, which Beneficiary may deem desirable or proper with respect to any of the Collateral, and (iii) endorse and deliver evidences of title for, and receive, enforce and collect by legal action or otherwise, all indebtedness and obligations now or hereafter owing to Trustor in connection with or on account of any or all of the Collateral

Trustor acknowledges and agrees that a disposition of the Collateral in accordance with Beneficiary's rights and remedies as heretofore provided is a disposition thereof in a commercially reasonable manner and that 5 days' prior notice of such disposition is commercially reasonable notice Beneficiary shall have no obligation to process or prepare the Collateral for sale or other disposition In disposing of the Collateral, Beneficiary may disclaim all warranties of title, possession, quiet enjoyment and the like. Any proceeds of any sale or other disposition of the Collateral may be applied by Beneficiary first to the reasonable expenses incurred by Beneficiary in connection therewith, including, without limitations, reasonable attorneys' fees and disbursements, and then to the payment of the Secured Obligations, in such order of application as Beneficiary may from time to time elect

4.5 **POWER OF ATTORNEY**. Trustor hereby irrevocably appoints Beneficiary as Trustor's attorney-in-fact (such agency being coupled with an interest), and as such attorney-in-fact, Beneficiary may, without the obligation to do so, in Beneficiary's name or in the name of Trustor, prepare, execute, file and record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve any of Beneficiary's security interests and rights in or to the Collateral, and upon a Default, take any other action required of Trustor, provided, however, that Beneficiary as such attorney-in-fact shall be accountable only for such funds as are actually received by Beneficiary

## ARTICLE 5. REPRESENTATIONS AND WARRANTIES

5 1 **REPRESENTATIONS AND WARRANTIES** Trustor represents and warrants to Beneficiary that, to Trustor's current actual knowledge after reasonable investigation and inquiry, the following statements are true and correct as of the Effective Date

a **Legal Status** Trustor and Borrower are duly organized and existing and in good standing under the laws of the state(s) in which Trustor and Borrower are organized Trustor and Borrower are qualified or licensed to do business in all jurisdictions in which such qualification or licensing is required

b **Permits** Trustor and Borrower possess all permits, franchises and licenses and all rights to all trademarks, trade names, patents and fictitious names, if any, necessary to enable Trustor and Borrower to conduct the business(es) in which Trustor and Borrower are now engaged in compliance with applicable law

c **Authorization and Validity** The execution and delivery of the Loan Documents have been duly authorized and the Loan Documents constitute valid and binding obligations of Trustor, Borrower or the party which executed the same, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights, or by the application of rules of equity

d **Violations** The execution, delivery and performance by Trustor and Borrower of each of the Loan Documents do not violate any provision of any law or regulation, or result in any breach or default under any contract, obligation, indenture or other instrument to which Trustor or Borrower is a party or by which Trustor or Borrower is bound

e. **Litigation**. There are no pending or threatened actions, claims, investigations, suits or proceedings before any governmental authority, court or administrative agency which may adversely affect the financial condition or operations of Trustor or Borrower other than those previously disclosed in writing by Trustor or Borrower to Beneficiary

f **Financial Statements** The financial statements of Trustor and Borrower, of each general partner (if Trustor or Borrower is a partnership), of each member (if Trustor or Borrower is a limited liability company) and of each guarantor, if any, previously delivered by Trustor or Borrower to Beneficiary (i) are materially complete and correct; (ii) present fairly the financial condition of such party; and (iii) have been prepared in accordance with the same accounting standard used by Trustor or Borrower to prepare the financial statements delivered to and approved by Beneficiary in connection with the making of the Loan, or other accounting standards approved by Beneficiary Since the date of such financial statements, there has been no material adverse change in such financial condition, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered except as previously disclosed in writing by Trustor or Borrower to Beneficiary and approved in writing by Beneficiary

g **Reports** All reports, documents, instruments and information delivered to Beneficiary in connection with the Loan (i) are correct and sufficiently complete to give Beneficiary accurate knowledge of their subject matter, and (ii) do not contain any misrepresentation of a material fact or omission of a material fact which omission makes the provided information misleading.

h **Income Taxes** There are no pending assessments or adjustments of Trustor's or Borrower's income tax payable with respect to any year

i. **Subordination** There is no agreement or instrument to which Borrower is a party or by which Borrower is bound that would require the subordination in right of payment of any of Borrower's obligations under the Note to an obligation owed to another party.

j **Title** Trustor lawfully holds and possesses fee simple title to the Property, without limitation on the right to encumber same This Deed of Trust is a first lien on the Property prior and superior to all other liens and encumbrances on the Property except (i) liens for real estate taxes and assessments not yet due and payable, (ii) senior exceptions previously approved by Beneficiary and shown in the title insurance policy insuring the lien of this Deed of Trust, and (iii) other matters, if any, previously disclosed to Beneficiary by Trustor in a writing specifically referring to this representation and warranty.

k. **Mechanics' Liens**. There are no mechanics' or similar liens or claims which have been filed for work, labor or material (and no rights are outstanding that under law could give rise to any such liens) affecting the Property which are or may be prior to or equal to the lien of this Deed of Trust.

l **Encroachments**. Except as shown in the survey, if any, previously delivered to Beneficiary, none of the buildings or other improvements which were included for the purpose of determining the appraised value of the Property lies outside of the boundaries or building restriction lines of the Property and no buildings or other improvements located on adjoining properties encroach upon the Property

m **Leases** All existing Leases are in full force and effect and are enforceable in accordance with their respective terms No material breach or default by any party, or event which would constitute a material breach or default by any party after notice or the passage of time, or both, exists under any existing Lease None of the landlord's interests under any of the Leases, including, but not limited to, rents, additional rents, charges, issues or profits, has been transferred or assigned. No rent or other payment under any existing Lease has been paid by any tenant for more than 1 month in advance

n. **Collateral**. Trustor has good title to the existing Collateral, free and clear of all liens and encumbrances except those, if any, previously disclosed to Beneficiary by Trustor in writing specifically referring to this representation and warranty Trustor's chief executive office (or principal residence, if applicable) is located at the address shown on page one of this Deed of Trust JERSEY BUSINESS PARK is an organization organized solely under the laws of the State of California All organizational documents of JERSEY BUSINESS PARK delivered to Beneficiary are complete and accurate in every respect Trustor's legal name is exactly as shown on page one of this Deed of Trust.

o **Condition of Property** Except as shown in the property condition survey or other engineering reports, if any, previously delivered to or obtained by Beneficiary, the Property is in good condition and repair and is free from any damage that would materially and adversely affect the value of the Property as security for the Loan or the intended use of the Property.

p **Hazardous Materials** Except as shown in the environmental assessment report(s), if any, previously delivered to or obtained by Beneficiary, the Property is not and has not been a site for the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of Hazardous Materials (as hereinafter defined) except as otherwise previously disclosed in writing by Trustor to Beneficiary

q **Hazardous Materials Laws** The Property complies with all Hazardous Materials Laws (as hereinafter defined).

r **Hazardous Materials Claims**. There are no pending or threatened Hazardous Materials Claims (as hereinafter defined)

s. **Wetlands**. No part of the Property consists of or is classified as wetlands, tidelands or swamp and overflow lands

t **Compliance With Laws**. All federal, state and local laws, rules and regulations applicable to the Property, including, without limitation, all zoning and building requirements and all requirements of the Americans With Disabilities Act of 1990, as amended from time to time (42 U. S C. Section 12101 et seq ) have been satisfied or complied with Trustor is in possession of all certificates of occupancy and all other licenses, permits and other authorizations required by applicable law for the existing use of the Property. All such certificates of occupancy and other licenses, permits and authorizations are valid and in full force and effect.

u **Property Taxes and Other Liabilities** All taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, and ground rents, if any, which previously became due and owing in respect of the Property have been paid

v. **Condemnation** There is no proceeding pending or threatened for the total or partial condemnation of the Property

w **Homestead** There is no homestead or other exemption available to Trustor which would materially interfere with the right to sell the Property at a trustee's sale or the right to foreclose this Deed of Trust

x **Solvency**. None of the transactions contemplated by the Loan will be or have been made with an actual intent to hinder, delay or defraud any present or future creditors of Trustor, and Trustor, on the Effective Date, will have received fair and reasonably equivalent value in good faith for the grant of the liens or security interests effected by the Loan Documents. On the Effective Date, Trustor will be solvent and will not be rendered insolvent by the transactions contemplated by the Loan Documents Trustor is able to pay its debts as they become due.

y **Separate Tax Parcel(s)**. The Property is assessed for real estate tax purposes as one or more wholly independent tax parcels, separate from any other real property, and no other real property is assessed and taxed together with the Property or any portion thereof.

z. **Utilities; Water; Sewer.** The Property is served by all utilities required for the current or contemplated use thereof All utility service is provided by public utilities and the Property has accepted or is equipped to accept such utility service The Property is served by public water and sewer systems

aa **ERISA Matters**. Trustor is not an employee benefit plan as defined in Section 3 (3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title I of ERISA, nor a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (each of the foregoing hereinafter referred to individually and collectively as a "Plan"). Trustor's assets do not constitute "plan assets" of any plan within the meaning of Department of Labor Regulation Section 2510 3-101 Trustor will not transfer or convey the Property to a Plan or to a person or entity whose assets constitute such "plan assets", and Trustor will not be reconstituted as a Plan or as an entity whose assets constitute "plan assets". No Lease is with a Plan or an entity whose assets constitute such "plan assets", and Trustor will not enter into any Lease with a Plan or an entity whose assets constitute such "plan assets" With respect to the Loan, Trustor is acting on Trustor's own behalf and not on account of or for the benefit of any Plan

5.2 **REPRESENTATIONS, WARRANTIES AND COVENANTS REGARDING STATUS (LEVEL I SPE).**

Trustor hereby represents, warrants and covenants to Beneficiary as follows:

(a) such entity was organized solely for the purpose of owning the Property,

(b) such entity has not and will not engage in any business unrelated to the ownership of the Property,

(c) such entity has not and will not have any assets other than the Property (and personal property incidental to the ownership and operation of the Property),

(d) such entity has not and will not engage in, seek or consent to any dissolution, winding up, liquidation, consolidation, merger, asset sale, or amendment of its articles of incorporation, articles of organization, certificate of formation, operating agreement or partnership agreement, as applicable,

(e) such entity, without the unanimous consent of all of its directors, general partners or members, as applicable, shall not file or consent to the filing of any bankruptcy or insolvency petition or otherwise institute insolvency proceedings,

(f) such entity has no indebtedness (and will have no indebtedness) other than (i) the Loan, and (ii) unsecured trade debt not to exceed 2% of the loan amount in the aggregate, which is not evidenced by a note and is incurred in the ordinary course of its business in connection with owning, operating and maintaining the Property and is paid within 30 days from the date incurred,

(g) such entity has not and will not fail to correct any known misunderstanding regarding the separate identity of such entity,

(h) such entity has maintained and will maintain its accounts, books and records separate from any other person or entity,

(i) such entity has maintained and will maintain its books, records, resolutions and agreements as official records;

(j) such entity (i) has not and will not commingle its funds or assets with those of any other entity, and (ii) has held and will hold its assets in its own name;

(k) such entity has conducted and will conduct its business in its own name,

(l) such entity has maintained and will maintain its accounting records and other entity documents separate from any other person or entity,

(m) such entity has prepared and will prepare separate tax returns and financial statements, or if part of a consolidated group, is shown as a separate member of such group,

(n) such entity has paid and will pay its own liabilities and expenses out of its own funds and assets,

(o) such entity has held and will hold regular meetings, as appropriate, to conduct its business and has observed and will observe all corporate, partnership or limited liability company formalities and record keeping, as applicable,

(p) such entity has not and will not assume or guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of any other entity,

(q) such entity has not and will not acquire obligations or securities of its shareholders, partners or members, as applicable,

(r) such entity has allocated and will allocate fairly and reasonably the costs associated with common employees and any overhead for shared office space and such entity has used and will use separate stationery, invoices and checks,

(s) such entity has not and will not pledge its assets for the benefit of any other person or entity,

(t) such entity has held and identified itself and will hold itself out and identify itself as a separate and distinct entity under its own name and not as a division or part of any other person or entity,

(u) such entity has not made and will not make loans to any person or entity,

(v) such entity has not and will not identify its shareholders, partners or members, as applicable, or any affiliates of any of the foregoing, as a division or part of it;

(w) such entity has not entered into and will not enter into or be a party to, any transaction with its shareholders, partners or members, as applicable, or any affiliates of any of the foregoing, except in the ordinary course of its business pursuant to written agreements and on terms which are intrinsically fair and are no less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party,

(x) if any such entity is a corporation, the directors of such entity shall consider the interests of the creditors of such entity in connection with all corporate action,

(y) such entity has paid and will pay the salaries of its own employees and has maintained and will maintain a sufficient number of employees in light of its contemplated business operations;

(z) such entity has maintained and will maintain adequate capital in light of its contemplated business operations; and

(aa) if any such entity is a partnership with more than one general partner, its partnership agreement requires the remaining partners to continue the partnership as long as one solvent general partner exists.

## ARTICLE 6. RIGHTS AND DUTIES OF THE PARTIES

6.1 **MAINTENANCE AND PRESERVATION OF THE PROPERTY**. Trustor shall (a) keep the Property in good condition and repair; (b) complete or restore promptly and in workmanlike manner the Property or any part thereof which may be damaged or destroyed, (c) comply and cause the Property to comply with (i) all laws, ordinances, regulations and standards, (ii) all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character and (iii) all requirements of insurance companies and any bureau or agency which establishes standards of insurability, which laws, covenants or requirements affect the Property and pertain to acts committed or conditions existing thereon, including, without limitation, any work of alteration, improvement or demolition as such laws, covenants or requirements mandate; (d) operate and manage the Property at all times in a professional manner and do all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value, (e) promptly after execution, deliver to Beneficiary a copy of any management agreement concerning the Property and all amendments thereto and waivers thereof, and (f) execute and acknowledge all further documents, instruments and other papers as Beneficiary or Trustee deems necessary or appropriate to preserve, continue, perfect and enjoy the benefits of this Deed of Trust and perform Trustor's obligations, including, without limitation, statements of the amount secured hereby then owing and statements of no offset. Trustor shall not: (g) remove or demolish all or any material part of the Property; (h) alter either (i) the

exterior of the Property in a manner which materially and adversely affects the value of the Property or (ii) the roof or other structural elements of the Property in a manner which requires a building permit except for tenant improvements required under the Leases, (i) initiate or acquiesce in any change in any zoning or other land classification which affects the Property; (j) materially alter the type of occupancy or use of all or any part of the Property; or (k) commit or permit waste of the Property

6 2 **HAZARDOUS MATERIALS** Without limiting any other provision of this Deed of Trust, Trustor agrees as follows.

a **Prohibited Activities** Trustor shall not cause or permit the Property to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any of the following (collectively, "Hazardous Materials"): oil or other petroleum products, flammable explosives, asbestos, urea formaldehyde insulation; radioactive materials, hazardous wastes, fungus, mold, mildew, spores or other biological or microbial agents the presence of which may affect human health, impair occupancy or materially affect the value or utility of the Property, toxic or contaminated substances or similar materials, including, without limitation, any substances which are "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under the Hazardous Materials Laws (defined below) and/or other applicable environmental laws, ordinances or regulations

The foregoing to the contrary notwithstanding, (i) Trustor may store, maintain and use on the Property janitorial and maintenance supplies, paint and other Hazardous Materials of a type and in a quantity readily available for purchase by the general public and normally stored, maintained and used by owners and managers of properties of a type similar to the Property, and (ii) tenants of the Property may store, maintain and use on the Property (and, if any tenant is a retail business, hold in inventory and sell in the ordinary course of such tenant's business) Hazardous Materials of a type and quantity readily available for purchase by the general public and normally stored, maintained and used (and, if tenant is a retail business, sold) by tenants in similar lines of business on properties similar to the Property

b **Hazardous Materials Laws** Trustor shall comply and cause the Property to comply with all federal, state and local laws, ordinances and regulations relating to Hazardous Materials ("Hazardous Materials Laws"), including, without limitation. the Clean Air Act, as amended, 42 U S.C Section 7401 et seq , the Federal Water Pollution Control Act, as amended, 33 U S C. Section 1251 et seq ; the Resource Conservation and Recovery Act of 1976, as amended, 42 U S.C Section 6901 et seq , the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U S C Section 9601 et seq , the Toxic Substances Control Act, as amended, 15 U S C Section 2601 et seq , the Occupational Safety and Health Act, as amended, 29 U S C Section 651, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U S C Section 11001 et seq , the Mine Safety and Health Act of 1977, as amended, 30 U S C. Section 801 et seq , the Safe Drinking Water Act, 42 U S C. Section 300f et seq , and all comparable state and local laws, laws of other jurisdictions or orders and regulations.

c **Notices** Trustor shall immediately notify Beneficiary in writing of (i) the discovery of any Hazardous Materials on, under or about the Property (other than Hazardous Materials permitted under Section 6 2(a)), (ii) any knowledge by Trustor that the Property does not comply with any Hazardous Materials Laws, (iii) any claims or actions ("Hazardous Materials Claims") pending or threatened against Trustor or the Property by any governmental entity or agency or any other person or entity relating to Hazardous Materials or pursuant to the Hazardous Materials Laws, and (iv) the discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to become contaminated with Hazardous Materials

d **Remedial Action**. In response to the presence of any Hazardous Materials on, under or about the Property, Trustor shall immediately take, at Trustor's sole expense, all remedial action required by any Hazardous Materials Laws or any judgment, consent decree, settlement or compromise in respect to any Hazardous Materials Claims

e **Inspection By Beneficiary** Upon reasonable prior notice to Trustor, Beneficiary, its employees and agents, may from time to time (whether before or after the commencement of a nonjudicial or judicial foreclosure proceeding), enter and inspect the Property for the purpose of determining the existence, location, nature and magnitude of any past or present release or threatened release of any Hazardous Materials into, onto, beneath or from the Property

f. **Legal Effect of Section** Trustor and Beneficiary agree that (i) this Hazardous Materials Section is intended as Beneficiary's written request for information (and Trustor's response) concerning the environmental condition of the real property security as required by California Code of Civil Procedure Section 726 5, and (ii) each representation and warranty and covenant in this Section (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Property is intended by Beneficiary and Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736

6 3 **COMPLIANCE WITH LAWS** Trustor shall comply with all federal, state and local laws, rules and regulations applicable to the Property, including, without limitation, all zoning and building requirements and all requirements of the Americans With Disabilities Act of 1990 (42 U S C Section 12101 et seq ), as amended from time to time Trustor shall possess and maintain or cause Borrower to possess and maintain in full force and effect at all times (a) all certificates of occupancy and other licenses, permits and authorizations required by applicable law for the existing use of the Property and (b) all permits, franchises and licenses and all rights to all trademarks, trade names, patents and fictitious names, if any, required by applicable law for Trustor and Borrower to conduct the business(es) in which Trustor and Borrower are now engaged

6 4 **LITIGATION** Trustor shall promptly notify Beneficiary in writing of any litigation pending or threatened against Trustor or Borrower claiming damages in excess of $50,000 and of all pending or threatened litigation against Trustor or Borrower if the aggregate damage claims against Trustor or Borrower exceed $100,000

6 5 **MERGER, CONSOLIDATION, TRANSFER OF ASSETS** Trustor shall not (a) merge or consolidate with any other entity or permit Borrower to merge or consolidate with any other entity, (b) make any substantial change in the nature of Trustor's business or structure or permit Borrower to make any substantial change in the nature of Borrower's business or structure, (c) acquire all or substantially all of the assets of any other entity or permit Borrower to acquire all or substantially all of the assets of any other entity; or (d) sell, lease, assign, transfer or otherwise dispose of a material part of Trustor's assets except in the ordinary course of Trustor's business or permit Borrower to sell, lease, assign, transfer or otherwise dispose of a material part of Borrower's assets except in the ordinary course of Borrower's business.

6 6 **ACCOUNTING RECORDS** Trustor shall maintain and cause Borrower to maintain adequate books and records in accordance with the same accounting standard used by Trustor or Borrower to prepare the financial statements delivered to and approved by Beneficiary in connection with the making of the Loan or other accounting standards approved by Beneficiary Trustor shall permit and shall cause Borrower to permit any representative of Beneficiary, at any reasonable time and from time to time, to inspect, audit and examine such books and records and make copies of same

6 7 **COSTS, EXPENSES AND ATTORNEYS' FEES**. Trustor shall pay to Beneficiary the full amount of all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses of Beneficiary's in-house or outside counsel, incurred by Beneficiary in connection with· (a) appraisals and inspections of the Property or Collateral required by Beneficiary as a result of (i) a Transfer or proposed Transfer (as defined

below), or (ii) a Default; (b) appraisals and inspections of the Property or Collateral required by applicable law, including, without limitation, federal or state regulatory reporting requirements; and (c) any acts performed by Beneficiary at Trustor's request or wholly or partially for the benefit of Trustor (including, without limitation, the preparation or review of amendments, assumptions, waivers, releases, reconveyances, estoppel certificates or statements of amounts owing under any Secured Obligation) In connection with appraisals and inspections, Trustor specifically (but not by way of limitation) acknowledges that (aa) a formal written appraisal of the Property by a state certified or licensed appraiser may be required by federal regulatory reporting requirements on an annual or more frequent basis, and (bb) Beneficiary may require inspection of the Property by an independent supervising architect, a cost engineering specialist, or both Trustor shall pay all indebtedness arising under this Section immediately upon demand by Beneficiary together with interest thereon following notice of such indebtedness at the rate of interest then applicable to the principal balance of the Note as specified therein

6 8 **LIENS, ENCUMBRANCES AND CHARGES** Trustor shall immediately discharge by bonding or otherwise any lien, charge or other encumbrance which attaches to the Property in violation of Section 6 15 Subject to Trustor's right to contest such matters under this Deed of Trust or as expressly permitted in the Loan Documents, Trustor shall pay when due all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Property or any interest therein, whether senior or subordinate hereto, including, without limitation, all claims for work or labor performed, or materials or supplies furnished, in connection with any work of demolition, alteration, repair, improvement or construction of or upon the Property, except such as Trustor may in good faith contest or as to which a bona fide dispute may arise (provided provision is made to the satisfaction of Beneficiary for eventual payment thereof in the event that Trustor is obligated to make such payment and that any recorded claim of lien, charge or other encumbrance against the Property is immediately discharged by bonding or otherwise)

6.9 **TAXES AND OTHER LIABILITIES** Trustor shall pay and discharge when due any and all indebtedness, obligations, assessments and taxes, both real and personal and including federal and state income taxes and state and local property taxes and assessments. Trustor shall promptly provide to Beneficiary copies of all tax and assessment notices pertaining to the Property Trustor hereby authorizes Beneficiary to obtain, at Trustor's expense, a tax service contract which shall provide tax information on the Property to Beneficiary for the term of the Loan and any extensions or renewals of the Loan

6.10 **INSURANCE COVERAGE.** Trustor shall obtain and maintain all insurance coverage required pursuant to that certain Agreement Regarding Required Insurance dated as of the date hereof by and between Trustor and Beneficiary.

6.11 **CONDEMNATION AND INSURANCE PROCEEDS**

a **Assignment of Claims** Trustor absolutely and irrevocably assigns to Beneficiary all of the following rights, claims and amounts (collectively, "Claims"), all of which shall be paid to Beneficiary (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Property, (ii) all other claims and awards for damages to or decrease in value of all or any part of, or any interest in, the Property; (iii) all proceeds of any insurance policies payable by reason of loss sustained to all or any part of the Property, and (iv) all interest which may accrue on any of the foregoing Trustor shall give Beneficiary prompt written notice of the occurrence of any casualty affecting, or the institution of any proceedings for eminent domain or for the condemnation of, the Property or any portion thereof So long as no Default has occurred and is continuing at the time, (i) Trustor shall have the right to adjust, compromise and settle any Claim or group of related Claims of $100,000 or less without the participation or consent of Beneficiary and (ii) Beneficiary shall have the right to participate in and consent to any adjustment, compromise or settlement of any Claim or group of related Claims exceeding $100,000 If a Default has occurred and is continuing at the time, Trustor hereby irrevocably empowers Beneficiary, in the name of Trustor, as Trustor's true

and lawful attorney in fact, to commence, appear in, defend, prosecute, adjust, compromise and settle all Claims, provided, however, Beneficiary shall not be responsible for any failure to undertake any or all of such actions regardless of the cause of the failure All awards, proceeds and other sums described herein shall, in all cases, be payable to Beneficiary

b. **Application of Proceeds; No Default** So long as no Default has occurred and is continuing at the time of Beneficiary's receipt of the proceeds of the Claims ("Proceeds") and no Default occurs thereafter, the following provisions shall apply.

(i) Condemnation If the Proceeds are the result of Claims described in clauses 6.11 a (i) or (ii) above, or interest accrued thereon, Beneficiary shall apply the Proceeds in the following order of priority. First, to Beneficiary's expenses in settling, prosecuting or defending the Claims; Second, to the repair or restoration of the portion of the Property, if any, not condemned or proposed for condemnation and not otherwise the subject of a claim or award, and Third, to the Secured Obligations in any order without suspending, extending or reducing any obligation of Trustor to make installment payments

(ii) Insurance If the Proceeds are the result of Claims described in clause 6.11 a (iii) above or interest accrued thereon, Beneficiary shall apply the Proceeds in the following order of priority First, to Beneficiary's expenses in settling, prosecuting or defending the Claims, Second, to the repair or restoration of the Property; and Third, (aa) if the repair or restoration of the Property has been completed and all costs incurred in connection with the repair or restoration have been paid in full, to Trustor or (bb) in all other circumstances, to the Secured Obligations in any order without suspending, extending or reducing any obligation of Trustor to make installment payments

(iii) Restoration Notwithstanding the foregoing Sections 6 11 b (i) and (ii), Beneficiary shall have no obligation to make any Proceeds available for the repair or restoration of all or any portion of the Property unless and until all the following conditions have been satisfied: (aa) delivery to Beneficiary of the Proceeds plus any additional amount which is needed to pay all costs of the repair or restoration (including, without limitation, taxes, financing charges, insurance and rent during the repair period), (bb) establishment of an arrangement for lien releases and disbursement of funds acceptable to Beneficiary, (cc) delivery to Beneficiary in form and content acceptable to Beneficiary of all of the following (1) plans and specifications for the work, (2) a contract for the work, signed by a contractor acceptable to Beneficiary, (3) a cost breakdown for the work, (4) if required by Beneficiary, a payment and performance bond for the work, (5) evidence of the continuation of all Leases unless consented to in writing by Beneficiary, (6) evidence that, upon completion of the work, the size, capacity, value, and income coverage ratios for the Property will be at least as great as those which existed immediately before the damage or condemnation occurred, (7) evidence that the work can reasonably be completed on or before that date which is 6 months prior to the Maturity Date, and (8) evidence of the satisfaction of any additional conditions that Beneficiary may reasonably establish to protect Beneficiary's security Trustor acknowledges that the specific conditions described above are reasonable

c. **Application of Proceeds; Default** If a Default has occurred and is continuing at the time of Beneficiary's receipt of the Proceeds or if a Default occurs at any time thereafter, Beneficiary may, at Beneficiary's absolute discretion and regardless of any impairment of security or lack of impairment of security, but subject to applicable law governing use of the Proceeds, if any, apply all or any of the Proceeds to Beneficiary's expenses in settling, prosecuting or defending the Claims and then apply the balance to the Secured Obligations in any order without suspending, extending or reducing any obligation of Trustor to make installment payments, and may release all or any part of the Proceeds to Trustor upon any conditions Beneficiary chooses.

6 12 **IMPOUNDS**

a **Post-Default Impounds** If required by Beneficiary at any time after a Default occurs (and regardless of whether such Default is thereafter cured), Trustor shall deposit with Beneficiary such amounts ("Post-Default Impounds") on such dates (determined by Beneficiary as provided below) as will be sufficient to pay any or all "Costs" (as defined below) specified by Beneficiary Beneficiary in its sole discretion shall estimate the amount of such Costs that will be payable or required during any period selected by Beneficiary not exceeding 1 year and shall determine the fractional portion thereof that Trustor shall deposit with Beneficiary on each date specified by Beneficiary during such period If the Post-Default Impounds paid by Trustor are not sufficient to pay the related Costs, Trustor shall deposit with Beneficiary upon demand an amount equal to the deficiency All Post-Default Impounds shall be payable by Trustor in addition to (but without duplication of) any other Impounds (as defined below)

b **All Impounds** Post-Default Impounds and any other impounds that may be payable by Borrower under the Note are collectively called "Impounds". All Impounds shall be deposited into one or more segregated or commingled accounts maintained by Beneficiary or its servicing agent Except as otherwise provided in the Note, such account(s) shall not bear interest Beneficiary shall not be a trustee, special depository or other fiduciary for Trustor with respect to such account, and the existence of such account shall not limit Beneficiary's rights under this Deed of Trust, any other agreement or any provision of law If no Default exists, Beneficiary shall apply all Impounds to the payment of the related Costs, or in Beneficiary's sole discretion may release any or all Impounds to Trustor for application to and payment of such Costs If a Default exists, Beneficiary may apply any or all Impounds to any Secured Obligation and/or to cure such Default, whereupon Trustor shall restore all Impounds so applied and cure all Defaults not cured by such application The obligations of Trustor hereunder shall not be diminished by deposits of Impounds made by Trustor, except to the extent that such obligations have actually been met by application of such Impounds Upon any assignment of this Deed of Trust, Beneficiary may assign all Impounds in its possession to Beneficiary's assignee, whereupon Beneficiary and Trustee shall be released from all liability with respect to such Impounds Within 60 days following full repayment of the Secured Obligations (other than as a consequence of foreclosure or conveyance in lieu of foreclosure) or at such earlier time as Beneficiary may elect, Beneficiary shall pay to Trustor all Impounds in its possession, and no other party shall have any right or claim thereto "Costs" means (i) all taxes and other liabilities payable by Trustor under Section 6 9, (ii) all insurance premiums payable by Trustor under Section 6.10, (iii) all other costs and expenses for which Impounds are required under the Note, and/or (iv) all other amounts that will be required to preserve the value of the Property Trustor shall deliver to Beneficiary, promptly upon receipt, all bills for Costs for which Beneficiary has required Post-Default Impounds

6 13 **DEFENSE AND NOTICE OF LOSSES, CLAIMS AND ACTIONS** Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee hereunder at Trustor's sole expense against all adverse claims, whether the claim (a) is against a possessory or non-possessory interest, (b) arose prior or subsequent to the Effective Date; or (c) is senior or junior to Trustor's or Beneficiary's rights Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to the Property and of any condemnation offer or action

6 14 **RIGHT OF INSPECTION** Beneficiary and its independent contractors, agents and employees may enter the Property from time to time at any reasonable time for the purpose of inspecting the Property and ascertaining Trustor's compliance with the terms of this Deed of Trust Beneficiary shall use reasonable efforts to assure that Beneficiary's entry upon and inspection of the Property shall not materially and unreasonably interfere with the business or operations of Trustor or Trustor's tenants on the Property

6 15 **DUE ON SALE/ENCUMBRANCE**.

a. **Definitions**. The following terms shall have the meanings indicated.

"Restricted Party" shall mean each of (i) Borrower, (ii) Trustor, (iii) any entity obligated under any guaranty or indemnity made in favor of Beneficiary in connection with the Loan and (iv) any shareholder, partner, member or non-member manager, or any direct or indirect legal or beneficial owner of Borrower, Trustor or any entity obligated under a guaranty or indemnity made in favor of Beneficiary in connection with the Loan

"Transfer" shall mean any sale, installment sale, exchange, mortgage, pledge, hypothecation, assignment, encumbrance or other transfer, conveyance or disposition, whether voluntarily, involuntarily or by operation of law or otherwise.

b **Property Transfers**

(i) Prohibited Property Transfers Trustor shall not cause or permit any Transfer of all or any part of or any direct or indirect legal or beneficial interest in the Property or the Collateral (collectively, a "Prohibited Property Transfer"), including, without limitation, (A) a Lease or all or a material part of the Property for any purpose other than actual occupancy by a space tenant, and (B) the Transfer of all or any part of Trustor's right, title and interest in and to any Leases or Payments.

(ii) Permitted Property Transfers Notwithstanding the foregoing, none of the following Transfers shall be deemed to be a Prohibited Property Transfer: (A) a Transfer which is expressly permitted under the Note; (B) a Lease which is permitted under Article 3; and (C) the sale of inventory in the ordinary course of business

c. **Equity Transfers**

(i) Prohibited Equity Transfers. Trustor shall not cause or permit any Transfer of any direct or indirect legal or beneficial interest in a Restricted Party (collectively, a "Prohibited Equity Transfer"), including without limitation, (A) if a Restricted Party is a corporation, any merger, consolidation or other Transfer of such corporation's stock or the creation or issuance of new stock in one or a series of transactions; (B) if a Restricted Party is a limited partnership, limited liability partnership, general partnership or joint venture, any merger or consolidation or the change, removal, resignation or addition of a general partner or the Transfer of the partnership interest of any general or limited partner or any profits or proceeds relating to such partnership interests or the creation or issuance of new limited partnership interests; (C) if a Restricted Party is a limited liability company, any merger or consolidation or the change, removal, resignation or addition of a managing member or non-member manager (or if no managing member, any member) or any profits or proceeds relating to such membership interest, or the Transfer of a non-managing membership interest or the creation or issuance of new non-managing membership interests, or (D) if a Restricted Party is a trust, any merger, consolidation or other Transfer of any legal or beneficial interest in such Restricted Party or the creation or issuance of new legal or beneficial interests.

(ii) Permitted Equity Transfers Notwithstanding the foregoing, none of the following Transfers shall be deemed to be a Prohibited Equity Transfer: (A) a Transfer by a natural person who is a member, partner or shareholder of a Restricted Party to a revocable inter vivos trust having such natural person as both trustor and trustee of such trust and one or more immediate family members of such natural person as the sole beneficiaries of such trust ("Revocable Family Trust"), (B) a Transfer by devise or descent or by operation of law upon the death of a member, partner or shareholder of a Restricted Party where such Transfer does not result in a Default

under Section 7.1a(vi) below; (C) a Transfer, in one or a series of transactions, of not more than 49% of the stock, limited partnership interests or non-managing membership interests (as the case may be) in a Restricted Party where such Transfer does not result in a change in management control in the Restricted Party

(iii) SPE Status. Nothing contained in this Section 6.15c shall be construed to permit any Transfer which would result in a breach of any representation, warranty or covenant of Trustor under Section 5.2 above. Notwithstanding anything to the contrary contained in this Section 6.15c, if a nonconsolidation opinion was required as a condition to closing of the Loan, (A) Trustor shall deliver to Beneficiary at least 60 days' prior written notice of any Transfer under Section 6.15c(ii)(A) or (C) above, (B) if required by Beneficiary, it shall be a condition precedent to any Transfer under Section 6.15c(ii)(A) or (C) above that Trustor deliver to Beneficiary a current nonconsolidation opinion in form and content and rendered by counsel satisfactory to Beneficiary in its sole and absolute discretion and (C) such a current nonconsolidation opinion shall be delivered to Beneficiary, not more than 60 days' following any Transfer under Section 6.15c(ii)(B) above

d. **Certificates of Ownership** Trustor shall deliver to Beneficiary, at any time and from time to time, not more than 5 days after Beneficiary's written request therefor, a certificate, in form acceptable to Beneficiary, signed and dated by Borrower and Trustor, listing the names of all persons and entities holding direct or indirect legal or beneficial interests in the Property or any Restricted Party and the type and amount of each such interest

6.16 **ACCEPTANCE OF TRUST; POWERS AND DUTIES OF TRUSTEE** Trustee accepts this trust when this Deed of Trust is recorded From time to time upon written request of Beneficiary and presentation of this Deed of Trust, or a certified copy thereof, for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of any Secured Obligation, Trustee may, without liability therefor and without notice (a) reconvey all or any part of the Property, (b) consent to the making of any map or plat of the Property, (c) join in granting any easement on the Property, (d) join in any declaration of covenants and restrictions, or (e) join in any extension agreement or any agreement subordinating the lien or charge of this Deed of Trust Nothing contained in the immediately preceding sentence shall be construed to limit, impair or otherwise affect the rights of Trustor in any respect. Except as may otherwise be required by applicable law, Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trusts hereunder and the enforcement of the rights and remedies available hereunder, and Trustee or Beneficiary may obtain orders or decrees directing or confirming or approving acts in the execution of said trusts and the enforcement of said remedies Trustee has no obligation to notify any party of any pending sale or any action or proceeding (including, without limitation, actions in which Trustor, Beneficiary or Trustee shall be a party) unless held or commenced and maintained by Trustee under this Deed of Trust Trustee shall not be obligated to perform any act required of it hereunder unless the performance of the act is requested in writing and Trustee is reasonably indemnified and held harmless against loss, cost, liability and expense.

6.17 **COMPENSATION OF TRUSTEE** Trustor shall pay to Trustee reasonable compensation and reimbursement for services and expenses in the administration of this trust, including, without limitation, reasonable attorneys' fees. Trustor shall pay all indebtedness arising under this Section immediately upon demand by Trustee or Beneficiary together with interest thereon from the date the indebtedness arises at the rate of interest then applicable to the principal balance of the Note as specified therein.

6.18 **EXCULPATION** Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of (a) the exercise of the rights, remedies or powers granted to Beneficiary in this Deed of Trust, (b) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust, or (c) any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Property after a Default (hereafter defined) or from any

other act or omission of Beneficiary in managing the Property after a Default unless the loss is caused by the willful misconduct and bad faith of Beneficiary and no such liability shall be asserted or enforced against Beneficiary, all such liability being expressly waived and released by Trustor

6.19 **INDEMNITY**. Without in any way limiting any other indemnity contained in this Deed of Trust, Trustor agrees to defend, indemnify and hold harmless Trustee and the Beneficiary Group from and against any claim, loss, damage, cost, expense or liability directly or indirectly arising out of: (a) the making of the Loan, except for violations of banking laws or regulations by the Beneficiary Group, (b) this Deed of Trust; (c) the execution of this trust or the performance of any act required or permitted hereunder or by law; (d) any failure of Trustor to perform Trustor's obligations under this Deed of Trust or the other Loan Documents, (e) any alleged obligation or undertaking on the Beneficiary Group's part to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Property; (f) any act or omission by Trustor or any contractor, agent, employee or representative of Trustor with respect to the Property, or (g) any claim, loss, damage, cost, expense or liability directly or indirectly arising out of (i) the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of any Hazardous Materials which are found in, on, under or about the Property (including, without limitation, underground contamination), or (ii) the breach of any covenant, representation or warranty of Trustor under Sections 5.1.p, 5.1.q, 5.1.r, or 6.2 above. The foregoing to the contrary notwithstanding, this indemnity shall not include any claim, loss, damage, cost, expense or liability directly or indirectly arising out of the gross negligence or willful misconduct of any member of the Beneficiary Group or Trustee, or any claim, loss, damage, cost, expense or liability incurred by the Beneficiary Group or Trustee arising from any act or incident on the Property occurring after the full reconveyance and release of the lien of this Deed of Trust on the Property, or with respect to the matters set forth in clause (g) above, any claim, loss, damage, cost, expense or liability incurred by the Beneficiary Group resulting from the introduction and initial release of Hazardous Materials on the Property occurring after the transfer of title to the Property at a foreclosure sale under this Deed of Trust, either pursuant to judicial decree or the power of sale, or by deed in lieu of such foreclosure. This indemnity shall include, without limitation: (aa) all consequential damages (including, without limitation, any third party tort claims or governmental claims, fines or penalties against Trustee or the Beneficiary Group), (bb) all court costs and reasonable attorneys' fees (including, without limitation, expert witness fees) paid or incurred by Trustee or the Beneficiary Group, and (cc) the costs, whether foreseeable or unforeseeable, of any investigation, repair, cleanup or detoxification of the Property which is required by any governmental entity or is otherwise necessary to render the Property in compliance with all laws and regulations pertaining to Hazardous Materials. "Beneficiary Group", as used herein, shall mean (1) Beneficiary and Lender (including, without limitation, any participant in the Loan), (2) any entity controlling, controlled by or under common control with Beneficiary and Lender, (3) the directors, officers, employees and agents of Beneficiary and Lender and such other entities, and (4) the successors, heirs and assigns of the entities and persons described in foregoing clauses (1) through (3). Trustor shall pay immediately upon Trustee's or Beneficiary's demand any amounts owing under this indemnity together with interest from the date the indebtedness arises until paid at the rate of interest applicable to the principal balance of the Note as specified therein. Trustor agrees to use legal counsel reasonably acceptable to Trustee and the Beneficiary Group in any action or proceeding arising under this indemnity. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE TERMINATION AND RECONVEYANCE OF THIS DEED OF TRUST, BUT TRUSTOR'S LIABILITY UNDER THIS INDEMNITY SHALL BE SUBJECT TO THE PROVISIONS OF THE SECTION IN THE NOTE ENTITLED "BORROWER'S LIABILITY."

6.20 **SUBSTITUTION OF TRUSTEE**. From time to time, by a writing signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of the County in which the Property is situated, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall set forth any information required by law. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named trustee herein. A writing recorded pursuant to the provisions of this Section shall be conclusive proof of the proper substitution of such new trustee

6 21 **RELEASES, EXTENSIONS, MODIFICATIONS AND ADDITIONAL SECURITY** Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Property or in any manner obligated under the Secured Obligations ("Interested Parties"), Beneficiary may, from time to time, (a) fully or partially release any person or entity from liability for the payment or performance of any Secured Obligation; (b) extend the maturity of any Secured Obligation, (c) make any agreement with Borrower increasing the amount or otherwise altering the terms of any Secured Obligation, (d) accept additional security for any Secured Obligation, or (e) release all or any portion of the Property, Collateral and other security for any Secured Obligation None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of this Deed of Trust upon the Property.

6 22 **SALE OR PARTICIPATION OF LOAN** Beneficiary may at any time sell, assign, participate or securitize all or any portion of Beneficiary's rights and obligations under the Loan Documents, and that any such sale, assignment, participation or securitization may be to one or more financial institutions or other entities, to private investors, or into the public securities market, in Beneficiary's sole discretion Trustor further agrees that Beneficiary may disseminate to any such actual or potential purchaser(s), assignee(s) or participant(s) (and to any investment banking firms, rating agencies, accounting firms, law firms and other third party advisory firms and investors involved with the Loan and the Loan Documents or the applicable sale, assignment, participation or securitization) all documents and financial and other information heretofore or hereafter provided to or known to Beneficiary with respect to (a) the Property and its operation, (b) any party connected with the Loan (including, without limitation, Trustor, any partner or member of Trustor, any constituent partner or member of Trustor, any guarantor and any nonborrower trustor). In the event of any such sale, assignment, participation or securitization, Beneficiary and the other parties to the same shall share in the rights and obligations of Beneficiary set forth in the Loan Documents as and to the extent they shall agree among themselves. In connection with any such sale, assignment, participation or securitization, Trustor further agrees that the Loan Documents shall be sufficient evidence of the obligations of Trustor to each purchaser, assignee or participant, and Trustor shall, within 15 days after request by Beneficiary; (c) deliver to Beneficiary such information and documents relating to Trustor, the Property and its operation and any party connected with the Loan as Beneficiary or any rating agency may request; (d) deliver to Beneficiary an estoppel certificate for the benefit of Beneficiary and any other party designated by Beneficiary verifying the status and terms of the Loan, in form and content satisfactory to Beneficiary; (e) enter into such amendments to the Loan Documents as may be requested in order to facilitate any such sale, assignment, participation or securitization without impairing Trustor's rights or increasing Trustor's obligations, (f) if, as a condition to the closing of the Loan, Trustor was required to be a special-purpose bankruptcy-remote entity, enter into such amendments to the organizational documents of Trustor as any rating agency may request to preserve or enhance Trustor's special-purpose bankruptcy-remote status; and (g) if, as a condition to the closing of the Loan, Trustor was required to provide Beneficiary with any nonconsolidation opinions, provide Beneficiary with such amendments and restatements of such opinions as any rating agency may request The indemnity obligations of Trustor under the Loan Documents shall also apply with respect to any purchaser, assignee or participant

6 23 **RECONVEYANCE** Upon Beneficiary's written request, and upon surrender of this Deed of Trust or certified copy thereof and any note, instrument or instruments setting forth all obligations secured hereby to Trustee for cancellation, Trustee shall reconvey, without warranty, the Property or that portion thereof then held hereunder. The recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto" Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future rents, issues and profits of the Property to the person or persons legally entitled thereto

6 24 **SUBROGATION** Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to this Deed of Trust or by the proceeds of any loan secured by this Deed of Trust

## ARTICLE 7. DEFAULT

7.1 **DEFAULT**. For all purposes hereof, "Default" shall mean either an "Optional Default" (as defined below) or an "Automatic Default" (as defined below)

a. **Optional Default** An "Optional Default" shall occur, at Beneficiary's option, upon the occurrence of any of the following events

(i) **Monetary** Borrower or Trustor shall fail to (aa) pay when due any sums which by their express terms require immediate payment without any grace period or sums which are payable on the Maturity Date, or (bb) pay within 5 days when due any other sums payable under the Note, this Deed of Trust or any of the other Loan Documents, including without limitation, any monthly payment due under the Note

(ii) **Failure to Perform** Borrower or Trustor shall fail to observe, perform or discharge any of Borrower's or Trustor's obligations, covenants, conditions or agreements, other than Borrower's or Trustor's payment obligations, under the Note, this Deed of Trust or any of the other Loan Documents, and (aa) such failure shall remain uncured for 30 days after written notice thereof shall have been given to Borrower or Trustor, as the case may be, by Beneficiary or (bb) if such failure is of such a nature that it cannot be cured within such 30 day period, Borrower or Trustor shall fail to commence to cure such failure within such 30 day period or shall fail to diligently prosecute such curative action thereafter

(iii) **Representations and Warranties** Any representation, warranty, certificate or other statement (financial or otherwise) made or furnished by or on behalf of Borrower, Trustor, or a guarantor, if any, to Beneficiary or in connection with any of the Loan Documents, or as an inducement to Beneficiary to make the Loan, shall be false, incorrect, incomplete or misleading in any material respect when made or furnished

(iv) **Condemnation; Attachment**. The condemnation, seizure or appropriation of any material portion (as reasonably determined by Beneficiary) of the Property; or the sequestration or attachment of, or levy or execution upon any of the Property, the Collateral or any other collateral provided by Borrower or Trustor under any of the Loan Documents, or any material portion of the other assets of Borrower or Trustor, which sequestration, attachment, levy or execution is not released or dismissed within 45 days after its occurrence, or the sale of any assets affected by any of the foregoing

(v) **Uninsured Casualty** The occurrence of an uninsured casualty with respect to any material portion (as reasonably determined by Beneficiary) of the Property unless (aa) no other Default has occurred and is continuing at the time of such casualty or occurs thereafter, (bb) Trustor promptly notifies Beneficiary of the occurrence of such casualty, and (cc) not more than 45 days after the occurrence of such casualty, Trustor delivers to Beneficiary immediately available funds in an amount sufficient, in Beneficiary's reasonable opinion, to pay all costs of the repair or restoration (including, without limitation, taxes, financing charges, insurance and rent during the repair period). So long as no Default has occurred and is continuing at the time of Beneficiary's receipt of such funds and no Default occurs thereafter, Beneficiary shall make such funds available for the repair or restoration of the Property Notwithstanding the foregoing, Beneficiary shall have no obligation to make any funds available for repair or restoration of the Property unless and until all the conditions set forth in clauses (bb) and (cc) of Section 6.11(b) iii of this Deed of Trust have been satisfied. Trustor acknowledges that the specific conditions described above are reasonable

(vi) **Key Person or Entity** The retirement, death, incapacity or material reduction in current management authority or duties, if any, of James T. Rountree and Trustor's failure to provide a substitute or replacement acceptable to Beneficiary within 30 days after the occurrence of any such event

b **Automatic Default**. An "Automatic Default" shall occur automatically upon the occurrence of any of the following events

(i) **Voluntary Bankruptcy, Insolvency, Dissolution**. (aa) Borrower's filing a petition for relief under the Bankruptcy Reform Act of 1978, as amended or recodified ("Bankruptcy Code"), or under any other present or future state or federal law regarding bankruptcy, reorganization or other relief to debtors (collectively, "Debtor Relief Law"), or (bb) Borrower's filing any pleading in any involuntary proceeding under the Bankruptcy Code or other Debtor Relief Law which admits the jurisdiction of a court to regulate Borrower or the Property or the petition's material allegations regarding Borrower's insolvency, or (cc) Borrower's making a general assignment for the benefit of creditors; or (dd) Borrower's applying for, or the appointment of, a receiver, trustee, custodian or liquidator of Borrower or any of its property; or (ee) the filing by or against Borrower of a petition seeking the liquidation or dissolution of Borrower or the commencement of any other procedure to liquidate or dissolve Borrower.

(ii) **Involuntary Bankruptcy** Borrower's failure to effect a full dismissal of any involuntary petition under the Bankruptcy Code or other Debtor Relief Law that is filed against Borrower or in any way restrains or limits Borrower or Beneficiary regarding the Loan or the Property, prior to the earlier of the entry of any order granting relief sought in the involuntary petition or 45 days after the date of filing of the petition

(iii) **Partners, Guarantors**. The occurrence of an event specified in Sections (i) or (ii) as to Trustor, any general partner or managing member of Borrower or Trustor, or any guarantor or other person or entity in any manner obligated to Beneficiary under the Loan Documents

7 2 **ACCELERATION**. Upon the occurrence of an Optional Default, Beneficiary may, at its option, declare all sums owing to Beneficiary under the Note and the other Loan Documents immediately due and payable Upon the occurrence of an Automatic Default, all sums owing to Beneficiary under the Note and the other Loan Documents shall automatically become immediately due and payable

7 3 **RIGHTS AND REMEDIES** In addition to the rights and remedies in Section 7 2 above, at any time after a Default, Beneficiary shall have all of the following rights and remedies

a **Entry on Property** With or without notice, and without releasing Trustor from any Secured Obligation, and without becoming a mortgagee in possession, to enter upon the Property from time to time and to do such acts and things as Beneficiary or Trustee deem necessary or desirable in order to inspect, investigate, assess and protect the security hereof or to cure any Default, including, without limitation (i) to take and possess all documents, books, records, papers and accounts of Trustor, Borrower or the then owner of the Property which relate to the Property; (ii) to make, terminate, enforce or modify leases of the Property upon such terms and conditions as Beneficiary deems proper, (iii) to make repairs, alterations and improvements to the Property necessary, in Trustee's or Beneficiary's sole judgment, to protect or enhance the security hereof, (iv) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee hereunder, (v) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of either Beneficiary or Trustee, is or may be senior in priority hereto, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto, (vi) to obtain insurance, (vii) to pay any premiums or charges with respect to insurance required to be carried hereunder or under any other Loan Document, (viii) to obtain a court order to enforce Beneficiary's

right to enter and inspect the Property for Hazardous Materials, in which regard the decision of Beneficiary as to whether there exists a release or threatened release of Hazardous Materials onto the Property shall be deemed reasonable and conclusive as between the parties hereto, (ix) to have a receiver appointed pursuant to applicable law to enforce Beneficiary's rights to enter and inspect the Property for Hazardous Materials, and/or (x) to employ legal counsel, accountants, engineers, consultants, contractors and other appropriate persons to assist them,

b. **Appointment of Receiver** With or without notice or hearing to apply to a court of competent jurisdiction for and obtain appointment of a receiver, trustee, liquidator or conservator of the Property, for any purpose, including, without limitation, to enforce Beneficiary's rights to collect Payments and to enter on and inspect the Property for Hazardous Materials, as a matter of strict right and without regard to (i) the adequacy of the security for the repayment of the Secured Obligations, (ii) the existence of a declaration that the Secured Obligations are immediately due and payable, (iii) the filing of a notice of default, or (iv) the solvency of Trustor, Borrower or any guarantor or other person or entity in any manner obligated to Beneficiary under the Loan Documents

c **Judicial Foreclosure; Injunction** To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations,

d **Nonjudicial Foreclosure** To execute a written notice of such Default and of the election to cause the Property to be sold to satisfy the Secured Obligations Trustee shall give and record such notice as the law then requires as a condition precedent to a trustee's sale When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Beneficiary in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale Neither Trustor nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Property is sold Subject to requirements and limits imposed by law, Trustee may, from time to time postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time may postpone the sale by public announcement at the time and place fixed by the preceding postponement A sale of less than the whole of the Property or any defective or irregular sale made hereunder shall not exhaust the power of sale provided for herein Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof Any person, including Trustee, Trustor or Beneficiary may purchase at the sale,

Upon sale of the Property at any judicial or nonjudicial foreclosure, Beneficiary may credit bid (as determined by Beneficiary in its sole and absolute discretion) all or any portion of the Secured Obligations In determining such credit bid, Beneficiary may, but is not obligated to, take into account all or any of the following (i) appraisals of the Property as such appraisals may be discounted or adjusted by Beneficiary in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by Beneficiary with respect to the Property prior to foreclosure, (iii) expenses and costs which Beneficiary anticipates will be incurred with respect to the Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Property prior to resale, costs of resale (e g commissions, attorneys' fees, and taxes), costs of any Hazardous Materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit, costs of defending or settling litigation affecting the Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Beneficiary, (iv) declining trends in real property values generally and with respect to properties similar to the Property, (v)

anticipated discounts upon resale of the Property as a distressed or foreclosed property, (vi) the fact of additional collateral (if any), for the Secured Obligations; and (vii) such other factors or matters that Beneficiary (in its sole and absolute discretion) deems appropriate In regard to the above, Trustor acknowledges and agrees that· (viii) Beneficiary is not required to use any or all of the foregoing factors to determine the amount of its credit bid, (ix) this paragraph does not impose upon Beneficiary any additional obligations that are not imposed by law at the time the credit bid is made, (x) the amount of Beneficiary's credit bid need not have any relation to any loan-to-value ratios specified in the Loan Documents or previously discussed between Trustor and Beneficiary; and (xi) Beneficiary's credit bid may be (at Beneficiary's sole and absolute discretion) higher or lower than any appraised value of the Property,

e **Multiple Foreclosures** To resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken nonjudicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Trustee and Beneficiary or either of them determine in their sole discretion,

f **Rights to Collateral** To exercise all rights Trustee or Beneficiary may have with respect to the Collateral under this Deed of Trust, the UCC or otherwise at law, and

g **Other Rights** To exercise such other rights as Trustee or Beneficiary may have at law or in equity or pursuant to the terms and conditions of this Deed of Trust or any of the other Loan Documents

In connection with any sale or sales hereunder, Beneficiary may elect to treat any of the Property which consists of a right in action or which is property that can be severed from the Property (including, without limitation, any improvements forming a part thereof) without causing structural damage thereto as if the same were personal property or a fixture, as the case may be, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Property Any sale of Collateral hereunder shall be conducted in any manner permitted by the UCC

7 4 **APPLICATION OF FORECLOSURE SALE PROCEEDS** If any foreclosure sale is effected, Trustee shall apply the proceeds of such sale in the following order of priority First, to the costs, fees and expenses of exercising the power of sale and of sale, including, without limitation, the payment of the Trustee's fees and attorneys' fees permitted pursuant to subdivisson (b) of California Civil Code Section 2924d and subdivision (b) of Section 2924k; Second, to the payment of the Secured Obligations which are secured by this Deed of Trust, in such order as Beneficiary shall determine in its sole discretion, Third, to satisfy the outstanding balance of obligations secured by any junior liens or encumbrances in the order of their priority; and Fourth, to the Trustor or the Trustor's successor in interest, or in the event the Property has been sold or transferred to another, to the vested owner of record at the time of the Trustee's sale

7.5 **WAIVER OF MARSHALING RIGHTS** Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Property, hereby waives all rights to have the Property and/or any other property, including, without limitation, the Collateral, which is now or later may be security for any Secured Obligation, marshaled upon any foreclosure of this Deed of Trust or on a foreclosure of any other security for any of the Secured Obligations

7 6 **NO CURE OR WAIVER**. Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise of any other right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any Default or notice of default under this Deed of Trust, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid or performed and Trustor has cured all other Defaults hereunder), or impair the status of the security, or

prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of this Deed of Trust

7.7 **PAYMENT OF COSTS, EXPENSES AND ATTORNEYS' FEES** Trustor agrees to pay to Beneficiary immediately and upon demand all costs and expenses incurred by Trustee and Beneficiary in the enforcement of the terms and conditions of this Deed of Trust (including, without limitation, statutory trustee's fees, court costs and attorneys' fees, whether incurred in litigation or not) with interest from the date of expenditure until said sums have been paid at the rate of interest applicable to the principal balance of the Note as specified therein

7 8 **POWER TO FILE NOTICES AND CURE DEFAULTS** Trustor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, to perform any obligation of Trustor hereunder upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, provided, however, that (a) Beneficiary as such attorney-in-fact shall only be accountable for such funds as are actually received by Beneficiary, and (b) Beneficiary shall not be liable to Trustor or any other person or entity for any failure to act under this Section

7 9 **REMEDIES CUMULATIVE**. All rights and remedies of Beneficiary and Trustee under this Deed of Trust and the other Loan Documents are cumulative and are in addition to all rights and remedies provided by applicable law (including specifically that of foreclosure of this Deed of Trust as though it were a mortgage) Beneficiary may enforce any one or more remedies or rights under the Loan Documents either successively or concurrently

## ARTICLE 8. MISCELLANEOUS PROVISIONS

8 1 **ADDITIONAL PROVISIONS** The Loan Documents contain or incorporate by reference the entire agreement of the parties with respect to matters contemplated herein and supersede all prior negotiations The Loan Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and to the Property and such further rights and agreements are incorporated herein by this reference THE OBLIGATIONS AND LIABILITIES OF TRUSTOR UNDER THIS DEED OF TRUST AND THE OTHER LOAN DOCUMENTS ARE SUBJECT TO THE PROVISIONS OF THE SECTION IN THE NOTE ENTITLED "BORROWER'S LIABILITY "

8 2 **NON-WAIVER** By accepting payment of any amount secured hereby after its due date or late performance of any other Secured Obligation, Beneficiary shall not waive its right against any person obligated directly or indirectly hereunder or on any Secured Obligation, either to require prompt payment or performance when due of all other sums and obligations so secured or to declare default for failure to make such prompt payment or performance. No exercise of any right or remedy by Beneficiary or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law No failure by Beneficiary or Trustee to exercise any right or remedy hereunder arising upon any Default shall be construed to prejudice Beneficiary's or Trustee's rights or remedies upon the occurrence of any other or subsequent Default No delay by Beneficiary or Trustee in exercising any such right or remedy shall be construed to preclude Beneficiary or Trustee from the exercise thereof at any time while that Default is continuing No notice to nor demand on Trustor shall of itself entitle Trustor to any other or further notice or demand in similar or other circumstances

8 3 **CONSENTS AND APPROVALS** Wherever Beneficiary's consent, approval, acceptance or satisfaction is required under any provision of this Deed of Trust or any of the other Loan Documents, such consent, approval, acceptance or satisfaction shall not be unreasonably withheld, conditioned or delayed by Beneficiary unless such provision expressly so provides

8 4 **PERMITTED CONTESTS** After prior written notice to Beneficiary, Trustor may contest, by appropriate legal or other proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any lien, levy, tax or assessment, or any lien of any laborer, mechanic, materialman, supplier

or vendor, or the application to Trustor or the Property of any law or the validity thereof, the assertion or imposition of which, or the failure to pay when due, would constitute a Default, provided that (a) Trustor pursues the contest diligently, in a manner which Beneficiary determines is not prejudicial to Beneficiary, and does not impair the lien of this Deed of Trust, (b) the Property, or any part hereof or estate or interest therein, shall not be in any danger of being sold, forfeited or lost by reason of such proceedings; (c) in the case of the contest of any law or other legal requirement, Beneficiary shall not be in any danger of any civil or criminal liability, and (d) if required by Beneficiary, Trustor deposits with Beneficiary any funds or other forms of assurance (including a bond or letter of credit) satisfactory to Beneficiary to protect Beneficiary from the consequences of the contest being unsuccessful. Trustor's right to contest pursuant to the terms of this provision shall in no way relieve Trustor or Borrower of its obligations under the Loan or to make payments to Beneficiary as and when due.

8.5 **FURTHER ASSURANCES**. Trustor shall, upon demand by Beneficiary or Trustee, execute, acknowledge (if appropriate) and deliver any and all documents and instruments and do or cause to be done all further acts reasonably necessary or appropriate to effectuate the purposes of the Loan Documents and to perfect any assignments contained therein

8 6 **ATTORNEYS' FEES** If any legal action, suit or proceeding is commenced between Trustor and Beneficiary regarding their respective rights and obligations under this Deed of Trust or any of the other Loan Documents, the prevailing party shall be entitled to recover, in addition to damages or other relief, costs and expenses, reasonable attorneys' fees and court costs (including, without limitation, expert witness fees) As used herein the term "prevailing party" shall mean the party which obtains the principal relief it has sought, whether by compromise settlement or judgment. If the party which commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party

8.7 **TRUSTOR AND BENEFICIARY DEFINED** The term "Trustor" includes both the original Trustor and any subsequent owner or owners of any of the Property, and the term "Beneficiary" includes the original Beneficiary and any future owner or holder, including assignees, pledges and participants, of the Note or any interest therein.

8 8 **DISCLAIMERS**.

a **Nominee Capacity of MERS** MERS serves as mortgagee of record and secured party solely as nominee, in an administrative capacity, for Lender and its successors and assigns and only holds legal title to the interests granted, assigned, and transferred herein All payments or deposits with respect to the Secured Obligations shall be made to Lender, all advances under the Loan Documents shall be made by Lender, and all consents, approvals, or other determinations required or permitted of Beneficiary herein shall be made by Lender. MERS shall at all times comply with the instructions of Lender and its successors and assigns If necessary to comply with law or custom, MERS (for the benefit of Lender and its successors and assigns) may be directed by Lender to exercise any or all of those interests, including without limitation, the right to foreclose and sell the Property, and take any action required of Lender, including without limitation, a release, discharge or reconveyance of this Deed of Trust Subject to the foregoing, all references herein to "Beneficiary" shall include Lender and its successors and assigns

b **Relationship**. The relationship of Trustor and Beneficiary under this Deed of Trust and the other Loan Documents is, and shall at all times remain, solely that of borrower and lender (the role of MERS hereunder being solely that of nominee as set forth in subsection (a) above and not that of a lender), and Beneficiary neither undertakes nor assumes any responsibility or duty to Trustor or to any third party with respect to the Property. Notwithstanding any other provisions of this Deed of Trust and the other Loan Documents. (i) Beneficiary is not, and shall not be construed to be, a partner, joint venturer, member, alter ego, manager, controlling person or other business associate or participant of

any kind of Trustor, and Beneficiary does not intend to ever assume such status, (ii) Lender's activities in connection with this Deed of Trust and the other Loan Documents shall not be "outside the scope of activities of a lender of money" within the meaning of California Civil Code Section 3434, as amended or recodified from time to time, and Beneficiary does not intend to ever assume any responsibility to any person for the quality, suitability, safety or condition of the Property, and (iii) Beneficiary shall not be deemed responsible for or a participant in any acts, omissions or decisions of Trustor.

c **No Liability** Beneficiary shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any person or property arising from any construction on, or occupancy or use of, the Property, whether caused by or arising from: (i) any defect in any building, structure, grading, fill, landscaping or other improvements thereon or in any on-site or off-site improvement or other facility therein or thereon; (ii) any act or omission of Trustor or any of Trustor's agents, employees, independent contractors, licensees or invitees, (iii) any accident in or on the Property or any fire, flood or other casualty or hazard thereon, (iv) the failure of Trustor or any of Trustor's licensees, employees, invitees, agents, independent contractors or other representatives to maintain the Property in a safe condition, or (v) any nuisance made or suffered on any part of the Property

8 9 **SEVERABILITY** If any term of this Deed of Trust or any other Loan Document, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Deed of Trust or such other Loan Document, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Deed of Trust or such other Loan Document shall be valid and enforceable to the fullest extent permitted by law

8 10 **RELATIONSHIP OF ARTICLES** The rights, remedies and interests of Beneficiary under the deed of trust established by Article 1 and the security agreement established by Article 4 are independent and cumulative, and there shall be no merger of any lien created by the deed of trust with any security interest created by the security agreement. Beneficiary may elect to exercise or enforce any of its rights, remedies or interests under either or both the deed of trust or the security agreement as Beneficiary may from time to time deem appropriate The absolute assignment of rents and leases established by Article 3 is similarly independent of and separate from the deed of trust and the security agreement

8 11 **MERGER** No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Property unless Beneficiary consents to a merger in writing

8 12 **OBLIGATIONS OF TRUSTOR, JOINT AND SEVERAL.** If more than one person has executed this Deed of Trust as "Trustor", the obligations of all such persons hereunder shall be joint and several.

8 13 **SEPARATE AND COMMUNITY PROPERTY** Any married person who executes this Deed of Trust as a "Trustor" agrees that any money judgment which Beneficiary or Trustee obtains pursuant to the terms of this Deed of Trust or any other obligation of that married person secured by this Deed of Trust may be collected by execution upon any separate property or community property of that person

8.14 **INTEGRATION; INTERPRETATION** The Loan Documents contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated therein and supersede all prior negotiations or agreements, written or oral The Loan Documents shall not be modified except by written instrument executed by all parties Any reference in any of the Loan Documents to the Property or Collateral shall include all or any part of the Property or Collateral Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Beneficiary in writing When the identity of the parties or other circumstances make it appropriate, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural

8.15 **CAPITALIZED TERMS** Capitalized terms not otherwise defined herein shall have the meanings set forth in the Note

8.16 **SUCCESSORS IN INTEREST** The terms, covenants, and conditions contained herein and in the other Loan Documents shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties. The foregoing sentence shall not be construed to permit Trustor to assign the Loan except as otherwise permitted under the Note or the other Loan Documents

8.17 **GOVERNING LAW** This Deed of Trust was accepted by Beneficiary in the state of California and the proceeds of the Note secured hereby were disbursed from the state of California, which state the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby Accordingly, in all respects, including, without limiting the generality of the foregoing, matters of construction, validity, enforceability and performance, this Deed of Trust, the Note and the other Loan Documents and the obligations arising hereunder and thereunder shall be governed by, and construed in accordance with, the laws of the state of California applicable to contracts made and performed in such state and any applicable law of the United States of America, except that at all times the provisions for enforcement of Beneficiary's STATUTORY POWER OF SALE and all other remedies granted hereunder and the creation, perfection and enforcement of the security interests created pursuant hereto and pursuant to the other Loan Documents in any Collateral which is located in the state where the Property is located shall be governed by and construed according to the law of the state where the Property is located Except as provided in the immediately preceding sentence, Trustor hereby unconditionally and irrevocably waives, to the fullest extent permitted by law, any claim to assert that the law of any jurisdiction other than California governs this Deed of Trust, the Note and other Loan Documents

8.18 **CONSENT TO JURISDICTION** Trustor irrevocably submits to the jurisdiction of (a) any state or federal court sitting in the state of California over any suit, action, or proceeding, brought by Trustor against Beneficiary, arising out of or relating to this Deed of Trust, the Note or the Loan, (b) any state or federal court sitting in the state where the Property is located or the state in which Trustor's principal place of business is located over any suit, action or proceeding, brought by Beneficiary against Trustor, arising out of or relating to this Deed of Trust, the Note or the Loan, and (c) any state court sitting in the county of the state where the Property is located over any suit, action, or proceeding, brought by Beneficiary to exercise its STATUTORY POWER OF SALE under this Deed of Trust or any action brought by Beneficiary to enforce its rights with respect to the Collateral. Trustor irrevocably waives, to the fullest extent permitted by law, any objection that Trustor may now or hereafter have to the laying of venue of any such suit, action, or proceeding brought in any such court and any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

8.19 **EXHIBITS** Exhibit A is incorporated into this Deed of Trust by this reference.

8.20 **ADDRESSES; REQUEST FOR NOTICE** All notices and other communications that are required or permitted to be given to a party under this Deed of Trust or the other Loan Documents shall be in writing, refer to the Loan number, and shall be sent to such party, either by personal delivery, by overnight delivery service, by certified first class mail, return receipt requested, or by facsimile transmission to the addressee or facsimile number below All such notices and communications shall be effective upon receipt of such delivery or facsimile transmission The addresses of the parties are set forth on page 1 of this Deed of Trust and the facsimile numbers for the parties are as follows

| Beneficiary | Trustee |
| --- | --- |
| MORTGAGE ELECTRONIC REGISTRATION SYSTEMS INC<br>FAX No (703) 748-0183 | AMERICAN SECURITIES COMPANY<br>1320 Willow Pass Road, Suite 205<br>Concord, CA 94520<br>FAX No 925-691-5249 |

Trustor.

JERSEY BUSINESS PARK
Fax No: 949-679-8502

Trustor's principal place of business is at the address set forth on page 1 of this Deed of Trust

Any Trustor whose address is set forth on page 1 of this Deed of Trust hereby requests that a copy of notice of default and notice of sale be delivered to it at that address Failure to insert an address shall constitute a designation of Trustor's last known address as the address for such notice Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving 30 days notice to the other parties in the manner set forth above.

8.21 **COUNTERPARTS**. This Deed of Trust may be executed in any number of counterparts, each of which, when executed and delivered, will be deemed an original and all of which taken together, will be deemed to be one and the same instrument

8 22 **WAIVER OF JURY TRIAL.** BENEFICIARY AND TRUSTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS DEED OF TRUST OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF BENEFICIARY OR TRUSTOR THIS PROVISION IS A MATERIAL INDUCEMENT FOR BENEFICIARY TO ENTER INTO THIS DEED OF TRUST

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year set forth above.

"TRUSTOR"

JERSEY BUSINESS PARK,
a California general partnership

By: /s/ James T. Rountree
James T. Rountree, Trustee of The
James T. Rountree Revocable Trust
Under Declaration of Trust Dated
September 15, 1998,
General Partner

By: /s/ Barbara R. Rountree
Barbara R. Rountree, Trustee of The
Barbara R. Rountree Revocable Trust
Under Declaration of Trust Dated
September 15, 1998,
General Partner

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

STATE OF CALIFORNIA )
) ss
COUNTY OF ORANGE )

On December 6, 2004, before me, Jani Wilson, the undersigned Notary Public, personally appeared JAMES T. ROUNTREE and BARBARA R. ROUNTREE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

JANI WILSON
Commission # 1366570
Notary Public - California
Orange County
My Comm. Expires Jun 12, 2006

Loan No 31-0901787

**EXHIBIT A**
**Description of Land**

Exhibit A to DEED OF TRUST AND ABSOLUTE ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT (AND FIXTURE FILING) ("Deed of Trust") among JERSEY BUSINESS PARK, a California general partnership, as "Trustor", AMERICAN SECURITIES COMPANY, as "Trustee", and MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., a Delaware corporation, as "Beneficiary".

Description of Land. The Land referred to in this Deed of Trust is situated in the county of San Bernardino, state of California, and is described as follows.

PARCEL NOS. 12, 13 AND 14 OF PARCEL MAP NO 4594, IN THE CITY OF RANCHO CUCAMONGA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA AS PER PLAT RECORDED IN BOOK 47 OF PARCEL MAPS, PAGES 2 AND 3, RECORDS OF SAID COUNTY

A "CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT", NO. 106 MERGER, BY THE CITY OF RANCHO CUCAMONGA, RECORDED OCTOBER 30, 1989 AS INSTRUMENT NO. 89-408494 OF OFFICIAL RECORDS, WHEREIN SAID CERTIFICATE PROVIDES FOR SAID LAND TO BE HELD AS ONE PARCEL OF LAND

Assessor's Parcel No: 0209-491-23

**Exhibit 10.16**

TERM LOAN AGREEMENT

by and between

RIF V – Glendale Commerce Center, LLC,
a California limited liability company

RIF V – GGC Alcorn, LLC,
a California limited liability company

and

RIF V – 3360 San Fernando, LLC,
a California limited liability company

as Borrower,

and

BANK OF AMERICA, N.A.,
a national banking association,

as Lender,

with respect to

3332, 3334, 3368, 3370, 3378, 3380, 3410 and 3424 San Fernando Road and 3550 Tyburn Street, Los Angeles, CA

3340 San Fernando Road, Los Angeles, CA

and

3360 San Fernando Road, Los Angeles, CA

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TERM LOAN AGREEMENT

This Term Loan Agreement (this "Agreement") is made as of the sixteenth day of April, 2013, by and between RIF V – GLENDALE COMMERCE CENTER, LLC, a California limited liability company, RIF V – GGC ALCORN, LLC, a California limited liability company and RIF V – 3360 SAN FERNANDO, LLC, a California limited liability company (individually and collectively, jointly and severally, "Borrower"), and BANK OF AMERICA, N.A., a national banking association ("Lender").

Recitals

Borrower has applied to Lender for a loan for the purpose of acquiring the real property that will serve as security for the loan. Lender has agreed to make the loan on the terms and conditions set forth in this Agreement and in the other documents evidencing and securing the loan.

Now, therefore, in consideration of the premises, and in further consideration of the mutual covenants and agreements herein set forth, the parties covenant and agree as follows:

Agreements

Article I
General Information.

Section 1.1 Conditions to Closing.

The conditions precedent to closing the Loan and recording the Mortgage are set forth in the Closing Checklist.

Section 1.2 Schedules.

The Schedules attached to this Agreement are incorporated herein and made a part hereof.

Section 1.3 Defined Terms.

Capitalized terms in this Agreement shall have the meanings ascribed to such terms in the Preamble hereto and inSchedule 1.

Article II
Terms of the Loan.

Section 2.1 The Loan.

Borrower agrees to borrow the Loan from Lender, and Lender agrees to lend the Loan to Borrower, subject to the terms and conditions herein set forth, in an amount not to exceed the Loan Amount. Interest shall accrue and be payable in arrears only on sums advanced hereunder for the period of time outstanding. The Loan is not a revolving loan; amounts repaid may not be re-borrowed.

Section 2.2 Initial Advance.

At closing, Lender shall credit Borrower for its $25,000.00 good faith deposit against the costs specified in subsections (a) through (c) below and shall advance Loan proceeds in the amount of $42,750,000.00 as follows:

(a) First, to Lender, the sum of $213,750.00 for the Loan Fee;

(b) Second, to Lender, the sum of $12,125.00 for appraisal fees;

(c) Third, to Lender, the sum of $460.00 for environmental fee; and

(d) Fourth, to the Title Company, an amount equal to $42,548,665.00 which shall be used to pay Lender's legal fees and other expenses incurred in connection with the closing of the Loan, to pay certain costs and expenses of the Title Company, to pay a portion of Borrower's cost of acquiring the Property, and to pay or reimburse Borrower for other documented third party costs incurred by Borrower in connection with the closing of the escrow as specified in Borrower's written instructions to the Title Company as shown on the settlement statement approved by Lender in writing.

Section 2.3 Intentionally Omitted.

Section 2.4 Intentionally Omitted.

Section 2.5 Liability of Lender.

Lender shall in no event be responsible or liable to any Person other than Borrower for the disbursement of or failure to disburse the Loan proceeds or any part thereof and no Person other than Borrower shall have any right or claim against Lender under this Agreement or the other Loan Documents.

Section 2.6 Reconveyances.

Upon request of the Borrower to obtain the release and reconveyance of the RIF V – 3360 Mortgage, but not the RIF V – Glendale Mortgage or the RIF V – Alcorn Mortgage, Lender will grant such release and execute and deliver to Borrower, with respect to the RIF V – 3360 Property, a Deed of Reconveyance and a termination of the financing statement filed with respect to RIF V – 3360 in connection with the Loan, provided the following conditions are met:

(a) Borrower provides, and Lender will have approved, in its reasonable discretion, any easements, reciprocal easement agreements, covenants, conditions and restrictions or any modification to existing easements, reciprocal easement agreements, covenants, conditions and restrictions or other documents or agreements necessitated by the release for the use, maintenance and operation of the RIF V – 3360 Property and the remaining portion of the Property which burden or benefit the Release Parcel or the remainder of the Property;

(b) not less than 30 days prior to the proposed date of the reconveyance, Borrower deliver to Lender a notice setting forth (i) the date of the reconveyance; (ii) the name of the proposed transferee or proposed lender; and (iii) any other information reasonably necessary for Lender to analyze the terms of the reconveyance. The notice will be accompanied by a copy of the documents effecting the transfer of the RIF V – 3360 Property;

(c) on the date Borrower delivers to Lender notice of the proposed reconveyance and on the date of the reconveyance, there is no Default or Event of Default under the Loan Documents on either the notice date or the release date;

(d) Borrower delivers to Lender evidence satisfactory to Lender that Borrower have complied with any applicable requirements of easements, covenants conditions and restrictions affecting the Property or the leases applicable to the reconveyance, that the reconveyance does not violate any of the provisions thereof and, to the extent necessary to comply therewith or the leases, that the transferee has assumed all of Borrower's obligations relating to the RIF V – 3360 Property thereunder;

(e) Borrower delivers to Lender an endorsement to Lender's title insurance policy or policies satisfactory to Lender that (i) extends the effective date of the policy to the effective date of the reconveyance; (ii) confirms no change in the priority of this Mortgage on the balance of the Property or in the amount of coverage; (iii) consents to the reconveyance; (iv) waives any defense resulting from the reconveyance; (v) to the extent of the value of the RIF V – 3360 Property, waives any right of subrogation; and (vi) confirms that the RIF V – 3360 Property and the balance of the Property constitute a separate tax lot;

(f) not less than ten (10) days prior to the date of the reconveyance, Borrower deliver to Lender consents to the reconveyance by and estoppels from entities holding liens affecting the Property or holding any other interests in the Property that would be affected by the reconveyance, including parties to any Leases;

(g) Borrower deliver to Lender evidence satisfactory to Lender that the RIF V – 3360 Property and the balance of the Property each separately conforms to and is in compliance with all subdivision laws (as evidenced by the issuance of an endorsement to Lender's title insurance policy or policies satisfactory to Lender) and the balance of the Property is a self-contained unit, having direct on-site connection to all utilities or via easements acceptable to Lender in its sole discretion and direct access to one or more public streets, all in a location and configuration acceptable to Lender;

(h) Borrower pay Lender all of Lender's reasonable costs and expenses relating to the reconveyance, including Lender's attorneys' fees, appraisal fees, engineering fees, title fees and Trustee's attorneys' fees;

(i) Borrower deliver to Lender copies of the executed documents evidencing the transfer or refinancing of the RIF V – 3360 Property;

(j) Borrower deliver to Lender any other information, approvals and documents reasonably required by Lender relating to the reconveyance; and

(k) prior to or concurrently with the reconveyance of the RIF V – 3360 Property, Lender shall have received a repayment on the Loan in an amount equal to the greater of (x) Two Million Six Hundred Thousand and No/100 Dollars ($2,600,000.00), or (y) such amount, as determined by Lender in its sole discretion, as would cause the Debt Service Coverage Ratio (using the definitions set forth in Schedule 8) to equal 1.20 to 1.00 after the reconveyance and after taking into account the paydown required by this subsection.

Upon the reconveyance of the RIF V – 3360 Mortgage pursuant to this Section 2.6, the obligations of RIF V – 3360 under the Loan Documents shall terminate as and to the same extent as said obligations would terminate upon the full repayment of the Loan.

## Article III
## Representations and Warranties.

Borrower makes the following representations and warranties to Lender as of the date hereof and as of the date of each advance hereunder:

Section 3.1 Organization, Power and Authority of Borrower; Loan Documents.

Borrower (a) is a limited liability company duly organized, existing and in good standing under the Laws of the state in which it is organized and is duly qualified to do business and in good standing in the state in which the Land is located (if different from the state of its formation) and in any other state where the nature of Borrower's business or property requires it to be qualified to do business, and (b) has the power, authority and legal right to own its property and carry on the business now being conducted by it and to engage in the transactions contemplated by the Loan Documents. The Loan Documents to which Borrower is a party have been duly executed and delivered by Borrower, and the execution and delivery of, and the carrying out of the transactions contemplated by, such Loan Documents, and the performance and

observance of the terms and conditions thereof, have been duly authorized by all necessary organizational action by and on behalf of Borrower. The Loan Documents to which Borrower is a party constitute the valid and legally binding obligations of Borrower and are fully enforceable against Borrower in accordance with their respective terms, except to the extent that such enforceability may be limited by Laws generally affecting the enforcement of creditors' rights.

Section 3.2 Other Documents; Laws.

The execution and performance of the Loan Documents to which Borrower is a party and the consummation of the transactions contemplated thereby will not conflict with, result in any breach of, or constitute a default under, the organizational documents of Borrower, or any contract, agreement, document or other instrument to which Borrower is a party or by which Borrower or any of its properties may be bound or affected, and such actions do not and will not violate or contravene any Law to which Borrower is subject.

Section 3.3 Taxes.

Borrower has filed all federal, state, county and municipal tax returns required to have been filed by Borrower and has paid all Taxes which have become due pursuant to such returns or pursuant to any tax assessments received by Borrower.

Section 3.4 Legal Actions.

There are no Claims or investigations by or before any court or Governmental Authority, pending, or to the best of Borrower's knowledge and belief, threatened against or affecting Borrower, Borrower's business or the Property. Borrower is not in default with respect to any order, writ, injunction, decree or demand of any court or any Governmental Authority affecting Borrower or the Property.

Section 3.5 Nature of Loan.

Borrower is a business or commercial organization. The Loan is being obtained solely for business or investment purposes, and will not be used for personal, family, household or agricultural purposes.

Section 3.6 Trade Names.

Borrower conducts its business solely under the name set forth in the Preamble to this Agreement and makes use of no trade names in connection therewith, unless such trade names have been previously disclosed to Lender in writing.

Section 3.7 Financial Statements.

The financial statements heretofore delivered by Borrower and each Guarantor to Lender are true and correct in all respects, have been prepared in accordance with sound accounting principles consistently applied, and fairly present the respective financial conditions of the subjects thereof as of the respective dates thereof.

Section 3.8 No Material Adverse Change.

No material adverse change has occurred in the financial conditions reflected in the financial statements of Borrower or any Guarantor since the respective dates of such statements, and no material additional liabilities have been incurred by Borrower since the dates of such statements other than the borrowings contemplated herein or as approved in writing by Lender.

Section 3.9 ERISA and Prohibited Transactions.

As of the date hereof and throughout the term of the Loan: (a) Borrower is not and will not be (i) an "employee benefit plan," as defined in Section 3(3) of ERISA, (ii) a "governmental plan" within the meaning of Section 3(32) of ERISA, or (iii) a "plan" within the meaning of Section 4975(e) of the Code; (b) the assets of Borrower do not and will not constitute "plan assets" within the meaning of the United States Department of Labor Regulations set forth in Section 2510.3-101 of Title 29 of the Code of Federal Regulations; (c) transactions by or with Borrower are not and will not be subject to state statutes applicable to Borrower regulating investments of fiduciaries with respect to governmental plans; and (d) Borrower will not engage in any transaction that would cause any Obligation or any action taken or to be taken hereunder (or the exercise by Lender of any of its rights under the Mortgage or any of the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA or Section 4975 of the Code. Borrower agrees to deliver to Lender such certifications or other evidence of compliance with the provisions of this Section as Lender may from time to time request.

Section 3.10 Compliance with Laws and Zoning and Other Requirements; Encroachments.

Borrower is in compliance with the requirements of all applicable Laws. To the best of Borrower's knowledge, the use of the Property complies with applicable zoning ordinances, regulations and restrictive covenants affecting the Land. All use and other requirements of any Governmental Authority having jurisdiction over the Property have been satisfied. No violation of any Law exists with respect to the Property. The Improvements are constructed entirely on the Land and do not encroach upon any easement or right-of-way, or upon the land of others. The Improvements comply with all applicable building restriction lines and set-backs, however established, and are in strict compliance with all applicable use or other restrictions and the provisions of all applicable agreements, declarations and covenants and all applicable zoning and subdivision ordinances and regulations.

Section 3.11 Certificates of Occupancy.

To the best of Borrower's knowledge, all certificates of occupancy and other permits and licenses necessary or required in connection with the use and occupancy of the Improvements have been validly issued.

Section 3.12 Utilities; Roads; Access.

To the best of Borrower's knowledge, all utility services necessary for the operation of the Improvements for their intended purposes have been fully installed, including telephone service, cable television, water supply, storm and sanitary sewer facilities, natural gas and electric facilities, including cabling for telephonic and data communication, and the capacity to send and receive wireless communication. All roads and other accesses necessary to serve the Land and Improvements have been completed, are serviceable in all weather, and where required by the appropriate Governmental Authority, have been dedicated to and formally accepted by such Governmental Authority.

Section 3.13 Other Liens.

Except for contracts for labor, materials and services furnished or to be furnished in connection with any construction at the Property, including any construction of tenant improvements, Borrower has made no contract or arrangement of any kind the performance of which by the other party thereto would give rise to a lien on the Property.

Section 3.14 No Defaults.

There is no Default or Event of Default under any of the Loan Documents, and there is no default or event of default under any material contract, agreement or other document related to the construction or operation of the Improvements.

Section 3.15 Representations and Warranties.

Notwithstanding anything to the contrary contained in Article 3 of this Agreement, Article 3 of the Mortgage, and/or Section 2 of the Environmental Indemnity, all of Borrower's representations and warranties contained therein, as applicable, shall be subject to the condition of the Property as disclosed in (i) the Phase 1 Environmental Site Assessment for the Glendale Commerce Center, prepared by ADR Environmental Group, Inc. and dated March 26, 2013, and (ii) the Structural Overview and Seismic Risk Assessment (Job No. 13221) prepared by Coffman Engineers and dated April 5, 2013.

## Article IV
## Affirmative Covenants and Agreements.

Borrower covenants as of the date hereof and until such time as all Obligations shall be paid and performed in full, that:

Section 4.1 Compliance with Laws; Use of Proceeds.

Borrower shall comply with all Laws and all orders, writs, injunctions, decrees and demands of any court or any Governmental Authority affecting Borrower or the Property, provided, however that so long as Lender determines that neither the operation of the Property nor Lender's security for the Loan is diminished or jeopardized thereby, Borrower shall have the right to contest any such laws orders, injunction, decree or demand, provided that Borrower does so diligently and without prejudice to Lender . Borrower shall use all proceeds of the Loan for business purposes which are not in contravention of any Law or any Loan Document.

Section 4.2 Inspections; Cooperation.

Subject to the security requirements of tenants pursuant to applicable leases, Borrower shall permit representatives of Lender to enter upon the Land, to inspect the Improvements and any and all materials to be used in connection with any construction at the Property, including any construction of tenant improvements, to examine all detailed plans and shop drawings and similar materials as well as all records and books of account maintained by or on behalf of Borrower relating thereto and to discuss the affairs, finances and accounts pertaining to the Loan and the Improvements with representatives of Borrower. Borrower shall at all times cooperate and cause each and every one of its contractors, subcontractors and material suppliers to cooperate with the representatives of Lender in connection with or in aid of the performance of Lender's functions under this Agreement. Except in the event of an emergency, Lender shall give Borrower at least one Banking Day's prior notice by telephone in each instance before entering upon the Land and/or exercising any other rights granted in this Section.

Section 4.3 Payment and Performance of Contractual Obligations.

Borrower shall perform in a timely manner all of its obligations under any and all contracts and agreements related to any construction activities at the Property or the maintenance or operation of the Improvements, and Borrower will pay when due all bills for services or labor performed and materials supplied in connection with such construction, maintenance and/or operation. Within sixty (60) days after the filing of any mechanic's lien or other lien or encumbrance against the Property, Borrower will promptly discharge the same by payment or filing a bond or otherwise as permitted by Law. So long as Lender's security has been protected by the filing of a bond or otherwise in a manner satisfactory to Lender in its sole and absolute discretion, Borrower shall have the right to contest in good faith any claim, lien or encumbrance, provided that Borrower does so diligently and without prejudice to Lender or delay in completing construction of any tenant improvements.

Section 4.4 Insurance.

Borrower shall maintain the following insurance at its sole cost and expense:

(a) Insurance against Casualty to the Property under a policy or policies covering such risks as are presently included in "special form" (also known as "all risk") coverage, including such risks as are ordinarily insured against by similar businesses, but in any event including fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke, vandalism, malicious mischief and acts of terrorism. Such insurance shall name Lender as mortgagee and loss payee. Unless otherwise agreed in writing by Lender, such insurance shall be for the full insurable value of the Property on a replacement cost basis, with a deductible amount, if any, satisfactory to Lender. No policy of insurance shall be written such that the proceeds thereof will produce less than the minimum coverage required by this Section by reason of co-insurance provisions or otherwise. The term "full insurable value" means one hundred percent (100%) of the actual replacement cost of the Property, including tenant improvements (excluding excavation costs and costs of underground flues, pipes, drains and other uninsurable items).

(b) Commercial (also known as comprehensive) general liability insurance on an "occurrence" basis against claims for "personal injury" liability and liability for death, bodily injury and damage to property, products and completed operations, in limits satisfactory to Lender with respect to any one occurrence and the aggregate of all occurrences during any given annual policy period. Such insurance shall name Lender as an additional insured.

(c) Workers' compensation insurance for all employees of Borrower in such amount as is required by Law and including employer's liability insurance, if required by Lender.

(d) During any period of construction of tenant improvements, Borrower shall maintain, or cause others to maintain, such insurance as may be required by Lender of the type customarily carried in the case of similar construction for one hundred percent (100%) of the full replacement cost of materials stored at or upon the Property. During any period of other construction upon the Property, Borrower shall maintain, or cause others to maintain, builder's risk insurance (non-reporting form) of the type customarily carried in the case of similar construction for one hundred percent (100%) of the full replacement cost of work in place and materials stored at or upon the Property.

(e) If at any time any portion of any structure on the Property is insurable against Casualty by flood and is located in a Special Flood Hazard Area under the Flood Disaster Protection Act of 1973, as amended, a flood insurance policy on the structure and Borrower owned contents in form and amount acceptable to Lender but in no amount less than the amount sufficient to meet the requirements of applicable Law as such requirements may from time to time be in effect.

(f) Loss of rental value insurance and business interruption insurance in an amount equal to twelve (12) months of the projected gross income of the Property.

(g) Such other and further insurance as may be required from time to time by Lender in order to comply with regular requirements and practices of Lender in similar transactions including, if required by Lender, boiler and machinery insurance, pollution liability insurance, wind insurance and earthquake insurance, so long as any such insurance is generally available at commercially reasonable premiums as determined by Lender from time to time and, with respect to earthquake insurance, only if the probably maximum loss for all of the Improvements exceeds 20% of the appraised value of the Improvements, as reasonably determined by Lender.

Each policy of insurance (i) shall be issued by one or more insurance companies each of which must have an A.M. Best Company financial and performance rating of A-IX or better and are qualified or authorized by the Laws of the State to assume the risks covered by such policy, (ii) with respect to the insurance described under the preceding Subsections (a), (d), (e) and (f), shall have attached thereto standard non-contributing, non-reporting mortgagee clauses in favor of and entitling Lender without contribution to collect any and all proceeds payable under such insurance, either as sole payee or as joint payee with Borrower, (iii) shall provide that such policy shall not be canceled or modified for nonpayment of premiums without at least ten (10) days prior written notice to Lender, or for any other reason without at least thirty (30) days prior written notice to Lender, and (iv) shall provide that any loss otherwise payable thereunder shall be payable notwithstanding any act or negligence of Borrower which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment. Borrower shall promptly pay all premiums when due on such insurance and, not less than ten (10) days prior to the expiration dates of each such policy, Borrower will deliver to Lender acceptable evidence of insurance, such as a renewal policy or policies marked "premium paid" or other evidence satisfactory to Lender reflecting that all required insurance is current and in force. Borrower will immediately give Notice to Lender of any cancellation of, or change in, any insurance policy. Lender shall not, because of accepting, rejecting, approving or obtaining insurance, incur any liability for (A) the existence, nonexistence, form or legal sufficiency thereof, (B) the solvency of any insurer, or (C) the payment of losses. Borrower may satisfy any insurance requirement hereunder by providing one or more "blanket" insurance policies, subject to Lender's approval in each instance as to limits, coverages, forms, deductibles, inception and expiration dates, and cancellation provisions.

Section 4.5 Adjustment of Condemnation and Insurance Claims.

Borrower shall give prompt Notice to Lender of any Casualty or any Condemnation or threatened Condemnation. Lender is authorized, at its sole and absolute option, to commence, appear in and prosecute, in its own or Borrower's name, any action or proceeding relating to any Condemnation or Casualty, and to make proof of loss for and to settle or compromise any Claim in connection therewith. In such case, Lender shall have the right to receive all Condemnation Awards and Insurance Proceeds, and may deduct therefrom any and all of its Expenses. However, so long as no Event of Default has occurred and if any Casualty or Condemnation individually or in the aggregate is less than $250,000 in Claims, and if Borrower is diligently pursuing its rights and remedies with respect to a Claim, then Lender allow Borrower to make proof of loss for or settle or compromise such Claim. Borrower agrees to diligently assert its rights and remedies with respect to each Claim and to promptly pursue the settlement and compromise of each Claim subject to Lender's approval, which approval shall not be unreasonably withheld or delayed. If, prior to the receipt by Lender of any Condemnation Award or Insurance Proceeds, the Property shall have been sold pursuant to the provisions of the Mortgage, Lender shall have the right to receive such funds (a) to the extent of any deficiency found to be due upon such sale with interest thereon (whether or not a deficiency judgment on the Mortgage shall have been sought or recovered or denied), and (b) to the extent necessary to reimburse Lender for its Expenses. If any Condemnation Awards or Insurance Proceeds are paid to Borrower, Borrower shall receive the same in trust for Lender. Within ten (10) days after Borrower's receipt of any Condemnation Awards or Insurance Proceeds, Borrower shall deliver such awards or proceeds to Lender in the form in which they were received, together with any endorsements or documents that may be necessary to effectively negotiate or transfer the same to Lender. Borrower agrees to execute and deliver from time to time, upon the request of Lender, such further instruments or documents as may be requested by Lender to confirm the grant and assignment to Lender of any Condemnation Awards or Insurance Proceeds.

Section 4.6 Utilization of Net Proceeds.

(a) Net Proceeds must be utilized either for payment of the Obligations or for the restoration of the Property. Net Proceeds may be utilized for the restoration of the Property only if no Default or Event of Default shall exist and only if in the reasonable judgment of Lender (i) there has been no material adverse change in the financial viability of the Improvements, (ii) the Net Proceeds, together with other funds deposited with Lender for that purpose, are sufficient to pay the cost of the restoration pursuant to a budget and plans and specifications approved by Lender, (iii) the restoration can be completed prior to the final maturity of the Loan and prior to the date required by any permanent loan commitment or any purchase and sale agreement or by any Lease, and (iv) following restoration, the Property will have a fair market value at least equal to its fair market value immediately prior to the Casualty or Condemnation. Otherwise, Net Proceeds shall be utilized for payment of the Obligations.

(b) If Net Proceeds are to be utilized for the restoration of the Property, the Net Proceeds, together with any other funds deposited with Lender for that purpose, must be deposited in a Borrower's Deposit Account, which shall be an interest-bearing account, with all accrued interest to become part of Borrower's deposit. Borrower agrees that it shall include all interest and earnings on any such deposit as its income (and, if Borrower is a partnership or other pass-through entity, the income of its partners, members or beneficiaries, as the case may be), and shall be the owner of all funds on deposit in the Borrower's Deposit Account for federal and applicable state and local tax purposes. Lender shall have the exclusive right to manage and control all funds in the Borrower's Deposit Account, but Lender shall have no fiduciary duty with respect to such funds. Prior to the advance by Lender of any funds so deposited and the commencement of such restoration, Borrower shall take all steps necessary to avoid the imposition of any mechanics' liens on the Property or the Improvements. Thereafter, Lender will advance the deposited funds from time to time to Borrower for the payment of costs of restoration of the Property upon presentation of evidence acceptable to Lender that such restoration has been completed satisfactorily and lien-free. If at any time Lender determines that there is a deficiency in the funds available in the Borrower's Deposit Account to complete the restoration as contemplated, then Borrower will promptly deposit in the Borrower's Deposit Account additional funds equal to the amount of the deficiency. Any account fees and charges may be deducted from the balance, if any, in the Borrower's Deposit Account. Borrower grants to Lender a security interest in the Borrower's Deposit Account and all funds hereafter deposited to such deposit account, and any proceeds thereof, as security for the Obligations. Such security interest shall be governed by the Uniform Commercial Code of the State, and Lender shall have available to it all of the rights and remedies available to a secured party thereunder. The Borrower's Deposit Account may be established and held in such name or names as Lender shall deem appropriate, including in the name of Lender. Borrower hereby constitutes and appoints Lender and any officer or agent of Lender its true and lawful attorneys-in-fact with full power of substitution to open the Borrower's Deposit Account and to do any and every act that Borrower might do on its own behalf to fulfill the terms of this Section. To the extent permitted by Law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. It is understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

Section 4.7 Management.

Borrower at all times shall provide for the competent and responsible management and operation of the Property by an Approved Manager. Any management contract or contracts affecting the Property must be approved in writing by Lender prior to the execution of the same.

Section 4.8 Books and Records; Financial Statements; Tax Returns

Borrower shall provide or cause to be provided to Lender all of the following:

(a) For each calendar quarter (and for the calendar year through the end of that quarter) (A) unaudited property operating reports which include all income and expenses in connection with the Property, and (B) rent rolls, as soon as reasonably practicable but in any event within forty-five (45) days after the end of each such calendar quarter. Items provided under this paragraph shall be in form and detail satisfactory to Lender.

(b) Annual Financial Statements of Guarantor for each fiscal year of Guarantor, as soon as reasonably practicable and in any event within one hundred twenty (120) days after the close of each fiscal year.

(c) Compliance certificates evidencing Borrower's compliance with the financial covenants of Borrower set forth in Schedule 8, such certificates to be in such form, and be accompanied by such supporting information, as Lender shall specify and delivered by Borrower within forty-five (45) days after each Determination Date.

(d) Compliance certificates evidencing Guarantor's compliance with the financial covenants of Guarantor set forth in Schedule 8, such certificates to be in such form, and be accompanied by such supporting information, as Lender shall specify and delivered by Borrower within one hundred twenty (120) days after the end of each fiscal year of Guarantor.

(e) From time to time promptly after Lender's request, such additional information, reports and statements respecting the Property and the Improvements, or the business operations and financial condition of each reporting party, as Lender may reasonably request.

Borrower will keep and maintain full and accurate books and records administered in accordance with sound accounting principles, consistently applied, showing in detail the earnings and expenses of the Property and the operation thereof. All Financial Statements shall be in form and detail satisfactory to Lender (Lender hereby acknowledging that so long as Guarantor's annual Financial Statements comply with all state and federal securities laws applicable to Guarantor, such form will be satisfactory to Lender) and shall contain or be attached to the signed and dated written certification of the reporting party in form specified by Lender to certify that the Financial Statements are furnished to Lender in connection with the extension of credit by Lender and constitute a true and correct statement of the reporting party's financial position. All certifications and signatures on behalf of corporations, partnerships, limited liability companies or other entities shall be by a representative of the reporting party satisfactory to Lender. All Financial Statements for a reporting party who is an individual shall be on Lender's then-current personal financial statement form or in another form satisfactory to Lender. All fiscal year-end Financial Statements of Guarantor shall be audited and certified, without any qualification or exception not acceptable to Lender, by independent certified public accountants acceptable to Lender, and shall contain all reports and disclosures required by generally accepted accounting principles for a fair presentation. All quarterly Financial Statements may be prepared by the applicable reporting party and shall include a minimum of a balance sheet, income statement, and statement of cash flow. Borrower shall provide, upon Lender's request, convenient facilities for the audit and verification of any such statement. Additionally, Borrower will provide Lender at Borrower's expense with all evidence that Lender may from time to time reasonably request as to compliance with all provisions of the Loan Documents. Borrower shall promptly notify Lender of any event or condition that could reasonably be expected to have a material adverse change in the financial condition of Borrower, of Guarantor (if known by Borrower), or in the construction progress of the Improvements.

Section 4.9 Estoppel Certificates.

Within ten (10) Banking Days after any request by Lender or a proposed assignee or purchaser of the Loan or any interest therein, Borrower shall certify in writing to Lender, or to such proposed assignee or purchaser, the then unpaid balance of the Loan and whether Borrower claims any right of defense or setoff to the payment or performance of any of the Obligations, and if Borrower claims any such right of defense or setoff, Borrower shall give a detailed written description of such claimed right.

Section 4.10 Taxes; Tax Receipts.

Borrower shall pay and discharge all Taxes prior to the date on which penalties are attached thereto unless and to the extent only that such Taxes are contested in accordance with the terms of the Mortgage. If Borrower fails, following demand, to provide Lender the tax receipts required under the Mortgage, without limiting any other remedies available to Lender, Lender may, at Borrower's sole expense, obtain and enter into a tax services contract with respect to the Property with a tax reporting agency satisfactory to Lender.

Section 4.11 Lender's Rights to Pay and Perform.

If, after any required notice, Borrower fails to promptly pay or perform any of the Obligations within any applicable grace or cure periods, Lender, without Notice to or demand upon Borrower, and without waiving or releasing any Obligation or Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Borrower. Lender may enter upon the Property for that purpose and take all action thereon as Lender considers necessary or appropriate.

Section 4.12 Reimbursement; Interest.

If Lender shall incur any Expenses or pay any Claims by reason of the Loan or the rights and remedies provided under the Loan Documents (regardless of whether or not any of the Loan Documents expressly provide for an indemnification by Borrower against such Claims), Lender's payment of such Expenses and Claims shall constitute advances to Borrower which shall be paid by Borrower to Lender on demand, together with interest thereon from the date incurred until paid in full at the rate of interest then applicable to the Loan under the terms of the Note. Each advance arising out of the Environmental Agreement shall be unsecured. All other advances shall be secured by the Mortgage and the other Loan Documents as fully as if made to Borrower, regardless of the disposition thereof by the party or parties to whom such advance is made. Notwithstanding the foregoing, however, in any action or proceeding to foreclose the Mortgage or to recover or collect the Obligations, the provisions of Law governing the recovery of costs, disbursements and allowances shall prevail unaffected by this Section.

Section 4.13 Notification by Borrower.

Borrower will promptly give Notice to Lender of the occurrence of any Default or Event of Default hereunder or under any of the other Loan Documents. Borrower will also promptly give Notice to Lender of any claim of a default by Borrower, or any claim by Borrower of a default by any other party, under any property management contract or any Lease.

Section 4.14 Indemnification by Borrower.

Borrower agrees to indemnify Lender and to hold Lender harmless from and against, and to defend Lender by counsel approved by Lender against, any and all Claims directly or indirectly arising out of or resulting from any transaction, act, omission, event or circumstance in any way connected with the Property or the Loan, including any Claim arising out of or resulting from (a) any construction activity at the Property, including any defective workmanship or materials; (b) any failure by Borrower to comply with the requirements of any Laws or to comply with any agreement that applies or pertains to the Property, including any agreement with a broker or "finder" in connection with the Loan or other financing of the Property; (c) any failure by Borrower to observe and perform any of the obligations imposed upon the landlord under the Leases; (d) any other Default or Event of Default hereunder or under any of the other Loan Documents; or (e) any assertion or allegation that Lender is liable for any act or omission of Borrower or any other Person in connection with the ownership, development, financing, leasing, operation or sale of the Property; provided, however, that Borrower shall not be obligated to indemnify Lender with respect to any Claim arising solely from the gross negligence or willful misconduct of Lender. The agreements and indemnifications contained in this Section shall apply to Claims arising both before and after the repayment of the Loan and shall survive the repayment of the Loan, any foreclosure or deed, assignment or conveyance in lieu thereof and any other action by Lender to enforce the rights and remedies of Lender hereunder or under the other Loan Documents.

Section 4.15 Fees and Expenses.

Borrower shall pay all fees, charges, costs and expenses required to satisfy the conditions of the Loan Documents. Without limitation of the foregoing, Borrower will pay, when due, and if paid by Lender will reimburse Lender on demand for, all fees and expenses of any construction consultant (if any), the title insurer, environmental engineers, appraisers, surveyors and Lender's counsel in connection with the closing, administration, modification or any "workout" of the Loan, or the enforcement of Lender's rights and remedies under any of the Loan Documents; provided that Borrower shall not be obligated for any cost of any construction consultant (a) for any construction project, the reasonably anticipate total cost of which is below $1,000,000, or (b) in excess of $15,000 in the aggregate for any single construction project, except to the extent any such excess amounts are a result of (i) the construction consultant in good faith being required by Lender to perform services above and beyond its customary and typical scope of services because of a defect or problem with the construction or (ii) the work of the construction consultant is in connection with or a result of a Default. Borrower acknowledges that Lender may receive a benefit, including without limitation, a discount, credit or other accommodation, from outside counsel based on the fees such counsel may receive on account of their relationship with Lender including fees paid pursuant hereto.

Section 4.16 Appraisals.

Lender may obtain from time to time an appraisal of all or any part of the Property, prepared in accordance with written instructions from Lender, from a third-party appraiser satisfactory to, and engaged directly by, Lender. The cost of one such appraisal, including any costs for internal review thereof, obtained by Lender in each calendar year and the cost of each such appraisal obtained by Lender following the occurrence of an Event of Default shall be borne by Borrower and shall be paid by Borrower on demand.

Section 4.17 Leasing and Tenant Matters.

Borrower shall comply with the terms and conditions of Schedule 4 in connection with the leasing of space within the Improvements. In addition, Borrower shall deposit with Lender on the date of Borrower's receipt thereof any and all termination fees or other similar funds paid by tenant in connection with any tenant's election to exercise an early termination option contained in its respective Lease or otherwise at the Property (the "Termination Fee Deposit"). Lender shall have the right, in its sole and absolute discretion, at any time when an uncured Event of Default exists, to either (a) make the Termination Fee Deposit available to reimburse Borrower for Tenant Improvements and Leasing Commissions paid with respect to reletting the vacated space at the Property which shall be disbursed in accordance with the terms and conditions of Schedule 2 attached hereto, or (b) apply the Termination Fee Deposit to repay a portion of the outstanding principal balance of the Loan in accordance with Section 4 of the Note at any time when an unsecured Event of Default exists; provided that if no uncured Event of Default exists Lender make the Termination Fee Deposit available for the purposes specified in clause (a).

Section 4.18 Preservation of Rights.

Borrower shall obtain, preserve and maintain in good standing, as applicable, all rights, privileges and franchises necessary or desirable for the operation of the Property and the conduct of Borrower's business thereon or therefrom.

Section 4.19 Income from Property.

Borrower shall first apply all income derived from the Property, including all income from Leases, to pay costs and expenses incurred in connection with the ownership, maintenance, operation and leasing of the Property which are currently due and payable, including all amounts then required to be paid under the Loan Documents, before using or applying such income for any other purpose. No such income shall be distributed or paid to any member, partner, shareholder or, if Borrower is a trust, to any beneficiary or trustee, unless and until all such costs and expenses which are then due shall have been paid in full.

Section 4.20 Representations and Warranties.

Borrower shall take all actions and shall do all things necessary or desirable to cause all of Borrower's representations and warranties in this Agreement to be true and correct at all times.

Section 4.21 Deposit Accounts; Principal Depository.

Borrower shall maintain with Lender all deposit accounts related to the Property at all times that Bank of America, N.A., is the lender hereunder, including all operating accounts, any reserve or escrow accounts, any accounts from which Borrower may from time to time authorize Lender or Swap Counterparty to debit payments due on the Loan and any Swap Contracts, and any lockbox, cash management or other account into which tenants are required from time to time to pay rent. Borrower hereby grants to Lender a security interest in the foregoing accounts and deposit accounts. Without limiting the generality of the foregoing, Borrower shall maintain Bank of America, N.A. as its principal depository bank at all times that Bank of America, N.A., is the lender hereunder, including for the maintenance of business, cash management, operating and administrative deposit accounts.

Section 4.22 Intentionally Omitted.

Section 4.23 Intentionally Omitted.

Section 4.24 Swap Contracts.

In the event that Borrower shall elect to enter into a Swap Contract with Swap Counterparty, Borrower shall comply with all of the terms and conditions of Schedule 7 with respect to all Swap Contracts.

Section 4.25 Financial Covenants

Borrower and Guarantor shall comply with the terms and conditions of Schedule 8 with respect to financial covenants as described therein.

Section 4.26 Additional Costs.

Borrower will pay Lender, on demand, for Lender's costs or losses arising from any Change in Law which are allocated to this Agreement or any credit outstanding under this Agreement. The allocation will be made as determined by Lender, using any reasonable method. The costs include, without limitation, the following:

(a) any reserve or deposit requirements (excluding any reserve requirement already reflected in the calculation of the interest rate in this Agreement); and

(b) any capital requirements relating to Lender's assets and commitments for credit.

Section 4.27 Separateness.

(a) The sole purpose to be conducted or promoted by Borrower shall be to: (i) engage in the acquisition, ownership, leasing, operation, management, maintenance , redevelopment, renovation, refurbishment, rehabilitation, altering and improvement of the Property, (ii) enter into and perform its obligations under the Loan Documents; (iii) sell, transfer, service, convey, dispose of, pledge, assign, borrow money against, finance, refinance or otherwise deal with the Property to the extent permitted under the Loan Documents; and (iv) engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above mentioned purposes.

(b) Notwithstanding anything to the contrary in the Loan Documents or in any other document governing the formation, management or operation of Borrower, and in addition to the other restrictions on the activities of Borrower set forth in the Loan Documents, Borrower shall not: (i) guarantee any obligation of any person or entity, including any affiliate, or become obligated for the debts of any other person or entity or hold out its credit as being available to pay the obligations of any other person or entity; (ii) engage, directly or indirectly, in any business other than as required or permitted to be performed under this Section; (iii) engage in any dissolution (unless occurring as a matter of Applicable Law), liquidation, consolidation, merger, sale or other transfer of any of its assets outside the ordinary course of Borrower's business; (iv) buy or hold evidence of indebtedness issued by any other person or entity (other than cash or investment-grade securities); (v) form, acquire or hold any subsidiary (whether corporate, partnership, limited liability company or other) or own any equity interest in any other entity; or (vi) own any material asset or property other than the Property and incidental personal and intangible property necessary for or incidental to the ownership or operation of the Property.

(c) In order to maintain its status as a separate entity and to avoid any confusion or potential consolidation with any affiliate, Borrower shall observe the following covenants (collectively, the "Separateness Covenants"): (i) maintain books and records and bank accounts separate from those of any other person or entity; (ii) maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets; (iii) comply with all organizational formalities necessary to maintain its separate existence; (iv) hold itself out to creditors and the public as a legal entity separate and distinct from any other entity; (vi) maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person and not have its assets listed on any financial statement of any other person or entity except that Borrower's assets may be included in a consolidated financial statement of its' affiliate so long as appropriate notation is made on such consolidated financial statements to indicate the separateness of Borrower from such affiliate and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such affiliate or any other person or entity; (vii) except to the extent that the Borrower is a treated as a disregarded entity, prepare and file its own tax returns separate from those of any person or entity to the extent required by applicable law, and pay any taxes required to be paid by applicable law; (viii) allocate and charge fairly and reasonably any common employee or overhead shared with affiliates; (ix) other than capital contributions and distributions permitted under the terms of its organizational documents, not enter into any transaction with any affiliate, except on an arm's-length basis on terms which are intrinsically fair and no less favorable than would be available for unaffiliated third parties, and pursuant to written, enforceable agreements; (x) conduct business in its own name, and use separate stationery, invoices and checks bearing its own name; (xi) not assume, guarantee or pay the debts or obligations of any other person or entity other than any other entity comprising Borrower; (xii) not permit any affiliate (other than any other entity comprising Borrower ) to guarantee or pay its obligations (other than limited guarantees and indemnities pursuant to the Loan Documents and in connection with a sale of the Property); (xiii) not make loans or advances to any other person or entity other than any other entity comprising Borrower; (xiv) pay its liabilities and expenses out of and to the extent of its own funds, provided, however, nothing shall require the funding of any additional capital contributions to such entity; (xvi) endeavor to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and in light of its contemplated business purpose, transactions and liabilities; provided, however, that the foregoing shall not require any equity owner or other Person to make additional capital contributions to Borrower and there shall be no breach of this clause (xvi) solely as a result of insufficient revenues from the Property ; and (xviii) endeavor to cause the

managers, officers, employees, agents and other representatives of Borrower to act at all times with respect to Borrower consistently and in furtherance of the foregoing and in the best interests of Borrower.

The failure of Borrower to comply with any of the covenants contained in this Section or any other covenants contained in this Agreement shall not affect the status of Borrower as a separate legal entity.

(d) Borrower covenants and agrees to incorporate the provisions contained in this Section into Borrower's organizational documents and Borrower agrees not to amend, modify or otherwise change its organizational documents with respect to the provisions of this Section.

Section 4.28 Post-Closing Covenants.

(a) To the extent not already delivered to Lender as of the date hereof, Borrower shall use commercially reasonable efforts to deliver to Lender, within sixty (60) days after the closing, estoppel certificates from tenants who lease, in the aggregate, eighty percent (80) of the net rentable area of the Improvements.

(b) Within sixty (60) days after closing, Borrower shall deliver to Lender a copy of the policy of pollution/environmental impairment insurance (Policy No. FEIEIL1447200) issued by Admiral Insurance Company with respect to the Property and naming Lender and its successors and assigns as an additional insured, such policy to be in the form of the specimen policy and with the form of endorsements thereto provided to Lender prior to the date hereof, subject to only such changes as may be approved by Lender.

Borrower's failure to deliver any such estoppel certificate or such insurance policy within said sixty (60) day period shall constitute an Event of Default hereunder; provided, however, that if Borrower delivers such insurance policy with changes from the specimen policy or endorsements and such changes are not acceptable to Lender, Borrower shall have thirty (30) days from the expiration of such sixty (60) day period to deliver the insurance policy in acceptable form. Borrower shall deliver each estoppel certificate and such insurance policy to Lender at the following address: Bank of America, N.A., 333 South Hope Street, 20th Floor, Los Angeles, California 90071, Attention: Julie Elterman.

## Article V
## Negative Covenants.

Borrower covenants as of the date hereof and until such time as all Obligations shall be paid and performed in full, that:

Section 5.1 Conditional Sales.

Without the prior written consent of Lender (which consent shall not be unreasonably withheld provided no uncured Event of Default then exists), Borrower shall not incorporate in the Improvements any property acquired under a conditional sales contract or lease or as to which the vendor retains title or a security interest, in an amount in excess of $250,000 in the case of any single contract or lease or $2,000,000 in the aggregate with respect to all such contracts and leases in effect at any time.

Section 5.2 Insurance Policies and Bonds.

Borrower shall not do or permit to be done anything that would affect the coverage or indemnities provided for pursuant to the provisions of any insurance policy, performance bond, labor and material payment bond or any other bond given in connection with any construction at the Property, including any construction of tenant improvements.

Section 5.3 Commingling.

Neither RIF V – Glendale, RIF V – Alcorn, nor RIF V – 3360 shall commingle their funds and other assets with each other's fund or other assets or with those of any other Affiliate or any other Person.

Section 5.4 Additional Debt.

Borrower shall not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (a) the Loan, and (b) advances or trade debt or accrued expenses incurred in the ordinary course of business of operating the Property and unsecured indebtedness borrowed from Guarantor in an aggregate amount not to exceed at any time five percent (5%) of the original principal balance of the Loan. No other debt may be secured by the Property, whether senior, subordinate or pari passu.

## Article VI
## Events of Default.

The occurrence or happening, from time to time, of any one or more of the following shall constitute an Event of Default under this Agreement:

Section 6.1 Payment Default.

Borrower fails to pay any Obligation under this Agreement when due, whether on the scheduled due date or upon acceleration, maturity or otherwise.

Section 6.2 Default Under Other Loan Documents.

An Event of Default (as defined therein) occurs under the Note or the Mortgage or any other Loan Document, or Borrower or Guarantor fails to promptly pay, perform, observe or comply with any term, obligation or agreement contained in any of the Loan Documents (within any applicable grace or cure period).

Section 6.3 Accuracy of Information; Representations and Warranties.

Any information contained in any financial statement, schedule, report or any other document delivered by Borrower, Guarantor or any other Person to Lender in connection with the Loan proves at any time not to be in all material respects true and accurate, or Borrower, Guarantor or any other Person shall have failed to state any material fact or any fact necessary to make such information not misleading, or any representation or warranty contained in this Agreement or in any other Loan Document or other document, certificate or opinion delivered to Lender in connection with the Loan, proves at any time to be incorrect or misleading in any material respect either on the date when made or on the date when reaffirmed pursuant to the terms of this Agreement; provided that if such statement, representation or warranty was not knowingly or negligently false, misleading or erroneous, then Borrower shall have a thirty (30) day period in which to remedy the underlying condition which caused such statement, representation or warranty to be so false, misleading or erroneous.

Section 6.4 Deposits.

Borrower fails to deposit funds with Lender, in the amount requested by Lender, pursuant to the provisions ofSection 4.6, within ten (10) days from the effective date of a Notice from Lender requesting such deposit, or Borrower fails to deliver to Lender any Condemnation Awards or Insurance Proceeds within ten (10) days after Borrower's receipt thereof.

Section 6.5 Insurance Obligations.

Borrower fails to promptly perform or comply with any of the covenants contained in the Loan Documents with respect to maintaining insurance, including the covenants contained in Section 4.4.

Section 6.6 Other Obligations.

Borrower fails to promptly perform or comply with any of the Obligations set forth in this Agreement (other than those expressly described in other Sections of this Article), and such failure continues uncured for a period of thirty (30) days after Notice from Lender to Borrower, unless (a) such failure, by its nature, is not capable of being cured within such period, and (b) within such period, Borrower commences to cure such failure and thereafter diligently prosecutes the cure thereof, and (c) Borrower causes such failure to be cured no later than ninety (90) days after the date of such Notice from Lender.

Section 6.7 Damage to Improvements.

The Improvements are substantially damaged or destroyed by fire or other casualty and Lender determines that the Improvements cannot be restored in accordance with the terms and provisions of this Agreement and the Mortgage.

Section 6.8 Lapse of Permits or Approvals.

Any permit, license, certificate or approval that Borrower is required to obtain with respect to any construction activities at the Property or the operation, leasing or maintenance of the Improvements or the Property lapses or ceases to be in full force and effect.

Section 6.9 Mechanic's Lien.

A lien for the performance of work or the supply of materials filed against the Property, or any stop notice served on Borrower, any contractor of Borrower, or Lender, remains unsatisfied or unbonded for a period of sixty (60) days after the date of filing or service.

Section 6.10 Bankruptcy.

Borrower, RIF V – SPE Owner, any manager of Borrower, or any Guarantor files a bankruptcy petition or makes a general assignment for the benefit of creditors, or a bankruptcy petition is filed against Borrower, RIF V – SPE Owner, any manager of Borrower, or any Guarantor and such involuntary bankruptcy petition continues undismissed for a period of sixty (60) days after the filing thereof.

Section 6.11 Appointment of Receiver, Trustee, Liquidator.

Borrower, RIF V – SPE Owner, any manager of Borrower, or any Guarantor applies for or consents in writing to the appointment of a receiver, trustee or liquidator of Borrower, RIF V – SPE Owner, any manager of Borrower, any Guarantor, the Property, or all or substantially all of the other assets of Borrower, RIF V – SPE Owner, any manager of Borrower, or any Guarantor, or an order, judgment or decree is entered by any court of competent jurisdiction on the application of a creditor appointing a receiver, trustee or liquidator of Borrower, RIF V – SPE Owner, any manager of Borrower, any Guarantor, the Property, or all or substantially all of the other assets of Borrower , RIF V – SPE Owner, any manager of Borrower, or any Guarantor.

Section 6.12 Inability to Pay Debts.

Borrower or any Guarantor becomes unable or admits in writing its inability or fails generally to pay its debts as they become due.

Section 6.13 Judgment.

A final nonappealable judgment for the payment of money involving more than $250,000 is entered against Borrower or any Guarantor, and Borrower or such Guarantor fails to discharge the same, or fails to cause it to be discharged or bonded off to Lender's satisfaction, within thirty (30) days from the date of the entry of such judgment.

Section 6.14 Dissolution; Change in Business Status.

Unless the written consent of Lender is previously obtained, all or substantially all of the business assets of Borrower or any Guarantor are sold, Borrower or any Guarantor is dissolved, or there occurs any change in the form of business entity through which Borrower or any Guarantor presently conducts its business or any merger or consolidation involving Borrower or any Guarantor.

Section 6.15 Default Under Other Indebtedness.

Borrower or any Guarantor fails to pay any indebtedness (other than the Loan) owed by Borrower or such Guarantor to Lender when and as due and payable (whether by acceleration or otherwise).

Section 6.16 Intentionally Omitted.

Section 6.17 Change in Controlling Interest.

Without the prior written consent of Lender (which consent may be conditioned, among other matters, on the issuance of a satisfactory endorsement to the title insurance policy insuring Lender's interest under the Mortgage), and except as otherwise permitted pursuant to the provisions of Section 8.7(c), the controlling interest in Borrower ceases to be directly or indirectly owned by Guarantor.

Section 6.18 Material Adverse Change.

In the reasonable opinion of Lender, the prospect of payment or performance of all or any part of the Obligations has been materially impaired from that existing on the date of the closing of the Loan because of a material adverse change in the financial condition, results of operations, business or properties of Borrower or Guarantor or any other Person liable for the payment or performance of any of the Obligations when taken as a whole.

Section 6.19 Intentionally Omitted.

Section 6.20 Intentionally Omitted.

## Article VII
## Remedies on Default.

Section 7.1 Remedies on Default.

Upon the happening of any Event of Default, Lender shall have the right, in addition to any other rights or remedies available to Lender under the Mortgage or any of the other Loan Documents or under applicable Law, to exercise any one or more of the following rights and remedies:

(a) Lender may accelerate all of Borrower's Obligations under the Loan Documents whereupon such Obligations shall become immediately due and payable, without notice of default, acceleration or intention to accelerate, presentment or demand for payment, protest or notice of nonpayment or dishonor, or notices or demands of any kind or character (all of which are hereby waived by Borrower).

(b) Lender may apply to any court of competent jurisdiction for, and obtain appointment without bond of, a receiver for the Property.

(c) Lender may set off the amounts due Lender under the Loan Documents, whether or not matured and regardless of the adequacy of any other collateral securing the Loan, against any and all accounts, credits, money, securities or other property of Borrower now or hereafter on deposit with, held by or in the possession of Lender to the credit or for the account of Borrower, without notice to or the consent of Borrower.

(d) Lender may enter into possession of the Property and perform any and all work and labor necessary to complete any construction at the Property, including any construction of tenant improvements, and to employ watchmen to protect the Property and the Improvements. All sums expended by Lender for such purposes shall be deemed to have been advanced to Borrower under the Note and shall be secured by the Mortgage. For this purpose, Borrower hereby constitutes and appoints Lender its true and lawful attorney-in-fact with full power of substitution, which power is coupled with an interest and cannot be revoked, to complete the work in the name of Borrower, and hereby empowers said attorney or attorneys, in the name of Borrower or Lender:

(i) To use any funds of Borrower including any balance which may be held by Lender and any funds (if any) which may remain unadvanced hereunder for the purpose of completing any construction, including any construction of tenant improvements, whether or not in the manner called for in the applicable plans and specifications;

(ii) To make such additions and changes and corrections to any plans and specifications as shall be necessary or desirable in the judgment of Lender to complete any construction, including any construction of tenant improvements;

(iii) To employ such contractors, subcontractors, agents, architects and inspectors as shall be necessary or desirable for said purpose;

(iv) To pay, settle or compromise all existing bills and claims which are or may be liens against the Property, or may be necessary or desirable for the completion of the work or the clearance of title to the Property;

(v) To execute all applications and certificates which may be required in the name of Borrower;

(vi) To enter into, enforce, modify or cancel Leases and to fix or modify Rents on such terms as Lender may consider proper;

(vii) To file for record, at Borrower's cost and expense and in Borrower's name, any notices of completion, notices of cessation of labor, or any other notices that Lender in its sole and absolute discretion may consider necessary or desirable to protect its security;

(viii) To prosecute and defend all actions or proceedings in connection with any construction at the Property, including any construction of tenant improvements, and to take such actions and to require such performance as Lender may deem necessary; and

(ix) To do any and every act with respect to any such construction which Borrower may do in its own behalf.

Section 7.2 No Release or Waiver; Remedies Cumulative and Concurrent.

Borrower shall not be relieved of any Obligation by reason of the failure of Lender to comply with any request of Borrower or of any other Person to take action to foreclose on the Property under the Mortgage or otherwise to enforce any provision of the Loan Documents, or by reason of the release, regardless of consideration, of all or any part of the Property. No delay or omission of Lender to exercise any right, power or remedy accruing upon the happening of an Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or any acquiescence therein. No delay or omission on the part of Lender to exercise any option for acceleration of the maturity of the Obligations, or for foreclosure of the Mortgage following any Event of Default as aforesaid, or any other option granted to Lender hereunder in any one or more instances, or the acceptance by Lender of any partial payment on account of the Obligations shall constitute a waiver of any such Event of Default and each such option shall remain continuously in full force and effect. No remedy herein conferred upon or reserved to Lender is intended to be exclusive of any other remedies provided for in the Loan Documents, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or under the Loan Documents, or now or hereafter existing at Law or in equity or by statute. Every right, power and remedy given by the Loan Documents to Lender shall be concurrent and may be pursued separately, successively or together against Borrower or the Property or any part thereof, and every right, power and remedy given by the Loan Documents may be exercised from time to time as often as may be deemed expedient by Lender. All notice and cure periods provided in this Agreement or in any Loan Document shall run concurrently with any notice or cure periods provided by law.

## Article VIII
## Miscellaneous.

Section 8.1 Further Assurances; Authorization to File Documents.

At any time, and from time to time, upon request by Lender, Borrower will, at Borrower's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Loan Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates and other documents as may, in the opinion of Lender, be necessary or desirable in order to complete, perfect or continue and preserve the lien of the Mortgage. Upon any failure by Borrower to do so, Lender may make, execute and record any and all such instruments, certificates and other documents for and in the name of Borrower, all at the sole expense of Borrower, and Borrower hereby appoints Lender the agent and attorney-in-fact of Borrower to do so, this appointment being coupled with an interest and being irrevocable. Without limitation of the foregoing, Borrower irrevocably authorizes Lender at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements deemed necessary or desirable by Lender to establish or maintain the validity, perfection and priority of the security interests granted in the Mortgage or hereunder, and Borrower ratifies any such filings made by Lender prior to the date hereof. In addition, at any time, and from time to time, upon request by Lender, Borrower will, at Borrower's expense, provide any and all further instruments, certificates and other documents as may, in the opinion of Lender, be necessary or desirable in order to verify Borrower's identity and background in a manner satisfactory to Lender.

Section 8.2 No Warranty by Lender.

By accepting or approving anything required to be observed, performed or fulfilled by Borrower or to be given to Lender pursuant to this Agreement, including any certificate, Survey, receipt, appraisal or insurance policy, Lender shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof and any such acceptance or approval thereof shall not be or constitute any warranty or representation with respect thereto by Lender.

Section 8.3 Standard of Conduct of Lender.

Nothing contained in this Agreement or any other Loan Document shall limit the right of Lender to exercise its business judgment or to act, in the context of the granting or withholding of any advance or consent under this Agreement or any other Loan Document, in a subjective manner, whether or not objectively reasonable under the circumstances, so long as Lender's exercise of its business judgment or action is made or undertaken in good faith. Borrower and Lender intend by the foregoing to set forth and affirm their entire understanding with respect to the standard pursuant to which Lender's duties and obligations are to be judged and the parameters within which Lender's discretion may be exercised hereunder and under the other Loan Documents. As used herein, "good faith" means honesty in fact in the conduct and transaction concerned.

Section 8.4 No Partnership.

Nothing contained in this Agreement shall be construed in a manner to create any relationship between Borrower and Lender other than the relationship of borrower and lender and Borrower and Lender shall not be considered partners or co-venturers for any purpose on account of this Agreement.

Section 8.5 Severability.

In the event any one or more of the provisions of this Agreement or any of the other Loan Documents shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any other respect, or in the event any one or more of the provisions of any of the Loan Documents operates or would prospectively operate to invalidate this Agreement or any of the other Loan Documents, then and in either of those events, at the option of Lender, such provision or provisions only shall be deemed null and void and shall not affect the validity of the remaining Obligations, and the remaining provisions of the Loan Documents shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby.

Section 8.6 Notices.

All Notices required or which any party desires to give hereunder or under any other Loan Document shall be in writing and, unless otherwise specifically provided in such other Loan Document, shall be deemed sufficiently given or furnished if delivered by personal delivery, by nationally recognized overnight courier service or by certified United States mail, postage prepaid, addressed to the party to whom directed at the applicable address set forth below (unless changed by similar notice in writing given by the particular party whose address is to be changed) or by facsimile. Any Notice shall be deemed to have been given either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile, upon receipt; provided that service of a Notice required by any applicable statute shall be considered complete when the requirements of that statute are met. Notwithstanding the foregoing, no notice of change of address shall be effective except upon actual receipt. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in this Agreement or in any other Loan Document or to require giving of notice or demand to or upon any Person in any situation or for any reason.

The address and fax number of Borrower are:

11620 Wilshire Boulevard, Suite 300
Los Angeles, California 90025
Fax Number: (310) 966-1690

The address and fax number of Lender are:

Bank of America, N.A.
333 So. Hope Street, 20th Floor
Los Angeles, California 90071
Attn: CREB Loan Administration
Fax Number: (949) 794-7424

Section 8.7 Permitted Successors and Assigns; Disclosure of Information

(a) Each and every one of the covenants, terms, provisions and conditions of this Agreement and the Loan Documents shall apply to, bind and inure to the benefit of Borrower, its successors and those assigns of Borrower consented to in writing by Lender, and shall apply to, bind and inure to the benefit of Lender and the endorsees, transferees, successors and assigns of Lender, and all Persons claiming under or through any of them.

(b) Borrower agrees not to transfer, assign, pledge or hypothecate any right or interest in any payment or advance due pursuant to this Agreement, or any of the other benefits of this Agreement, without the prior written consent of Lender, which consent may be withheld by Lender in its sole and absolute discretion. Any such transfer, assignment, pledge or hypothecation made or attempted by Borrower without the prior written consent of Lender shall be void and of no effect. No consent by Lender to an assignment shall be deemed to be a waiver of the requirement of prior written consent by Lender with respect to each and every further assignment and as a condition precedent to the effectiveness of such assignment.

(c) Lender acknowledges that Guarantor and certain of its Affiliates are in the process of a roll up of various Rexford Funds and, in connection therewith, one or more of the entities comprising Borrower and/or Guarantor may merge into other Affiliates or otherwise cease to exist and their assets transferred to other Affiliates. Lender will permit the substitution of one or more new borrower's in the place of one or more of the entities comprising Borrower which are so merging or dissolving and/or a replacement guarantor in the place of Guarantor if Guarantor so merges or dissolves so long as (i) Lender determines, in its reasonable discretion, that the financial condition of the new borrower or guarantor is equal to or better than that of the party or parties it replaces, (ii) all of Lender's Know Your Customer and other due diligence items with respect to the new borrower and new guarantor (as applicable), including all of the requirements of the Act are satisfied, and (iii) the new borrower and new guarantor (as applicable) execute such documents as Lender reasonably requires to evidence any new borrower or new guarantor (as applicable) becoming a party to the Loan, including, in the case of any new borrower, an assignment and assumption agreement and an amendment to the Mortgage encumbering the Property to be owned by such new borrower and, in the case of any new guarantor, a new guaranty substantially in the form of the Guaranty.

(d) Lender may sell or offer to sell the Loan or interests therein to one or more assignees or participants. Borrower shall execute, acknowledge and deliver any and all instruments reasonably requested by Lender in connection therewith, and to the extent, if any, specified in any such assignment or participation, such assignee(s) or participant(s) shall have the same rights and benefits with respect to the Loan Documents as such Person(s) would have if such Person(s) were Lender hereunder. Lender may disseminate any information it now has or hereafter obtains pertaining to the Loan, including any security for the Loan, any credit or other information on the Property (including environmental reports and assessments), Borrower, any of Borrower's principals or any Guarantor, to any actual or prospective assignee or participant, to Lender's Affiliates, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, to any regulatory body having jurisdiction over Lender, to any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Borrower and the Loan, or to any other party as necessary or appropriate in Lender's reasonable judgment.

Section 8.8 Modification; Waiver.

None of the terms or provisions of this Agreement may be changed, waived, modified, discharged or terminated except by instrument in writing executed by the party or parties against whom enforcement of the change, waiver, modification, discharge or termination is asserted. None of the terms or provisions of this Agreement shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 8.9 Third Parties; Benefit.

All conditions to the obligation of Lender to make advances hereunder are imposed solely and exclusively for the benefit of Lender and its assigns and no other Persons shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender will refuse to make advances in the absence of strict compliance with any or all thereof and no other Person shall, under any circumstances, be deemed to be the beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Lender at any time in the sole and absolute exercise of its discretion. The terms and provisions of this Agreement are for the benefit of the parties hereto and, except as herein specifically provided, no other Person shall have any right or cause of action on account thereof.

Section 8.10 Rules of Construction.

The words “hereof,” “herein,” “hereunder,” “hereto,” and other words of similar import refer to this Agreement in its entirety. The terms “agree” and “agreements” mean and include “covenant” and “covenants.” The words “include” and “including” shall be interpreted as if followed by the words “without limitation.” The captions and headings contained in this Agreement are included herein for convenience of reference only and shall not be considered a part hereof and are not in any way intended to define, limit or enlarge the terms hereof. All references (a) made in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (b) made in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, (c) to the Loan Documents are to the same as extended, amended, restated, supplemented or otherwise modified from time to time unless expressly indicated otherwise, (d) to the Land, the Improvements or the Property shall mean all or any portion of each of the foregoing, respectively, and (e) to Articles, Sections and Schedules are to the respective Articles, Sections and Schedules contained in this Agreement unless expressly indicated otherwise.

Section 8.11 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

Section 8.12 Signs; Publicity.

At Lender’s request and at Lender’s expense, Borrower shall place a sign at a location on the Property satisfactory to Lender, which sign shall recite, among other things, that Lender is financing the Property. Borrower expressly authorizes Lender to prepare and to furnish to the news media for publication from time to time news releases with respect to the Property, specifically to include releases detailing Lender’s involvement with the financing of the Property.

Section 8.13 Governing Law.

This Agreement shall be governed by and construed, interpreted and enforced in accordance with the Laws of the State.

Section 8.14 Time of Essence.

Time shall be of the essence for each and every provision of this Agreement of which time is an element.

Section 8.15 Electronic Communications.

(a) Electronic Transmission of Data. Lender and Borrower agree that certain data related to the Loan (including confidential information, documents, applications and reports) may be transmitted electronically, including transmission over the Internet. This data may be transmitted to, received from or circulated among agents and representatives of Borrower and/or Lender and their Affiliates and other Persons involved with the subject matter of this Agreement.

(b) Borrower Controlled Websites. Borrower may elect to deliver documentation required pursuant to the Closing Checklist or Schedule 2 hereof electronically, and if so delivered, such documentation shall be deemed to have been delivered on the date (i) on which Borrower posts such documents, or provides a link thereto on Borrower's website on the Internet at the website address listed on Borrower's signature page to this Agreement; or (ii) on which such documents are posted on Borrower's behalf on an Internet or intranet website, if any, to which Lender has access (whether a commercial, third-party website or whether sponsored by Lender; provided that: (i) Borrower shall deliver paper copies of such documents to Lender upon its request to Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by Lender, and (ii) Borrower shall notify Lender (by facsimile or electronic mail) of the posting of any such documents and provide to Lender by electronic mail electronic versions (i.e., soft copies) of such documents. Borrower agrees that in the event that Borrower would like to update or revise a document previously posted to the Borrower controlled website, Borrower shall notify Lender (by facsimile or electronic mail) that such document has been revised and an updated version has been posted.

(c) Assumption of Risks; Indemnification. Borrower acknowledges and agrees that (i) there are risks associated with the use of electronic transmission and Borrower controlled websites and that Lender does not control the method of transmittal, the service providers or the operational or technical issues that could occur; (ii) Lender has no obligation or responsibility whatsoever and assumes no duty or obligation for the security, receipt or third party interception of any such electronic transmission of data or Borrower controlled website, or any operational or technical issues that may occur with the electronic transmission of data or the Borrower controlled website; and (iii) Borrower will release, hold harmless and indemnify Lender from any claim, damage or loss, including that arising in whole or part from Lender's strict liability or sole, comparative or contributory negligence, which is related to the electronic transmission of data or the Borrower controlled website.

Section 8.16 Dispute Resolution Provision.

This Section, including the subsections below, is referred to as the "Dispute Resolution Provision." This Dispute Resolution Provision is a material inducement for the parties entering into this Agreement.

(a) This Dispute Resolution Provision concerns the resolution of any controversies or claims between or among the parties, whether arising in contract, tort or by statute, including controversies or claims that arise out of or relate to: (i) this Agreement (including any renewals, extensions or modifications); or (ii) any Loan Document or any other document related to this Agreement (collectively, a "Dispute"). For the purposes of this Dispute Resolution Provision only, the term "parties" shall include any parent corporation, subsidiary or Affiliate of Lender involved in the servicing, management or administration of any obligation described or evidenced by this Agreement.

(b) Except to the extent expressly provided below, any Dispute shall, upon the mutual agreement of the parties, acting in their sole and absolute discretion, be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the "Federal Arbitration Act"). The Federal Arbitration Act will apply even though this Agreement provides that it is governed by California law.

(c) Arbitration proceedings will be determined in accordance with the Federal Arbitration Act, the then-current rules and procedures for the arbitration of financial services disputes of the AAA and the terms of this Dispute Resolution Provision. In the event of any inconsistency, the terms of this Dispute Resolution Provision shall control. If

AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, Lender may designate another arbitration organization with similar procedures to serve as the provider of arbitration.

(d) The arbitration shall be administered by AAA and conducted, unless otherwise required by law, in any U.S. state where real or tangible personal property for the Loan is located or if there is no such collateral, in the state specified in the governing law section of this Agreement. All Disputes shall be determined by one arbitrator; however, if Disputes exceed Five Million Dollars ($5,000,000), upon the request of any party, the Disputes shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and have judgment entered and enforced.

(e) The arbitrator(s) will give effect to statutes of limitations in determining any Dispute and may dismiss the arbitration on the basis that the Dispute is barred. For purposes of the application of any statutes of limitation, the service on AAA under applicable AAA rules of a notice of Dispute is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Dispute is arbitrable shall be determined by the arbitrator(s), except as set forth in Subsection (j) of this Dispute Resolution Provision. The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this Agreement.

(f) The procedure described above will not apply if the Dispute, at the time of the proposed submission to arbitration, arises from or relates to an obligation to Lender secured by real property. In this case, all of the parties to this Agreement, in their sole and absolute discretion, must consent to submission of the Dispute to arbitration.

(g) To the extent any Disputes are not arbitrated, to the extent permitted by law the Disputes shall be resolved in court by a judge without a jury, except any Disputes which are brought in California state court shall be determined by judicial reference as described below.

(h) Any Dispute which is not arbitrated and which is brought in California state court will be resolved by a general reference to a referee (or a panel of referees) as provided in California Code of Civil Procedure ("CCP") Section 638. The referee (or presiding referee of the panel) shall be a retired Judge or Justice. The referee (or panel of referees) shall be selected by mutual written agreement of the parties. If the parties do not agree, the referee shall be selected by the Presiding Judge of the Court (or his or her representative) as provided in CCP Section 638 and the following related sections. The referee shall determine all issues in accordance with existing California law and the California rules of evidence and civil procedure. The referee shall be empowered to enter equitable as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a trial, including motions for summary judgment or summary adjudication. The award that results from the decision of the referee(s) will be entered as a judgment in the court that appointed the referee, in accordance with the provisions of CCP Sections 644(a) and 645. The parties reserve the right to seek appellate review of any judgment or order, including orders pertaining to class certification, to the same extent permitted in a court of law.

(i) This Dispute Resolution Provision does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights; or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies. The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to request or require submittal of the Dispute to arbitration or judicial reference as provided herein.

(j) Any arbitration, judicial reference or trial by a judge of any Dispute will take place on an individual basis without resort to any form of class or representative action (the "Class Action Waiver"). Regardless of anything else in this Dispute Resolution Provision, the validity and effect of the Class Action Waiver may be determined only by a court or referee and not by an arbitrator. The parties to this Agreement acknowledge that the Class Action Waiver is material and essential to the arbitration of any claims between the parties and is nonseverable from the agreement to arbitrate Disputes. If the Class Action Waiver is limited, voided or found unenforceable, then the parties' agreement to arbitrate shall be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver. **The parties acknowledge and agree that under no circumstances will a class action be arbitrated.**

(k) By agreeing to binding arbitration or judicial reference, the parties irrevocably and voluntarily waive any right they may have to a trial by jury as permitted by law in respect of any Dispute. Furthermore, without intending in any way to limit this Dispute Resolution Provision, to the extent any Dispute is not arbitrated or submitted to judicial reference, the parties irrevocably and voluntarily waive any right they may have to a trial by jury to the extent permitted by law in respect of such Dispute. This waiver of jury trial shall remain in effect even if the Class Action Waiver is limited, voided or found unenforceable. **WHETHER THE DISPUTE IS DECIDED BY ARBITRATION, BY JUDICIAL REFERENCE, OR BY TRIAL BY A JUDGE, THE PARTIES AGREE AND UNDERSTAND THAT THE EFFECT OF THIS AGREEMENT IS THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW.**

Section 8.17 Forum.

Borrower hereby irrevocably submits generally and unconditionally for itself and in respect of its property to the jurisdiction of any state court or any United States federal court sitting in the State specified in the governing law section of this Agreement and to the jurisdiction of any state court or any United States federal court sitting in the state in which any of the Property is located, over any Dispute. Borrower hereby irrevocably waives, to the fullest extent permitted by Law, any objection that Borrower may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Borrower hereby agrees and consents that, in addition to any methods of service of process provided for under applicable Law, all service of process in any such suit, action or proceeding in any state court or any United States federal court sitting in the state specified in the governing law section of this Agreement may be made by certified or registered mail, return receipt requested, directed to Borrower at its address for notice set forth in this Agreement, or at a subsequent address of which Lender received actual notice from Borrower in accordance with the notice section of this Agreement, and service so made shall be complete five (5) days after the same shall have been so mailed. Nothing herein shall affect the right of Lender to serve process in any manner permitted by Law or limit the right of Lender to bring proceedings against Borrower in any other court or jurisdiction.

Section 8.18 USA Patriot Act Notice.

Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), Lender is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Act.

Section 8.19 Entire Agreement.

The Loan Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the Loan, and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect to the matters addressed in the Loan Documents. In particular, and without limitation, the terms of any commitment by Lender to make the Loan are merged into the Loan Documents. Except as incorporated in writing into the Loan Documents, there are no representations, understandings, stipulations,

agreements or promises, oral or written, with respect to the matters addressed in the Loan Documents. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other instrument or agreement, including any other Loan Document, the terms, conditions and provisions of this Agreement shall prevail.

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be executed as of the date first above written.

BORROWER:

RIF V – GLENDALE COMMERCE CENTER, LLC,
a California limited liability company

By: RIF V – SPE Manager, LLC
a California limited liability company,
Its Manager

By: Rexford Sponsor V, LLC,
a Delaware limited liability company,
Its Manager

By: _____
Name: Howard Schwimmer
Its: Manager

RIF V – GGC ALCORN, LLC,
a California limited liability company

By: RIF V – SPE Manager, LLC
a California limited liability company,
Its Manager

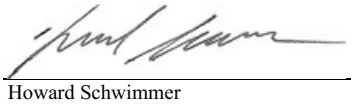
By: Rexford Sponsor V, LLC,
a Delaware limited liability company,
Its Manager

By: _____
Name: Howard Schwimmer
Its: Manager

RIF V – 3360 SAN FERNANDO, LLC,
a California limited liability company

By: RIF V – SPE Manager, LLC
a California limited liability company,
Its Manager

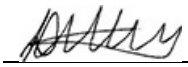
By: Rexford Sponsor V, LLC,
a Delaware limited liability company,
Its Manager



By: _____
Name: Howard Schwimmer
Its: Manager

LENDER:

BANK OF AMERICA, N.A.,
a national banking association

BY: 
Name: Julia Elterman
**Title:** VP

Schedule 1

Definitions

Unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

"AAA" means the American Arbitration Association, or any successor thereof.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Approved Manager" means Borrower, Rexford Industrial Realty and Management, Inc., a California corporation, another Affiliate of Manager, or any other reputable and creditworthy property manager, subject to the prior written approval of Lender, which written approval may be evidenced by e-mail confirmation, not to be unreasonably withheld, with a portfolio of properties comparable to the Property under active management.

"Banking Day" means any day that is not a Saturday, Sunday or banking holiday in the State.

"Borrower's Deposit Account" means an account established with Lender pursuant to the terms of Section 4.6.

"Casualty" means any act or occurrence of any kind or nature that results in damage, loss or destruction to the Property.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline, or directive (whether or not having the force of Law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and (y) all requests, rules, guidelines, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, or issued.

"Claim" means any liability, suit, action, claim, demand, loss, expense, penalty, fine, judgment or other cost of any kind or nature whatsoever, including fees, costs and expenses of attorneys, consultants, contractors and experts.

"Closing Checklist" means that certain Closing Requirements and Checklist setting forth the conditions for closing the Loan and recording the Mortgage.

"Code" means the Internal Revenue Code of 1986, as amended.

"Condemnation" means any taking of title to, use of, or any other interest in the Property under the exercise of the power of condemnation or eminent domain, whether temporarily or permanently, by any Governmental Authority or by any other Person acting under or for the benefit of a Governmental Authority.

"Condemnation Awards" means any and all judgments, awards of damages (including severance and consequential damages), payments, proceeds, settlements, amounts paid for a taking in lieu of Condemnation, or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, or in connection with, any Condemnation or threatened Condemnation.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" or "Controlled" have meanings correlative thereto.

"Default" means an event or circumstance that, with the giving of Notice or lapse of time, or both, would constitute an Event of Default under the provisions of this Agreement.

"Dispute" has the meaning ascribed to such term in Section 8.16.

"Environmental Agreement" means the Environmental Indemnification and Release Agreement of even date herewith by and between Borrower and Lender pertaining to the Property, as the same may from time to time be extended, amended, restated or otherwise modified. The Environmental Agreement is unsecured.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" means any event or circumstance specified in Article VI and the continuance of such event or circumstance beyond the applicable grace and/or cure periods therefor, if any, set forth in Article VI.

"Expenses" means all fees, charges, costs and expenses of any nature whatsoever incurred at any time and from time to time (whether before or after an Event of Default) by Lender in making, funding, administering or modifying the Loan, in negotiating or entering into any "workout" of the Loan, or in exercising or enforcing any rights, powers and remedies provided in the Mortgage or any of the other Loan Documents, including attorneys' fees, court costs, receiver's fees, management fees and costs incurred in the repair, maintenance and operation of, or taking possession of, or selling, the Property.

"Financial Statements" means (i) for each reporting party other than an individual, a balance sheet, income statement, statements of cash flow and amounts and sources of contingent liabilities, a reconciliation of changes in equity and liquidity verification, real estate schedules providing details on each individual real property in the reporting party's portfolio, including, but not limited to raw land, land under development, construction in process and stabilized properties and unless Lender otherwise consents, consolidated and consolidating statements if the reporting party is a holding company or a parent of a subsidiary entity; and (ii) for each reporting party who is an individual, a balance sheet, statements of cash flow and amounts and sources of contingent liabilities, sources and uses of cash and liquidity verification, cash flow projections, real estate schedules providing details on each individual real property in the reporting party's portfolio, including, but not limited to raw land, land under development, and unless Lender otherwise consents, Financial Statements for each entity owned or jointly owned by the reporting party. For purposes of this definition and any covenant requiring the delivery of Financial Statements, each party for whom Financial Statements are required is a "reporting party" and a specified period to which the required Financial Statements relate is a "reporting period."

"Governmental Authority" or "Governmental Authorities" means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, service, district or other instrumentality of any governmental entity.

"Guarantor" means, individually or collectively, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company and its successors and assigns.

"Guaranty" means the Guaranty Agreement of even date herewith executed by Guarantor for the benefit of Lender, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Improvements" means all on-site and off-site improvements to the Land for a seven-building, 451,422-square-foot industrial park.

retail building leased to Staples, Inc. Not included in the building square footage is a 21,700-square-foot auto parts and service store situated on 0.91 located on the Land, together with all fixtures, tenant improvements and appurtenances now or later to be located on the Land and/or in such improvements.

"Insurance Proceeds" means the insurance claims under and the proceeds of any and all policies of insurance covering the Property or any part thereof, including all returned and unearned premiums with respect to any insurance relating to the Property, in each case whether now or hereafter existing or arising.

"Land" means the land described in and encumbered by the Mortgage.

"Law(s)" means all federal, state and local laws, statutes, rules, ordinances, regulations, codes, licenses, authorizations, decisions, injunctions, interpretations, orders or decrees of any court or other Governmental Authority having jurisdiction as may be in effect from time to time.

"Lease(s)" means all leases, license agreements and other occupancy or use agreements (whether oral or written), now or hereafter existing, which cover or relate to the Property or any part thereof, together with all options therefor, amendments thereto and renewals, modifications and guaranties thereof, including any cash or security deposited under the Leases to secure performance by the tenants of their obligations under the Leases, whether such cash or security is to be held until the expiration of the terms of the Leases or applied to one or more of the installments of rent coming due thereunder.

"Loan" means the loan from Lender to Borrower, the repayment obligations in connection with which are evidenced by the Note.

"Loan Amount" means Forty-Two Million Seven Hundred Fifty Thousand and No/100 Dollars ($42,750,000).

"Loan Documents" means this Agreement, the Note, the Mortgage, the Environmental Agreement, the Guaranty, any Swap Contract, any application or reimbursement agreement executed in connection with any letter of credit issued by Lender in connection with the Loan, and any and all other documents which Borrower, Guarantor or any other party or parties have executed and delivered, or may hereafter execute and deliver, to evidence, secure or guarantee the Obligations, or any part thereof, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Mortgage" means, individually and collectively, the RIF V – Glendale Mortgage, the RIF V – Alcorn Mortgage, and the RIF V – 3360 Mortgage.

"Net Proceeds" when used with respect to any Condemnation Awards or Insurance Proceeds, means the gross proceeds from any Condemnation or Casualty remaining after payment of all expenses, including attorneys' fees, incurred in the collection of such gross proceeds.

"Note" means the Promissory Note of even date herewith, in an amount equal to the Loan Amount, made by Borrower to the order of Lender, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Notice" means a notice, request, consent, demand or other communication given in accordance with the provisions of Section 8.6 of this Agreement.

"Obligations" means all present and future debts, obligations and liabilities of Borrower to Lender arising pursuant to, or on account of, the provisions of this Agreement, the Note or any of the other Loan Documents to which Borrower is a party, including the obligations: (a) to pay all principal, interest, late charges, prepayment premiums (if any) and other amounts due at any time under the Note; (b) to pay all Expenses, indemnification payments, fees and other

amounts due at any time under the Mortgage or any of the other Loan Documents to which Borrower is a party, together with interest thereon as provided in the Mortgage or such Loan Document; (c) to pay and perform all obligations of Borrower (or its Affiliate) under any Swap Contract; and (d) to perform, observe and comply with all of the terms, covenants and conditions, expressed or implied, which Borrower is required to perform, observe or comply with pursuant to the terms of this Agreement, the Mortgage or any of the other Loan Documents to which Borrower is a party. Notwithstanding any language contained in the Loan Documents, the Obligations of Borrower to pay and perform under the Environmental Agreement are unsecured.

"Person" means an individual, a corporation, a partnership, a joint venture, a limited liability company, a trust, an unincorporated association, any Governmental Authority or any other entity.

"Property" means, individually and collectively, the real and personal property conveyed and encumbered by the RIF V – Glendale Mortgage, the RIF V – Alcorn Mortgage and the RIF V – 3360 Mortgage.

"Rents" means all of the rents, royalties, issues, profits, revenues, earnings, income and other benefits of the Property or any part thereof, or arising from the use or enjoyment of the Property or any part thereof, including all such amounts paid under or arising from any of the Leases and all fees, charges, accounts or other payments for the use or occupancy of rooms or other public facilities within the Property or any part thereof.

"RIF V – 3360" means RIF V – 3360 San Fernando, LLC, a California limited liability company.

"RIF V – 3360 Mortgage" means the Deed of Trust, Assignment, Security Agreement and Fixture Filing of even date herewith given by RIF V – 3360 to Lender to secure the Obligations, except for Obligations arising out of the Environmental Agreement, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"RIF V – 3360 Property" means the real and personal property conveyed and encumbered by the RIF V – 3360 Mortgage.

"RIF V – Alcorn" means RIF V – GGC Alcorn, LLC, a California limited liability company.

"RIF V – Alcorn Mortgage" means the Deed of Trust, Assignment, Security Agreement and Fixture Filing of even date herewith given by RIF V – Alcorn to Lender to secure the Obligations, except for Obligations arising out of the Environmental Agreement, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"RIF V – Alcorn Property" means the real and personal property conveyed and encumbered by the means the real and personal property conveyed and encumbered by the RIF V – Alcorn Mortgage.

"RIF V – Glendale" means RIF V – Glendale Commerce Center, LLC, a California limited liability company.

"RIF V – Glendale Mortgage" means the Deed of Trust, Assignment, Security Agreement and Fixture Filing of even date herewith given by RIF V – Glendale to Lender to secure the Obligations, except for Obligations arising out of the Environmental Agreement, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"RIF V – Glendale Property" means the real and personal property conveyed and encumbered by the RIF V – Glendale Mortgage.

"RIF V – SPE Owner" means Borrower's sole owner, f V – SPE Owner, LLC, a Delaware limited liability company.

"State" means the State of California.

"Survey" means a map or plat of survey of the Land which conforms with Lender's survey requirements set forth in the Closing Checklist.

"Swap Contract" means any agreement, whether or not in writing, relating to any Swap Transaction, including, unless the context otherwise clearly requires, any form of master agreement (the "Master Agreement") published by the International Swaps and Derivatives Association, Inc., or any other master agreement, entered into prior to the date hereof or any time after the date hereof, between Swap Counterparty and Borrower (or its Affiliate), together with any related schedule and confirmation, as amended, supplemented, superseded or replaced from time to time.

"Swap Counterparty" means Lender or an Affiliate of Lender, in its capacity as counterparty under any Swap Contract.

"Swap Transaction" means any transaction that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond option, note or bill option, interest rate option, forward foreign exchange transaction, cap transaction, collar transaction, floor transaction, currency swap transaction, cross-currency rate swap transaction, swap option, currency option, credit swap or default transaction, T-lock, or any other similar transaction (including any option to enter into the foregoing) or any combination of the foregoing, entered into prior to the date hereof or anytime after the date hereof between Swap Counterparty and Borrower (or its Affiliate) so long as a writing, such as a Swap Contract, evidences the parties' intent that such obligations shall be secured by the Mortgage in connection with the Loan.

"Taxes" means all taxes and assessments whether general or special, ordinary or extraordinary, or foreseen or unforeseen, which at any time may be assessed, levied, confirmed or imposed by any Governmental Authority or any communities facilities or other private district on Borrower or on any of its properties or assets or any part thereof or in respect of any of its franchises, businesses, income or profits.

"Termination Fee Deposit" shall have the meaning set forth in Section 4.17.

Schedule 2

Intentionally Omitted

Schedule 3

Intentionally Omitted

Schedule 4

Leasing and Tenant Matters

1. Representations and Warranties of Borrower Regarding Leases.

Borrower represents and warrants that Borrower has delivered to Lender Borrower's standard form of tenant lease and a true and correct copy of all Leases and any guaranty(ies) thereof, affecting any part of the Improvements, together with an accurate and complete rent roll for the Property, and no such Lease or guaranty contains any option or right of first refusal to purchase all or any portion of the Property or any present or future interest therein.

2. Covenants of Borrower Regarding Leases and Rents.

Borrower covenants that Borrower (a) will observe and perform all of the obligations imposed upon the landlord in the Leases and will not do or permit to be done anything to impair the security thereof; (b) will use its best efforts to enforce or secure, or cause to be enforced or secured, the performance of each and every obligation and undertaking of the respective tenants under the Leases and will appear in and defend, at Borrower's sole cost and expense, any action or proceeding arising under, or in any manner connected with, the Leases; (c) will not collect any of the Rents in advance of the time when the same become due under the terms of the Leases; (d) will not discount any future accruing Rents; (e) without the prior written consent of Lender, will not execute any assignment of the Leases or the Rents; (f) will not modify the rent, the term, the demised premises or the common area maintenance charges under any of the Leases, or add or modify any option or right of first refusal to purchase all or any portion of the Property or any present or future interest therein, or surrender, cancel or terminate any Lease, without the prior written consent of Lender; and (g) will execute and deliver, at the request of Lender, all such assignments of the Leases and Rents in favor of Lender as Lender may from time to time require.

3. Leasing Guidelines.

Borrower shall not enter into any lease of tenant space in the Improvements unless approved by Lender prior to execution. Borrower's standard form of tenant lease, and any revisions thereto, must have the prior written approval of Lender. Lender shall be "deemed" to have approved any Lease, except a lease of Unit 101 in the building having an address of 3334 San Fernando Road or a lease of Unit 100 in the building having an address of 3550 San Fernando Road, that: (a) is on the standard form lease approved by Lender with no material deviations except as approved by Lender; (b) is entered into in the ordinary course of business with a bona fide unrelated third party tenant, and Borrower, acting in good faith and exercising due diligence, has determined that the tenant is financially capable of performing its obligations under the Lease; (c) is received by Lender, together with any guaranty(ies) and financial information received by Borrower regarding the tenant and any guarantor(s), within fifteen (15) days after execution; (d) reflects an arm's length transaction; (e) contains no option or right of first refusal to purchase all or any portion of the Property or any present or future interest therein; (f) requires the tenant to execute and deliver to Lender an estoppel certificate in form and substance acceptable to Lender within thirty (30) days after notice from Lender; and (g) in the case of those premises identified on Exhibit A to this Schedule 4, provides for an effective rental rate no less than applicable rate specified on said Exhibit A. Borrower shall provide to Lender a correct and complete copy of each Lease, including any exhibits, and any guaranty(ies) thereof, prior to execution unless the Lease meets the foregoing requirements for "deemed" approval by Lender. Borrower shall pay all reasonable costs incurred by Lender in reviewing and approving Leases and any guaranties thereof, and also in negotiating subordination agreements and subordination, nondisturbance and attornment agreements with tenants, including reasonable attorneys' fees and costs.

4. Delivery of Leasing Information and Documents.

From time to time upon Lender's request, Borrower shall promptly deliver to Lender (a) complete executed originals of each Lease, including any exhibits thereto and any guaranty(ies) thereof, (b) a complete rent roll of the Property in such detail as Lender may require, together with such operating statements and leasing schedules and reports as Lender may require, (c) any and all financial statements of the tenants, subtenants and any lease guarantors to the extent available to Borrower, (d) such other information regarding tenants and prospective tenants and other leasing information as Lender may request, and (e) such estoppel certificates, subordination agreements and/or subordination, nondisturbance and attornment agreements executed by such tenants, subtenants and guarantors, if any, in such forms as Lender may require.

Exhibit A to Schedule 4

Minimum Rental Rates

| Building Address | Unit No. | Square Footage | Minimum Effective Rent |
|---|---|---|---|
| 3334 San Fernando | 102 | 15,547 | $ 6.83 |
| 3360 San Fernando | N/A | 17,000 | $14.04 |
| 3368-3370 San Fernando | 107 | 10,500 | $ 8.57 |
| 3368-3370 San Fernando | 109/110 | 13,500 | $ 8.57 |
| 3368-3370 San Fernando | 202/203 | 5,160 | $11.34 |
| 3368-3370 San Fernando | 204 | 11,184 | $11.34 |
| 3378-3380 San Fernando | 78101 | 24,000 | $ 7.88 |
| 3378-3380 San Fernando | 80101 | 18,326 | $ 9.07 |
| 3410 San Fernando | 2 | 40,500 | $ 7.24 |
| 3410 San Fernando | 3 | 18,000 | $ 6.83 |
| 3410 San Fernando | 4 | 12,400 | $ 6.83 |
| 3410 San Fernando | 5 | 9,600 | $ 8.16 |
| 3424 San Fernando | 1 | 18,000 | $ 6.83 |
| 3424 San Fernando | 2 | 31,500 | $ 7.24 |
| 3424 San Fernando | 3 | 23,374 | $ 7.24 |
| 3424 San Fernando | 4 | 29,926 | $ 7.24 |
| 3550 Tyburn | 101 | 26,814 | $ 8.64 |

Schedule 5

Intentionally Omitted

Schedule 6

Intentionally Omitted

Schedule 7

Swap Contracts

1. Swap Documentation. Within the timeframes required by Lender and Swap Counterparty, Borrower shall deliver to Swap Counterparty the following documents and other items, executed and acknowledged as appropriate, all in form and substance satisfactory to Lender and Swap Counterparty: (a) Master Agreement in the form published by the International Swaps and Derivatives Association, Inc. and related schedule in the form agreed upon between Borrower (or its Affiliate) and Swap Counterparty; (b) a confirmation under the foregoing, if applicable; (c) the Guaranty; (d) if Borrower (or its Affiliate) is anything other than a natural person, evidence of due authorization to enter into transactions under the foregoing Swap Contract with Swap Counterparty, together with evidence of due authorization and execution of any Swap Contract; and such other title endorsements, documents, instruments and agreements as Lender and Swap Counterparty may require to evidence satisfaction of the conditions set forth in this Section, including a swap endorsement to Lender's title insurance policies in form and substance satisfactory to Lender.

2. Conveyance and Security Interest. To secure Borrower's Obligations, Borrower hereby transfers, assigns and transfers to Lender, and grants to Lender a security interest in, all of Borrower's right, title and interest, but not its obligations, duties or liabilities for any breach, in, under and to the Swap Contract, any and all amounts received by Borrower in connection therewith or to which Borrower is entitled thereunder, and all proceeds of the foregoing. All amounts payable to Borrower under the Swap Contract shall be paid to Lender and shall be applied to pay interest or other amounts under the Loan.

3. Cross-Default. It shall be an Event of Default under this Agreement if any Event of Default occurs as defined under any Swap Contract as to which Borrower (or its Affiliate) is the Defaulting Party, or if any Termination Event occurs under any Swap Contract as to which Borrower (or its Affiliate) is an Affected Party. As used in this Section, the terms "Defaulting Party," "Termination Event" and "Affected Party" have the meanings ascribed to them in the Swap Contract.

4. Remedies; Cure Rights. In addition to any and all other remedies to which Lender and Swap Counterparty are entitled at Law or in equity, Swap Counterparty shall have the right, to the extent so provided in any Swap Contract or any Master Agreement relating thereto, (a) to declare an event of default, termination event or other similar event thereunder and to designate an Early Termination Date as defined under the Master Agreement, and (b) to determine net termination amounts in accordance with the Swap Contract and to setoff amounts between Swap Contracts. Lender shall have the right at any time (but shall have no obligation) to take in its name or in the name of Borrower (or its Affiliate) such action as Lender may at any time determine to be necessary or advisable to cure any default under any Swap Contract or to protect the rights of Borrower (or its Affiliate) or Swap Counterparty thereunder; provided, however, that before the occurrence of an Event of Default under this Agreement, Lender shall give prior written notice to Borrower before taking any such action. For this purpose, Borrower hereby constitutes Lender its true and lawful attorney-in-fact with full power of substitution, which power of attorney is coupled with an interest and irrevocable, to exercise, at the election of Lender, any and all rights and remedies of Borrower (or its Affiliate) under the Swap Contract, including making any payments thereunder and consummating any transactions contemplated thereby, and to take any action that Lender may deem proper in order to collect, assert or enforce any claim, right or title, in and to the Swap Contract hereby assigned and conveyed, and generally to take any and all such action in relation thereto as Lender shall deem advisable. Lender shall not incur any liability if any action so taken by Lender or on its behalf shall prove to be inadequate or invalid. Borrower expressly understands and agrees that Lender is not hereby assuming any duties or obligations of Borrower (or its Affiliate) to make payments to Swap Counterparty under any Swap Contract or under any other Loan Document. Such payment duties and obligations remain the responsibility of Borrower (or its Affiliate) notwithstanding any language in this Agreement.

5. Automatic Deduction and Credit.

(a) At all times when any Swap Contract is in effect, Borrower shall maintain the Checking Account in good standing with Lender. Borrower hereby grants to Lender and Swap Counterparty a security interest in the Checking Account, and any other accounts and deposit accounts from which Borrower may from time to time authorize Lender to debit payments due on the Loan and the Swap Contracts. Borrower is granting this security interest to Lender and Swap Counterparty for the purpose of securing the Obligations.

(b) At all times when any Swap Contract is in effect, all monthly payments owed by Borrower under the Note will be automatically deducted on their due dates from the Checking Account. Lender is hereby authorized to apply the amounts so debited to Borrower's obligations under the Loan. Notwithstanding the foregoing, Lender will not automatically deduct the principal payment at maturity from the Checking Account.

(c) At all times when any Swap Contract is in effect, all payments owed by Borrower (or its Affiliate) under any Swap Contract will be automatically deducted on their due dates from the Checking Account. The preceding sentence includes Borrower's authorization for Lender to debit from the Checking Account any monetary obligation owed by Borrower (or its Affiliate) to Swap Counterparty following any Early Termination Date, as defined under the Master Agreement. Swap Counterparty is hereby authorized to apply the amounts so debited to the obligations of Borrower (or its Affiliate) under the applicable Swap Contract.

(d) Lender will debit the Checking Account on the dates the foregoing payments become due; provided, however, that if a due date does not fall on a Banking Day, Lender will debit the Checking Account on the first Banking Day following such due date.

(e) Borrower shall maintain sufficient funds on the dates when Lender enters debits authorized by this Agreement. If there are insufficient funds in the Checking Account on any date when Lender enters any debit authorized by this Agreement, without limiting Lender's other remedies in such an event, the debit will be reversed in whole or in part, in Lender's sole and absolute discretion, and such amount not debited shall be deemed to be unpaid and shall be immediately due and payable in accordance with the terms of the Note and/or the Swap Contract, as applicable.

(f) So long as there is no Event of Default existing under this Agreement or any Swap Contract, Lender will automatically credit the Checking Account for payments owed by Swap Counterparty under the Swap Contract. Lender will credit the Checking Account on the dates the foregoing payments become due; provided, however, that if a due date does not fall on a Banking Day, Lender will credit the Checking Account on the first Banking Day following such due date.

Schedule 8

Financial Covenants

**Debt Service Coverage Ratio**. Borrower shall maintain a Debt Service Coverage Ratio as of any Determination Date of at least 1.10 to 1.00. This ratio will be tested as of each Determination Date. The Debt Service Coverage Ratio may be satisfied by a voluntary paydown of the Loan by Borrower, subject to the satisfaction of any conditions to prepayment, including the payment of any prepayment fee or premium, together with a mutually agreed-upon reduction in the committed amount of the Loan.

If, as of the Initial Determination Date or any Determination Date thereafter, the Actual Debt Service Coverage Ratio is less than 1:10 to 1:00 but equal to or greater than 1:05 to 1.00, Borrower shall, within fifteen (15) days after the end of each month thereafter until the next Determination Date on which the Actual Debt Service Coverage Ratio is 1.10 to 1.00 or greater for two consecutive calendar quarters, deposit all cash flow from the Property in an interest-bearing account (the "Sweep Account") maintained with Lender in Borrower's name but under Lender's sole dominion and control (and which shall be an "Account", as such term is defined in the Mortgage). The Sweep Account and all funds on deposit therein shall be additional collateral for the Loan. Any funds on deposit in the Sweep Account on the date which is ninety (90) days before the then current Maturity Date (as defined in the Note) shall be applied against the then-outstanding Obligations in such order and against such of the Obligations as Lender shall determine in its sole discretion. If, as of any Determination Date after Borrower's obligation to so deposit cash flow with Lender in the Sweep Account ceases, the Debt Service Coverage Ratio once again becomes less than 1:10 to 1:00 but 1:05 to 1.00 or greater, Borrower's obligation to so deposit cash flow with Lender in the Sweep Account shall resume until the next Determination Date on which the Actual Debt Service Coverage Ratio is 1.10 to 1.00 or greater for two consecutive calendar quarters. Any cash flow so paid to Lender shall be held by Lender and, provided that no Event of Default then exists, released by Lender to Borrower promptly following the next Determination Date on which the Debt Service Coverage Ratio equals or exceeds 1.10 to 1.00 for two consecutive calendar quarters. Borrower covenants and agrees to execute a pledge and security agreement with respect to such account in form and substance acceptable to Lender.

If, as of any Determination Date, the Actual Debt Service Coverage Ratio is less than 1:05 to 1:00 Borrower shall, within thirty (30) days after written demand from Lender, pay to Lender, for application against the outstanding principal balance of the Loan, such amount as is required to achieve an Actual Debt Service Coverage Ratio of 1.10 to 1.00 and shall satisfy any conditions to prepayment provided for in the Loan Documents, and there shall be a reduction in the committed amount of the Loan by the amount of such principal payment.

"Actual Operating Revenue" means, with respect to any Calculation Period, all income, computed on an annualized basis in accordance with generally accepted accounting principles, collected from the ownership and operation of the Property from whatever source (other than any source affiliated with Borrower or any Guarantor), including Rents, utility charges, escalations, service fees or charges, license fees, parking fees, and other required pass-throughs, but excluding sales, use and occupancy or other taxes on receipts required to be accounted for by Borrower to any Governmental Authority, refunds from tenants, uncollectible accounts, sales of furniture, fixtures and equipment, interest income, Condemnation Awards, Insurance Proceeds (other than business interruption or other loss of income insurance), unforfeited security deposits, utility and other similar deposits, income from tenants not paying rent, income from tenants in bankruptcy, and non-recurring or extraordinary income, including lease termination payments. Actual Operating Revenue shall be net of rent concessions and credits. Actual Operating Revenue shall be subject to appropriate adjustments in Lender's reasonable discretion. Notwithstanding the foregoing, Lender may include as a part of Actual Operating Revenue, in its sole discretion, rents for newly executed Leases pursuant to which the obligation of the tenant thereunder to pay rent will commence within six (6) months after the Calculation Date.

"Assumed Interest Rate" means the annual yield payable on the last day of the applicable Calculation Period on ten (10) year United States Treasury obligations in amounts approximating the Net Commitment Amount at the inception of the Calculation Period plus two hundred fifty (250) basis points per annum; provided, however, that the Assumed Interest Rate shall be not less than six and one-quarter percent (6.25%) per annum.

"Calculation Period" means the six (6) month period ending on the day preceding any Determination Date.

"Debt Service" means the payments of principal and interest that would have been payable under a hypothetical loan during the Calculation Period, assuming (i) an initial loan balance equal to the Net Commitment Amount at the inception of the Calculation Period, (ii) an interest rate equal to the Assumed Interest Rate, and (iii) amortization of the aggregate principal indebtedness over a thirty (30) year amortization period.

"Debt Service Coverage Ratio" means, as of any Determination Date, for the applicable Calculation Period the ratio, as determined by Lender, of Net Operating Income to Debt Service.

"Determination Date" means the first day of each calendar quarter of each year, beginning with the Initial Determination Date.

"Initial Determination Date" means July 1, 2013.

"Net Commitment Amount" means, as of any date, the total obtained by adding the amount of the outstanding principal balance of the Loan to the amount of the available undisbursed Loan proceeds.

"Net Operating Income" means, with respect to any Calculation Period, the amount obtained by subtracting Operating Expenses from Actual Operating Revenue as such amount may be adjusted by Lender in its reasonable discretion based on Lender's underwriting standards, including adjustments for vacancy allowance and other concessions. As used herein, "vacancy allowance" means an allowance for reductions in potential income attributable to vacancies, tenant turnover, and nonpayment of rent.

"Operating Expenses" means, with respect to any Calculation Period, the total of all expenses actually paid or payable, computed on an annualized basis in accordance with generally accepted accounting principles, of whatever kind relating to the ownership, operation, maintenance or management of the Property, including utilities, ordinary repairs and maintenance, insurance premiums, ground rents, if any, license fees, Taxes, advertising expenses, payroll and related taxes, management fees equal to the greater of 4% of Actual Operating Revenue or the management fees actually paid under any management agreement, operational equipment or other lease payments as approved by Lender, normalized capital expenditures equal to $0.15 per square foot of the buildings on the Property (excluding the building currently occupied by The Pep Boys Manny Moe & Jack of California) per year, but specifically excluding depreciation and amortization, income taxes, debt service on the Loan, and any item of expense that would otherwise be covered by the provisions hereof but which is paid by any tenant under such tenant's Lease or other agreement provided such reimbursement by tenant is not included in the calculation of Actual Operating Revenue. Operating Expenses shall be subject to appropriate seasonal and other adjustments in Lender's reasonable discretion. Any expense which in accordance with accrual basis income tax accounting is depreciated or amortized over a period which exceeds one (1) year shall be treated as an expense, for the purposes of the foregoing calculations, ratably over the period of depreciation or amortization.

**Unencumbered Liquid Assets**. Guarantor shall maintain Unencumbered Liquid Assets having an aggregate market value of not less than Five Million Dollars ($5,000,000). This covenant will be calculated as of December 31 of each year.

"Unencumbered Liquid Assets" means the following assets (excluding assets of any retirement plan) which (i) are not the subject of any lien, pledge, security interest, financing statement or other arrangement with any creditor to have its claim satisfied out of the asset (or proceeds thereof) prior to the general creditors of the owner of the asset, (ii) are held solely in the name of Guarantor or any subsidiary of Guarantor which is directly or indirectly wholly owned by Guarantor (with no other Persons having ownership rights in such assets), (iii) may be converted to cash within five (5) days, and (iv) are otherwise acceptable to Lender in its reasonable discretion:

(a) Cash or cash equivalents held in the United States and denominated in United States dollars;

(b) United States Treasury or governmental agency obligations which constitute full faith and credit of the United States of America;

(c) Commercial paper rated P-1 or A1 by Moody's or S&P, respectively;

(d) Medium and long-term securities rated investment grade by one of the rating agencies described in (c) above;

(e) Eligible Stocks; and

(f) Mutual funds quoted in The Wall Street Journal which invest primarily in the assets described in (a) – (e) above.

"Eligible Stocks" includes any common or preferred stock which (i) is not control or restricted stock under Rule 144 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, or subject to any other regulatory or contractual restrictions on sales, (ii) is traded on a U.S. national stock exchange, including NASDAQ, with a liquidity on such exchange for such stock acceptable to Lender and (iii) has, as of the close of trading on the applicable exchange (excluding after hours trading), a per share price of at least Fifteen Dollars ($15).

**Fair Market Net Worth.** Guarantor shall maintain a Fair Market Net Worth of at least Seventy-Five Million Dollars ($75,000,000). This covenant will be calculated as of December 31 of each year.

"Fair Market Net Worth" means the fair market value of total assets of Guarantor (including leaseholds and leasehold improvements and reserves against assets but excluding goodwill, patents, trademarks, trade names, organization expense, unamortized debt discount and expense, capitalized or deferred research and development costs, deferred marketing expenses, and other like intangibles, and monies due from affiliates, officers, directors, employees, shareholders, members or managers) less total liabilities, including but not limited to accrued and deferred income taxes, but excluding the non-current portion of Subordinated Liabilities.

"Subordinated Liabilities" means liabilities subordinated to Borrower's obligations to Lender in a manner acceptable to Lender in its sole discretion.

**Exhibit 10.17**

**J.P. Morgan**

TERM LOAN AGREEMENT

DATED AS OF JUNE 28, 2012

BY AND BETWEEN

3001 MISSION OAKS BLVD LLC,

AS BORROWER,

AND

JPMORGAN CHASE BANK, N.A.

AS LENDER

**CHASE REAL ESTATE BANKING**

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EXHIBITS

Exhibit A — Legal Description of Property
Exhibit B — Capital Improvement Budget

TERM LOAN AGREEMENT

THIS TERM LOAN AGREEMENT (this ***"Agreement"***) dated as of this 28th day of June, 2012, is by and between 3001 MISSION OAKS BLVD LLC, a Delaware limited liability company (***"Borrower"***), and JPMORGAN CHASE BANK, N.A. a national banking association (***"Lender"***).

RECITALS

WHEREAS, Borrower is acquiring all that certain real property located in the County of Ventura and State of California more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the***"Property"***); and

WHEREAS, Borrower has requested, and Lender has agreed to provide financing to Borrower to pay a portion of the purchase price of the Property, all on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINED TERMS

1.01 Definitions.

The following terms shall have the following meanings:

***"3175 Mission Oaks"*** means 3175 MISSION OAKS BLVD LLC, a Delaware limited liability company.

***"3175 Mission Oaks Loan"*** means the loan made by Lender to 3175 Mission Oaks in the maximum principal amount of $20,627,121 pursuant to the 3175 Mission Oaks Loan Documents.

***"3175 Mission Oaks Loan Agreement"*** means that certain Term Loan Agreement of even date herewith between Lender and 3175 Mission Oaks, as amended, restated or otherwise modified from time to time.

***"3175 Mission Oaks Loan Documents"*** means the documents and agreements defined and described as "Loan Documents" in the 3175 Mission Oaks Loan Agreement, all as amended, restated or otherwise modified from time to time.

***"3233 Mission Oaks"*** means 3233 MISSION OAKS BLVD LLC, a Delaware limited liability company.

***"3233 Mission Oaks Loan"*** means the loan made by Lender to 3233 Mission Oaks in the maximum principal amount of $7,467,879 pursuant to the 3233 Mission Oaks Loan Documents.

***"3233 Mission Oaks Loan Agreement"*** means that certain Term Loan Agreement of even date herewith between Lender and 3233 Mission Oaks, as amended, restated or otherwise modified from time to time.

***"3233 Mission Oaks Loan Documents"*** means the documents and agreements defined and described as "Loan Documents" in the 3233 Mission Oaks Loan Agreement, all as amended, restated or otherwise modified from time to time.

***"Adjusted LIBO Rate"*** means, with respect to any Eurodollar Borrowing for the relevant Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period, multiplied by (b) the Statutory Reserve Rate.

***"Adjusted One Month LIBOR Rate"*** means, for any day, an interest rate per annum equal to the sum of (i) 2.50% plus (ii) the Adjusted LIBO Rate for a one month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding).

***"Affiliate"*** means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

***"Affiliate Borrower"*** means each of 3175 Mission Oaks and 3233 Mission Oaks.

***"Agreement"*** means this Agreement, as amended or modified.

***"Appraisal"*** means, with respect to the Property and/or any Other Property, as the case may be, a written statement setting forth an opinion of the market value of the Property and/or such Other Property, as the case may be, that (a) has been independently and impartially prepared by a qualified appraiser directly engaged by Lender, (b) complies with all applicable federal and state laws and regulations dealing with appraisals or valuations of real property, and (c) has been reviewed as to form and content and approved by Lender, in its reasonable discretion.

***"Appraised Value"*** means, with respect to the Property and/or any Other Property, as the case may be, the "as is" value of the Property and/or any Other Property, as the case may be, as determined by the Lender based upon its review of the most current Appraisal of the Property and/or such Other Property, as the case may be.

***"Approved Fund"*** means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages Lender.

***"Approved Manager"*** means (a) Borrower, (b) Rexford Industrial Realty & Management, Inc., a California corporation, (c) any Person that Controls, is Controlled by or under common Control with, any Guarantor, or (d) any other reputable and creditworthy property manager, subject to the prior approval of Lender, not to be unreasonably withheld, with at least five (5) years' experience and a portfolio of properties comparable to the Property under active management.

***"Board"*** means the Board of Governors of the Federal Reserve System of the United States of America.

***"Borrower"*** has the meaning set forth in the preamble.

***"Borrower Financing Statement"*** means the financing statement for filing with the Secretary of State of the State of Delaware covering the personal property in which Borrower has granted a security interest to Lender, in the Loan Documents.

***"Borrowing"*** means a portion or portions of the Loan of the same Type, converted or continued on the same date and, in the case of Eurodollar Borrowings, as to which a single Interest Period is in effect.

***"Borrowing Date"*** means a date on which a Borrowing is made hereunder.

***"Business Day"*** means any day that is not a Saturday, Sunday or other day on which commercial banks in Los Angeles, California are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Borrowing, the term ***"Business Day"*** shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

***"Capital Lease Obligations"*** of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

***"Capital Improvement Budget"*** means the breakdown of costs and expenses attached hereto as Exhibit B, as the same may be revised from time to time with the prior written approval of Lender (which consent shall not be unreasonably withheld, conditioned or delayed); provided, however, that (a) Lender's approval shall not be required with respect to reallocations of actual demonstrated cost savings from one line item to another within such breakdown of costs and expenses, and (b) without limitation of Lender's approval rights set forth in Section 4.14(b) below with respect to any revised breakdown delivered to Lender in connection with any required deposit of funds in the Capital Improvements Reserve Account, Lender's approval shall not be required with respect to revisions to the working breakdown of costs and expenses then most recently approved by Lender which do not involve (i) a change of more than Fifty Thousand Dollars ($50,000) in any one line item, or (ii) together with all prior revisions, if any, to the breakdown of costs and expenses then most recently approved by Lender, changes of more than Two Hundred Thousand Dollars ($200,000) in the aggregate for all line items.

***"Capital Improvement Work"*** means all capital improvements to the Property and related work described in the Plans and Specifications.

***"CB Floating Rate"*** means the Prime Rate; provided that the CB Floating Rate shall never be less than the Adjusted One Month LIBOR Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day). Any change in the CB Floating Rate due to a change in the Prime Rate or the Adjusted One Month LIBOR Rate shall be effective from and including the effective date of such change in the Prime Rate or the Adjusted One Month LIBOR Rate, respectively.

***"CBFR"***, when used in reference to any Borrowing, refers to whether such Borrowing, is bearing interest at a rate determined by reference to the CB Floating Rate.

***"Change in Law"*** means the occurrence after the date of this Agreement of: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of Section 3.07(b), by any lending office of Lender or by Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a ***"Change in Law,"*** regardless of the date enacted, adopted, issued or implemented.

***"Charges"*** has the meaning set forth in Section 9.12 hereof.

***"Code"*** means the Internal Revenue Code of 1986, as amended from time to time.

***"Combined Annual Debt Service"*** means, as of any date of determination, annual debt service on a loan with a principal amount equal to the Combined Loan Amount on such date of determination, assuming (a) a fixed rate of interest per annum equal to the greatest of (i) the then applicable 10-year Treasury Rate plus 2.50%, (ii) six and one-half of one percent (6.50%) per annum, or (iii) the then applicable Designated Current Rate, and (b) amortization of such loan in equal annual payments of principal and interest over a period of thirty (30) years.

***"Combined Debt Service Coverage Ratio"*** means, as of any determination date, the ratio of (a) annualized Combined NOI (based on the results of operations of the Property and each Other Property for the preceding three months), to (b) Combined Annual Debt Service.

***"Combined Debt Yield Ratio"*** means, on any date of determination, the ratio, expressed as a percentage, of (a) annualized Combined NOI (based on the results of operations of the Property and each Other Property for the preceding three months), to (b) the Combined Loan Amount then in effect.

***"Combined Loan Amount"*** means, on any date of determination, an amount equal to the sum of (a) the Loan Amount in effect on such date of determination, (b) the Loan Amount (as such term is defined and used in the 3175 Loan Agreement) in effect on such date of determination, and (c) the Loan Amount (as such term is defined and used in the 3233 Loan Agreement) in effect on such date of determination.

***"Combined Loan-to-Value Ratio"*** means, on any date of determination, the ratio, expressed as a percentage, of (a) the Combined Loan Amount in effect on such date of determination, to (b) the aggregate Appraised Value of the Property and each Other Property.

***"Combined NOI"*** means, for any period of determination, (i) the aggregate income, revenues, reimbursements and receipts of any kind whatsoever generated from Qualified Leases during such period, less, without duplication, (ii) the aggregate expenses incurred during such period in connection with the operation of the Property and each Other Property, but expressly excluding capital expenses, other non-recurring extraordinary expenses, depreciation and amortization, income taxes, debt service on the Loan, debt service on each Other Loan, amounts funded into reserves and escrows maintained with Lender pursuant to the Loan Documents or the Other Loan Documents, as applicable, any and all expenses (including, without limitation, legal, accounting and other professional fees, expenses and disbursements) incurred in connection with the making or administration of the Loan and any Other Loan or the sale, exchange, transfer, financing or refinancing of the Property and any Other Property or in connection with the recovery of insurance proceeds or condemnation awards relating to the Property or any Other Property. Any item of expense relating to the operation of the Property which is paid in cash and, in accordance with an accrual basis of accounting, is capitalized and expensed over a period which exceeds one (1) year shall be treated as an operating expense for the purposes of the foregoing calculation incurred ratably over the period of calculation.

***"Complete," "Completed"*** or ***"Completion"*** means, with respect to the Capital Improvement Work, that (a) all such Capital Improvement Work has been completed (including all punch-list items) in accordance with the Plans and Specifications and all applicable Legal Requirements, including, to the extent required under applicable Legal Requirements, receipt of a certificate of occupancy and/or a final sign off, (b) Lender shall have received a satisfactory final affidavit from the general contractor engaged in connection with the Capital Improvement Work and full and complete releases of lien from such general contractor and each subcontractor of and supplier to such general contractor with respect to work performed and/on materials supplied in the performance of the Capital Improvement Work, and (c) a valid notice of completion has been recorded with respect to the Capital Improvement Work.

***"Completion Guaranty"*** means the Completion Guaranty of even date herewith executed by Guarantor in favor of Lender in connection with the Capital Improvement Work and the Loan, as amended from time to time.

***"Control"*** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. ***"Controlling"*** and ***"Controlled"*** have meanings correlative thereto.

***"Debtor Relief Laws"*** means any applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, fraudulent conveyance, reorganization, or similar laws affecting the rights, remedies or recourse of creditors generally, including without limitation, the United States Bankruptcy Code and all amendments thereto, as are in effect from time to time during the term of the Loan.

***"Deckers 3175 Mission Oaks Lease"*** means that certain Standard Industrial/Commercial Multi-Tenant Lease-Net dated October 31, 2007 by and between 3175 Mission Oaks (as successor-in-interest to 450 N. Baldwin Park Associates, LLC), as landlord, and Deckers Outdoor Corporation, a Delaware corporation, as tenant, as amended, modified, and supplemented by (a) that certain First Amendment to Lease dated August 9, 2010, (b) that certain Second Amendment to Lease dated July 26, 2011. (c) that certain Third Amendment to Lease dated August 31, 2011, (d) that certain Fourth Amendment to Lease dated September 1, 2011 and (e) that certain Fifth Amendment to Standard Industrial/Commercial Multi-Tenant Lease-Net dated October 31, 2007, which Fifth Amendment is dated as of June 1, 2012, as the same may be further amended, modified and supplemented from time to time in accordance with the 3175 Loan Documents.

***"Deckers Lease"*** means that certain Standard Industrial/Commercial Multi-Tenant Lease-Net dated September 15, 2004, by and between Borrower (as successor-in-interest to Mission Oaks Associates, LLC), as landlord, and Deckers Outdoor Corporation, a Delaware corporation, as tenant, as amended, modified and supplemented by (a) that certain First Amendment to Lease dated December 1, 2004, (b) that certain Second Amendment to Lease dated May 31, 2005, (c) that certain Third Amendment to Lease dated October 31, 2005, (d) that certain Fourth Amendment to Lease dated December 9, 2005, (e) that certain Fifth Amendment to Lease dated June 19, 2007, (f) that certain Sixth Amendment to Lease dated October 31, 2007, and (g) that certain Seventh Amendment to Lease dated September 1, 2011, as the same may be further amended, modified and supplemented from time to time in accordance with the Loan Documents.

***"Deed of Trust"*** means the Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (3001 Mission Oaks) of even date herewith executed by Borrower to JPMorgan Chase Bank, N.A., Trustee, for the benefit of Lender, covering the Property or any portion thereof, as amended from time to time.

***"Default"*** has the meaning assigned to it in Section 7.01 hereof.

***"De Minimis Amounts"*** shall mean any Hazardous Substance either (a) being transported on or from the Property or being stored for use by Borrower or its tenant on the Property within a year from original arrival on the Property in connection with Borrower's current operations, or (b) being currently used by Borrower or its tenant on the Property, in either case in such quantities and in a manner that both (i) does not constitute a violation or threatened violation of any Environmental Law or require any reporting or disclosure under any Environmental Law, and (ii) is consistent with customary business practice for such operations in the state where such Property is located.

***"Designated Current Rate"*** means, on any date of determination, (a) if all borrowings under the Loan and each Other Loan are accruing interest based on the Fixed Rate (as such term is defined herein, or, as it relates to each Other Loan, as the term "Fixed Rate" is defined in the Other Loan Agreement applicable to such Other Loan), the Adjusted LIBO Rate for a one-month interest period, plus 2.50% per annum, or (b) if any borrowing under the Loan or any Other Loan is accruing interest based on the Floating Rate (as such term is defined herein, or, as it relates to each Other Loan, as the term "Floating Rate" is defined in the Other Loan Agreement applicable to such Other Loan), the higher of (i) the Adjusted LIBO Rate for a one-month interest period, plus 2.50% per annum, or (ii) the Floating Rate.

***"Designated Lease"*** means, on any date of determination, a lease of space within the Property or any Other Property, (a) which (1) has been approved or deemed approved by Lender in accordance with this Agreement or the applicable Other Loan Documents, as the case may be, or (2) is a proposed new lease (or proposed amendment to a lease described under clause (a)(1) above) assumed to have taken effect pursuant to Section 4.02(c) below for the sole purpose of calculating whether the Property and the Other Property will, after giving effect to such proposed lease or amendment, satisfy the then required minimum Pro Forma Debt Yield Ratio and minimum Pro Forma Minimum Debt Service Coverage Ratio, (b) which has a remaining term of not less than three (3) months (and is not month-to-month), (c) under which the tenant has taken occupancy and commenced paying rent, or, in the case of a proposed new lease described under clause (a)(2) above, the tenant will take occupancy and commence paying rent within the immediately following three (3) month period, and (d) under which no Tenant Monetary Default has occurred and is continuing.

***"Disclosure"*** has the meaning set forth in Section 2.03 hereof.

***"dollars"*** or ***"$"*** refers to lawful money of the United States of America.

***"Dune Guarantor"*** means, individually and collectively, (a) Dune Real Estate Fund II LP, a Delaware limited partnership, (b) Dune Real Estate Parallel Fund II LP, a Delaware limited partnership, (c) DREF II NA Fund LP, a Delaware limited partnership, and (d) DREF II International Fund LP, a Delaware limited partnership.

***"Employee Benefit Plan"*** means an employee benefit plan as defined in Section 3(3) of ERISA, maintained, sponsored by or contributed to by Borrower or any ERISA Affiliate.

***"Environmental Indemnity Agreement"*** means that certain Environmental Indemnity Agreement of even date herewith executed by Borrower and Guarantor in favor of Lender, as amended from time to time.

***"Environmental Laws"*** means any federal, state or local law, whether common law, statute, ordinance, rule, regulation, or judicial or administrative decision or policy or guideline, pertaining to Hazardous Substances, health, industrial hygiene, environmental conditions, or the regulation or protection of the environment, and all amendments thereto as of this date and to be added in the future and any successor statute or rule or regulation promulgated thereto, including, without limitation, "CERCLA", "RCRA", or state superlien or environmental clean-up statutes.

***"Environmental Reports"*** means that certain Phase I Environmental Site Assessment of the Property and the Other Property, prepared by ADR Environmental Group, Inc., dated as of May 11, 2012.

***"ERISA"*** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute.

***"ERISA Affiliate"*** means Borrower or any corporation, trade or business that along with Borrower is treated as a single employer under Sections 414(b), 414(c), 414(m) or 414(o) of the Code.

***"Estimated Completion Date"*** means the date that is fifteen (15) months after the date hereof.

***"Eurodollar,"*** when used in reference to any Borrowing, refers to whether such Borrowing is bearing interest at the Fixed Rate determined by reference to the Adjusted LIBO Rate.

***"Excess Cash Flow"*** means, with respect to each period of determination, an amount equal to (a) all income, revenues, reimbursements and receipts of any kind whatsoever actually collected during such period from the Property, less (b) the expenses incurred during such period in connection with the operation of the Property, less (c) the interest and principal actually paid by Borrower to Lender with respect to the Loan during such period, less (d) all amounts funded by Borrower into reserves and escrows maintained with Lender pursuant to the Loan Documents during such period, all as compiled by Borrower and approved by Lender in its reasonable discretion.

***"Excluded Taxes"*** means, with respect to Lender or any other recipient of any payment to be made by or on account of any obligation of Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of Lender, in which its applicable lending office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which Borrower is located.

***"Federal Funds Effective Rate"*** means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/16 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/16 of 1%) of the quotations for such day for such transactions received by Lender from three Federal funds brokers of recognized standing selected by it.

***"Final Completion Date"*** means the date that is eighteen (18) months after the date hereof.

***"First Extended Maturity Date"*** has the meaning set forth in Section 3.12(a) hereof.

***"Fixed Rate"*** means, with respect to a Eurodollar Borrowing for the relevant Interest Period, the sum of the applicable Adjusted LIBO Rate plus 2.50% per annum.

***"Floating Rate"*** means, for any day, the sum of the CB Floating Rate plus 0.50% per annum.

***"GAAP"*** means generally accepted accounting principles in the United States of America.

***"Governmental Authority"*** means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

***"Guarantee"*** of or by any Person (the ***"guarantor"***) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the ***"primary obligor"***) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

***"Guarantor"*** means, individually and collectively, each Rexford Guarantor and each Dune Guarantor.

***"Guaranty"*** means the Guaranty of even date herewith executed by Guarantor in favor of Lender in connection with the Loan, as amended from time to time.

***"Hazardous Substances"*** means and includes all of the following: (a) any substance, material, or waste that is included within the definitions of "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," "toxic materials," "toxic waste," or words of similar import in any Environmental Law, (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto), and (c) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive,

freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical, urea formaldehyde insulation, radioactive materials, biological substances and any other kind and/or type of pollutants or contaminates, sewage sludge, solvents and/or industrial slag; provided, however, that, as used herein, ***"Hazardous Substances"*** shall not include (a) materials customarily used in the construction and demolition of buildings, or (b) cleaning materials and office products customarily used in the operation of properties such as the Property, to the extent such materials described in the preceding clauses (a) and (b) are stored, handled, used and disposed of in compliance with all Environmental Laws.

***"Improvements"*** means all improvements now or hereafter located on the Property, including, without limitation, an approximately 309,500 square foot industrial building and all other related improvements.

***"Indebtedness"*** of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, and (k) all Swap Obligations. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

***"Indemnified Taxes"*** means Taxes other than Excluded Taxes.

***"Indemnitee"*** has the meaning set forth in Section 9.03(b) hereof.

***"Initial Maturity Date"*** means June 28, 2015.

***"Inspecting Professional"*** means a construction consultant engaged or to be engaged by Lender, or any successor thereto selected by Lender.

***"Interest Election Request"*** means a request by Borrower to convert or continue a Borrowing in accordance with Section 3.01 hereof.

***"Interest Payment Date"*** means the fifth (5th) day of each month.

***''Interest Period"*** means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three, or six months thereafter, as the Borrower may elect, provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

***"Lease"*** means any lease or other agreement for the use and occupancy of all or any portion of the Improvements, whether now in existence or hereafter arising.

***"Legal Requirements"*** means any and all judicial decisions, statutes, rulings, directions, rules, regulations, permits, certificates or ordinances of any Governmental Authority in any way applicable to Borrower, the Property or the Improvements, including, without limitation, the ownership, division, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof.

***"Lender"*** has the meaning set forth in the preamble.

***"Lessee"*** means a tenant under a Lease.

***"LIBO Rate"*** means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters Screen LIBOR 01 Page (or on any successor or substitute page thereof, or any successor to or substitute for such page, providing rate quotations comparable to those currently provided on such page, as determined by Lender from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the ***"LIBO Rate"*** with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000.00 and for a maturity comparable to such Interest Period are offered by the principal London office of Lender in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

***"Lien"*** means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

***"Loan"*** means, the loan made by Lender pursuant to this Agreement.

***"Loan Amount"*** means, on any date of determination, the then outstanding principal balance of the Loan.

***"Loan Documents"*** means this Agreement, the Note, the Deed of Trust, the Guaranty, the Environmental Indemnity Agreement, and any and all other documents now or hereafter executed by Borrower, Guarantor or any other guarantor of the Obligations or any portion thereof evidencing, guarantying, securing or otherwise pertaining to the Obligations; provided, however, that none of (a) any Swap Agreements between Borrower and Lender or Affiliate of Lender, (b) the Secured Guaranty, (c) the Secured Guaranty Deed of Trust, or any Other Loan Documents shall constitute Loan Documents under this Agreement.

***"Loan Fee"*** is the fee of $67,025.00 due and payable upon the initial disbursement of the Loan.

***"Maturity Date"*** means the Initial Maturity Date as such date may be extended pursuant to Section 3.12 hereof.

***"Maximum Rate"*** has the meaning set forth in Section 9.12 hereof.

***"Net Casualty Proceeds"*** shall have the meaning set forth in Section 6.01 hereof.

***"Net Condemnation Proceeds"*** shall have the meaning set forth in Section 6.02 hereof.

***"Note"*** means the Promissory Note executed by Borrower in favor of Lender, as amended from time to time.

***"Obligations"*** means (i) all unpaid principal of and accrued and unpaid interest on the Loan, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other indebtedness, liabilities or obligations of Borrower to Lender, or any indemnified party arising under the Loan Documents and (ii) all Swap Obligations under Swap Agreements, if any, with Lender or its Affiliates; provided, however, that Borrower's obligations under the Secured Guaranty and the Secured Guaranty Deed of Trust are expressly excluded from, and shall not be deemed to constitute any part of, the Obligations.

***"Other Loan"*** means each of the 3175 Mission Oaks Loan and the 3233 Mission Oaks Loan.

***"Other Loan Agreement"*** means each of the 3175 Mission Oaks Loan Agreement and the 3233 Mission Oaks Loan Agreement.

***"Other Loan Documents"*** means the 3175 Mission Oaks Loan Documents and the 3233 Mission Oaks Loan Documents, or any of them.

***"Other Property"*** means, on any date of determination, the real property and improvements owned by an Affiliate Borrower which, as of such date of determination, are subject to a first priority lien in favor of Lender (a) in the case of real property and improvements owned by 3175 Mission Oaks, securing all of 3175 Mission Oaks' obligations under the 3175 Mission Oaks Loan, and (b) in the case of real property and improvements owned by 3233 Mission Oaks, securing all of 3233 Mission Oaks' obligations under the 3233 Mission Oaks Loan.

***"Other Taxes"*** means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies imposed by any Governmental Authority arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement; provided, however, ***"Other Taxes"*** expressly excludes Excluded Taxes.

***"Participant"*** has the meaning set forth in Section 9.04(c) hereof.

***"Permits"*** means all permits, licenses, certificates and approvals now or hereafter issued to Borrower for the operation of the Property.

***"Permitted Encumbrances"*** means (a) Liens and security interests granted pursuant to the Loan Documents, (b) the items set forth on Schedule B of the Title Policy, (c) customary easements entered into by Borrower in connection with the development and operation of the Property which Lender has determined would have no material adverse effect on the use or value of the Property, (d) documents required to be recorded by applicable law which have no material adverse effect on the use or value of the Property, (e) Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, (f) subordination, non-disturbance and attornment agreements executed by Lender with respect to Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, (g) memoranda of Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, (h) subject to the requirements of Section 4.15, any Liens or encumbrances relating to the Told Dispute, (i) Liens arising from claims of Persons supplying labor or materials to the Property that are being contested by Borrower pursuant to and in accordance with the Loan Documents, (j) unpaid taxes, assessment and governmental charges that are being contested by Borrower pursuant to and in accordance with the Loan Documents, and (k) matter specifically approved in writing by Lender in each case.

***"Permitted Indebtedness"*** means (a) the Obligations, (b) unsecured letters of credit or guarantees, if any, required by Governmental Authorities in connection with the Capital Improvement Work, (c) trade debt incurred in connection with the Capital Improvement Work, provided that such debt is not evidenced by a note and is paid within thirty (30) days of the date when due (subject to Borrower's right to contest in accordance with Section 4.01(c)), (d) trade debt (other than trade debt described in clause (c) above) incurred in the ordinary course of operation of the Property in such amounts as are normal and reasonable under the circumstances, provided that such debt is not evidenced by a note and is paid within thirty (30) days of the date when due (subject to Borrower's to contest in accordance with Section 4.01(c)), and provided in any event that the aggregate outstanding principal balance of such debt under this clause (d) shall not exceed at any one time five percent (5.0%) of the outstanding Obligations, (e) equipment leases entered into in the ordinary course of the operation of the Property, (f) Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, and (g) the Secured Guaranty and the Secured Guaranty Deed of Trust.

***"Person"*** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

***"Physical Conditions Report"*** means that certain Property Condition Report dated as of May 16, 2012 and prepared by Andersen Environmental regarding the physical condition of a Property, which report shall be satisfactory in form and substance to Lender in its sole discretion.

***"Plan Assets"*** means the assets of an employee benefit plan within the meaning of 29 C.F.R. 2510.3-101.

***"Plans and Specifications"*** means the final plans and specifications and working drawings approved by Lender in its reasonable discretion, and to the extent required, all applicable Governmental Authorities, relating to the capital improvements described in the Capital Improvement Budget, as such plans, specifications and working drawings may be modified and supplemented from time to time in accordance with the terms and provisions of this Agreement.

***"Prime Rate"*** means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The Prime Rate is a reference rate and is not necessarily the lowest rate.

***"Pro Forma Debt Service Coverage Ratio"*** means, as of any date of determination, the ratio of (a) Pro Forma NOI, to (b) Combined Annual Debt Service.

***"Pro Forma Debt Yield Ratio"*** means, on any date of determination, the ratio, expressed as a percentage, of (a) Pro Forma NOI, to (b) the Combined Loan Amount then in effect.

***"Pro Forma NOI"*** means, on any date of determination, (i) the aggregate income, revenues, reimbursements and receipts of any kind whatsoever reasonably expected to be generated from Designated Leases within the immediately following twelve (12) months, less, without duplication, (ii) the aggregate appraised "As-Stabilized" expenses allocable to the space covered by such Designated Lease, as set forth in the then current Appraisal of the Property and each Other Property, as reasonably determined by Lender.

***"Prohibited Person"*** shall mean any Person (a) listed in the Annex to, or otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the ***"Executive Order"***); (b) that is owned or Controlled by, or acting for or on behalf of, any Person that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) with whom Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order; (d) who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; (e) that is

named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov.ofac/t11sdn.pdf or at any replacement website or other replacement official publication of such list; or (f) who is an affiliate of or affiliated with a Person listed above.

***"Property"*** has the meaning set forth in the Recitals.

***"Qualified Lease"*** means, on any date of determination, a lease of space within the Property or any Other Property, (a) which has been approved or deemed approved by Lender in accordance with this Agreement or the applicable Other Loan Documents, as the case may be, (b) which has been fully executed and a copy of which has been delivered to Lender, (c) which remains in effect, (d) which has a remaining term of not less than three (3) months (and is not month-to-month), (e) under which the tenant has taken occupancy and commenced paying rent, and (f) under which no Tenant Monetary Default has occurred and is continuing.

***"Related Parties"*** means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

***"Rexford Guarantor"*** means, individually and collectively, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company, and Rexford Industrial Fund V, LP, a Delaware limited partnership.

***"Second Extended Maturity Date"*** has the meaning set forth in Section 3.12(b) hereof.

***"Secured Guaranty"*** means that certain Guaranty of even date herewith executed by Borrower in favor of Lender, as amended, restated or otherwise modified from time to time, pursuant to which Borrower has guaranteed the full payment and performance of the obligations of each Affiliate Borrower under the Other Loan Documents to which such Affiliate Borrower is a party.

***"Secured Guaranty Deed of Trust"*** means the Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (Secured Guaranty) of even date herewith executed by Borrower to JPMorgan Chase Bank, N.A., Trustee, for the benefit of Lender, covering the Property or any portion thereof, as amended from time to time.

***"Standard Form Lease"*** means Borrower's standard form lease for leases of space within the Improvements.

***"Statutory Reserve Rate"*** means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Lender is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Borrowings shall be deemed

to constitute eurocurrency fundings and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

***"Swap Agreement"*** means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

***"Swap Obligations"*** of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

***"Taxes"*** means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

***"Tenant Monetary Default"*** means (i) a default by any lessee under any lease covering any portion of the Property, the Improvements, or any Other Property in the payment of such lessee's scheduled rent or other amounts due under such lease which continues beyond any applicable grace or cure period, or (ii) the filing of any petition or the commencement of any case or proceeding by or against any lessee described in clause (i) above under any provision or chapter of the Federal Bankruptcy Code or any other federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization.

***"Title Company"*** means Chicago Title Company.

***"Title Policy"*** means an ALTA Lender's Policy of Title Insurance in form and substance satisfactory to Lender issued by the Title Company in the aggregate coverage amount of $41,500,000 insuring (a) the Deed of Trust as a first priority lien on the Property and Improvements, and (b) the Secured Guaranty Deed of Trust as a second priority lien on the Property and Improvements (second in lien priority only to the Deed of Trust), and containing such endorsements and with such re-insurance as Lender may request, excepting only such items as shall be acceptable to Lender.

***"Told Dispute"*** means the dispute between TOLD Partners, Inc. and Borrower and/or Borrower's predecessor-in-title relating to a broker's commission claimed to be due in connection with an extension of (a) the Deckers Lease pursuant to the Seventh Amendment to Lease dated September 1, 2011, and/or (b) the Deckers 3175 Mission Oaks Lease pursuant to the Fourth Amendment to Lease dated September 1, 2011.

***"Transactions"*** means the execution, delivery and performance by Borrower of this Agreement and the other Loan Documents, the borrowing of the Loan and the use of the proceeds thereof.

***"Treasury Rate"*** means the weekly average yield on United States Treasury Securities Constant Maturities Series issued by the United States Government for a ten (10) year term as most recently published by the Board of Governors of the Federal Reserve System and Federal Reserve Statistical Release H.15 (519) (or any similar or successor publication selected by Lender) as of the date of determination.

***"Type,"*** when used in reference to any Borrowing, refers to whether the rate of interest on such Borrowing is determined by reference to the Adjusted LIBO Rate or the CB Floating Rate.

***"Unmatured Default"*** means the occurrence of an event which with notice or lapse of time or both would constitute a Default.

## ARTICLE II
## CONDITIONS TO DISBURSEMENT

2.01 The Loan. Borrower agrees to borrow the Loan from Lender, and Lender agrees to lend the Loan to Borrower, subject to the terms and conditions herein set forth, in an amount not to exceed the Loan Amount. Borrower agrees to use the proceeds of the Loan to acquire the Property. The Loan Amount in effect on the date hereof is Thirteen Million Four Hundred Five Thousand and No/100 Dollars ($13,405,000.00).

2.02 Conditions to Closing.

Borrower agrees that, in addition to all other conditions set forth herein, the making of the Loan is conditioned upon the fulfillment of each of the following conditions:

(a) Loan Documents. Lender shall have received on the date hereof the following documents fully executed and in form and substance satisfactory to Lender:

(i) The Note;

(ii) The Deed of Trust;

(iii) The Guaranty;

(iv) The Completion Guaranty;

(v) The Environmental Indemnity Agreement;

(vi) The Secured Guaranty;

(vii) The Secured Guaranty Deed of Trust;

(viii) The Borrower Financing Statement; and

(ix) Lender's Disbursement and Rate Management Signature Authorization and Instruction Form.

(b) Additional Closing Deliveries. Lender shall have received the following on the date hereof in form and substance satisfactory to Lender:

(i) An opinion or opinions from counsel for Borrower and Guarantor;

(ii) Current UCC, tax and judgment searches made in such places as Lender may specify, covering Borrower and showing no filings relating to, or which could relate to, the Property other than those made hereunder;

(iii) Evidence of the insurance required under Section 6.01 hereof;

(iv) A commitment to issue a Title Policy with respect to the Deed of Trust and the Secured Guaranty Deed of Trust, together with copies of all documentation evidencing exceptions raised therein;

(v) A certificate of a secretary or assistant secretary of Borrower certifying as to (A) the operating agreement of Borrower, (B) the authorizing resolutions of Borrower, and (C) incumbency and specimen signatures of signatories for Borrower, together with (D) a copy of the Certificate of Formation for Borrower certified by the Delaware Secretary of State as of a recent date, and (E) a certificate of good standing as of a recent date for Borrower from the Delaware Secretary of State, and (F) a certificate of good standing as of a recent date for Borrower from the California Secretary of State;

(vi) A certificate of an authorized officer of each Rexford Guarantor, certifying as to (A) the operating agreement or limited partnership agreement, as applicable, of such Rexford Guarantor, (B) the authorizing resolutions of such Rexford Guarantor, and (C) incumbency and specimen signatures of signatories for such Rexford Guarantor, together with (D) a copy of the Certificate of Formation or Certificate of Limited Partnership, as applicable, for such Rexford Guarantor, certified by the Delaware Secretary of State as of a recent date, and (E) a certificate of good standing as of a recent date for such Rexford Guarantor from the Delaware Secretary of State as of a recent date;

(vii) A certificate of an authorized officer of each Dune Guarantor, certifying as to (A) the authorizing resolutions of such Dune Guarantor, and (B) incumbency and specimen signatures of signatories for such Dune Guarantor, together with (C) a copy of the Certificate of Limited Partnership for such Dune Guarantor, certified by the Delaware Secretary of State as of a recent date, and (D) a certificate of good standing as of a recent date for such Dune Guarantor from the Delaware Secretary of State as of a recent date;

(viii) An ALTA survey of the Property certified in a manner acceptable to Lender (the ***"Survey"***);

(ix) If required by Lender, evidence indicating whether the Property is located within a one hundred year flood plain or identified as a special flood hazard area as defined by the Federal Insurance Administration; and, if so, a flood notification form signed by the Borrower and evidence that flood insurance is in place for the building and contents, all in form and substance satisfactory to Lender;

(x) An Appraisal of the Property and the Other Property showing the Combined Loan-to-Value Ratio to be no more than seventy percent (70%);

(xi) Evidence satisfactory to Lender that the Property and the Other Property satisfy a Combined Debt Yield Ratio of not less than eleven percent (11%);

(xii) Evidence satisfactory to Lender that the Property and the Other Property satisfy a Combined Debt Service Coverage Ratio of not less than 1.50:1.00;

(xiii) Evidence satisfactory to Lender showing that the Combined Loan Amount does not exceed seventy percent (70%) of the aggregate purchase price paid by Borrower, 3175 Mission Oaks and 3233 Mission Oaks for the acquisition of the Property and the Other Property;

(xiv) If required by Lender, a so-called "PML" report with respect to the Property, which shall address (a) the probable maximum loss that is likely to be sustained by the Property in the event of an earthquake or other seismic casualty at or affecting the Property, and (b) likelihood and likely intensity of an earthquake or other seismic casualty at or affecting the Property;

(xv) Copies of all Leases covering any portion of the Property and/or the Improvements;

(xvi) If required by Lender, a fully executed subordination, non-disturbance and attornment agreement and a tenant estoppel certificate executed by each tenant under a Lease, all in form and substance acceptable to Lender;

(xvii) If required by Lender, evidence indicating compliance by the Improvements with applicable zoning requirements (without requirement for a variance);

(xviii) If required by Lender, an environmental report with respect to the Property prepared by an environmental consultant acceptable to Lender;

(xix) A Physical Conditions Report;

(xx) A Certification of Non-Foreign Status with respect to Borrower;

(xxi) A signed IRS Form W8 and W9 with respect to Borrower, as applicable;

(xxii) Evidence that Borrower has retained JPMorgan Chase Bank, N.A. as its principal depository bank for property operating accounts related to the Property, and, to the extent permitted by law and contractual agreements, tenant security deposits for the Property;

(xxiii) The most recently available financial statements of each Guarantor; and

(xxiv) Such other information and documents as Lender may require.

(c) Fees and Expenses. The Loan Fee and all other fees and reimbursement of expenses due Lender shall be paid prior to or out of the initial disbursement.

2.03 Loan Disbursement.

At closing, Lender shall advance the entirety of the proceeds of the Loan into the escrow established by Borrower in connection with Borrower's acquisition of the Property.

2.04 Effective Date.

The effective date of the Loan shall be the date set forth in the preamble to this Agreement.

## ARTICLE III
## LOAN TERMS

3.01 Interest Elections.

(a) Generally. All amounts outstanding under the Loan shall be a CBFR Borrowing unless Borrower has elected a Eurodollar Borrowing as provided herein. Borrower may elect to convert a Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. Borrower may elect different options with respect to different portions of the affected Borrowing, and each such portion shall be considered a separate Borrowing.

(b) Interest Election Request. To make an election pursuant to this Section, Borrower shall notify Lender of such election by telephone (i) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., Los Angeles, California time, three Business Days before the date of the proposed Borrowing or (ii) in the case of a CBFR Borrowing, not later than 11:00 a.m., Los Angeles, California time, one Business Day before the date of the proposed Borrowing. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery to Lender of a written Interest Election Request in a form approved by Lender and signed by Borrower.

(c) Required Information. Each telephonic and written Interest Election Request shall specify the following information:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a CBFR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If no Type of Borrowing is specified in the Interest Election Request, or if any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then Borrower shall be deemed to have requested a CBFR Borrowing. Subject to the terms and conditions set forth in Section 3.01(d) below and the last sentence of Section 3.01(e) below, Interest Rate Election Requests may specify that the election provided therein shall apply to one or more successive Interest Periods (i.e., an Interest Rate Election Request may specify that a therein requested Eurodollar Borrowing with a one-month Interest Period shall be continually renewed as a Eurodollar Borrowing with a one-month Interest Period upon the end of each such Interest Period).

(d) Limitations. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of three (3) Eurodollar Borrowings outstanding. Each Eurodollar Borrowing shall be in an amount not less than $500,000.00. No Interest Period may be elected that would end after the Maturity Date.

(e) Failure to Elect; Default. If Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a CBFR Borrowing. Notwithstanding any contrary provision hereof, so long as a Default has occurred and is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing, and (ii) unless repaid, each Eurodollar Borrowing shall be converted to a CBFR Borrowing at the end of the Interest Period applicable thereto.

3.02 Repayment of Loan; Evidence of Debt.

(a) Repayment at Maturity. Borrower hereby unconditionally promises to pay to Lender the then unpaid principal amount of the Loan and all unpaid accrued interest on the Maturity Date.

(b) Lender Accounting. Lender shall maintain accounts in which it shall record (i) the amount of each Borrowing maintained hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to Lender hereunder, (iii) the amount of any sum received by Lender hereunder, and (iv) the amount of the Loan Amount in effect from time to time. The entries made in the accounting maintained pursuant to this Section 3.02(b) shall be, absent manifest error, prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of Lender to maintain such accounting or any error therein shall not in any manner affect the obligation of Borrower to repay the Loan in accordance with the terms of this Agreement.

(c) Note. The Loan made by Lender shall be evidenced by the Note.

3.03 Prepayment of Loan.

(a) Borrower shall have the right at any time and from time to time to prepay the Loan in whole or in part without premium or penalty (other than as provided in Section 3.08 below), subject to prior notice in accordance with paragraph (b) of this Section.

(b) Borrower shall notify Lender by telephone of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., Los Angeles, California time, three Business Days before the date of prepayment, or (ii) in the case of prepayment of a CBFR Borrowing, not later than 11:00 a.m., Los Angeles, California time, one (1) Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid. Prepayments shall be accompanied by accrued interest on the amount prepaid, plus any other amounts due under Section 3.08, plus, in the case of prepayment of a Eurodollar Borrowing, an administrative fee of $250.00.

3.04 Fees.

(a) Loan Fee. Borrower agrees to pay to Lender the Loan Fee upon the closing of the Loan.

(b) Fees Non-Refundable. All fees payable hereunder shall be paid on the dates due, in immediately available funds. Fees paid shall not be refundable under any circumstances.

3.05 Interest.

(a) CBFR Borrowings. Each CBFR Borrowing shall bear interest at the Floating Rate.

(b) Eurodollar Borrowings. Each Eurodollar Borrowing shall bear interest at the Fixed Rate for the Interest Period in effect for such Borrowing.

(c) Default Rate. Notwithstanding the foregoing, upon the occurrence and during the continuance of a Default, and after maturity, all Borrowings shall bear interest, after as well as before judgment, at a rate per annum equal to 5% plus the rate otherwise applicable to such Borrowings as provided in the preceding paragraphs of this Section.

(d) Payment of Accrued Interest. Accrued interest on each Borrowing shall be payable in arrears on each Interest Payment Date for such Borrowing and upon maturity of the Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Borrowing, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Borrowing prior to the end of the current Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(e) Computation of Interest. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable CB Floating Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by Lender and such determination shall be conclusive absent manifest error.

3.06 Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) Lender determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) Lender determines that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to Lender of making or maintaining the Borrowing for such Interest Period;

then Lender shall give notice thereof to Borrower by telephone as promptly as practicable thereafter and, until Lender notifies Borrower that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) any request for a new Eurodollar Borrowing shall be made as a CBFR Borrowing. Determinations made by Lender under this Section 3.06 shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of Lender under agreements having provisions similar to this Section 3.06 after consideration of such factors as Lender then reasonably determines to be relevant.

3.07 Increased Costs.

(a) Increased Costs of Making or Maintaining Eurodollar Borrowings. If any Change in Law shall

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Borrowings made by Lender;

and the result of any of the foregoing shall be to increase the cost to Lender of making or maintaining any Eurodollar Borrowing (or of maintaining its obligation to make any such Borrowing) or to increase the cost or to reduce the amount of any sum received or receivable by Lender (whether of principal, interest or otherwise), then Borrower will pay to Lender, within thirty (30) days following Borrower's receipt of written demand from Lender, such additional amount or amounts as will compensate Lender for such additional costs incurred or reduction suffered.

(b) Capital Adequacy. If Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on Lender's capital or on the capital of Lender's holding company, if any, as a consequence of this Agreement or the Loan made by Lender to a level below that which Lender or Lender's holding company could have achieved but for such Change in Law (taking into consideration Lender's policies and the policies of Lender's holding company with respect to capital adequacy), then Borrower will pay to Lender, from time to time, in each case within thirty (30) days following written demand from Lender, such additional amount or amounts as will compensate Lender or Lender's holding company for any such reduction suffered.

(c) Certificate of Amounts Due. A certificate of Lender setting forth the amount or amounts necessary to compensate Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to Borrower and shall be conclusive absent manifest error. Borrower shall pay Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) Delay in Demand For Compensation. Failure or delay on the part of Lender to demand compensation pursuant to this Section shall not constitute a waiver of Lender's right to demand such compensation; provided that Borrower shall not be required to compensate Lender pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) Lender Determinations. Determinations made by Lender under this Section 3.07 shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of Lender under agreements having provisions similar to this Section 3.07 after consideration of such factors as Lender then reasonably determines to be relevant.

3.08 Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Borrowing other than on the last day of an Interest Period applicable thereto (including as a result of a Default), (b) the conversion of any Eurodollar Borrowing other than on the last day of the Interest Period applicable thereto, or (c) the failure to borrow, convert, continue or prepay any Eurodollar Borrowing on the date specified in any notice delivered pursuant hereto, then, in any such event, Borrower shall compensate Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Borrowing, such loss, cost or expense to Lender shall be deemed to include an amount reasonably determined by Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Borrowing had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Borrowing, for the period from the date of such event

to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Borrowing), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of Lender setting forth any amount or amounts that Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

***[Remainder of Page Intentionally Left Blank]***

By its signature below, Borrower waives any right under California Civil Code Section 2954.10 or otherwise to prepay any Eurodollar Borrowing, in whole or in part, without payment of the amounts described above. Borrower acknowledges that prepayment of any Eurodollar Borrowing may result in Lender's incurring additional losses, costs, expenses and liabilities, including lost revenues and lost profits. Borrower therefore agrees to pay any and all such amounts if any portion of the principal amount of any Eurodollar Borrowing, whether voluntarily or by reason of acceleration, including acceleration upon any transfer or conveyance of any right, title or interest in the Property giving Lender the right to accelerate the maturity of the Loan as provided in the Deeds of Trust. Borrower agrees that Lender's willingness to offer Eurodollar Borrowings to Borrower is sufficient and independent consideration, given individual weight by Lender, for this waiver.

Borrower understands that Lender would not offer Eurodollar Borrowings to Borrower absent this waiver.

3001 MISSION OAKS BLVD LLC,
a Delaware limited liability company

By: /s/ Michael D. Sherman
Name: Michael D. Sherman
Title: General Counsel

3.09 Taxes.

(a) No Deduction For Taxes. Any and all payments by or on account of any obligation of Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions and (iii) Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law. Borrower shall not be obligated to pay any of the Indemnified Taxes or Other Taxes otherwise provided for in this Section 3.09 if Lender is a non U.S. entity and (i) has not filed with the Department of the Treasury of the United States of America either form W-8BEN or form W8ECI, or (ii) has failed to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of America of such non-U.S. entity, if such compliance is required by statue or regulation of the United States of America as a precondition to relief or exemption from the Indemnified Taxes or Other Taxes.

(b) Other Taxes. In addition, Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Legal Requirements.

(c) Borrower Indemnity. Borrower shall indemnify Lender, within thirty (30) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by Lender, on or with respect to any payment by or on account of any obligation of Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by Lender shall be conclusive absent manifest error.

(d) Evidence of Payment. At Lender's request from time to time, Borrower shall deliver to Lender the original or a certified copy of a receipt issued by each applicable Governmental Authority evidencing payment of Indemnified Taxes or Other Taxes, and a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Lender.

(e) Tax Refunds. If Lender determines, in its sole discretion, that it has received refund of any Taxes or Other Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to this Section 3.09, it shall pay over such refund to Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section 3.09 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that Borrower, upon the request of Lender, agrees to repay the amount paid over to Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Lender in the event Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to Borrower or any other Person.

3.10 Payments Generally; Late Fee.

(a) Payments Generally. Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Sections 3.07, 3.08, or 3.09, or otherwise) prior to 11:00 a.m., Los Angeles, California time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of Lender be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to Lender at its offices at Phoenix, Arizona, except that payments pursuant to Sections 3.07, 3.08, 3.09 and 9.03 hereof shall be made directly to the Persons entitled thereto. Lender shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in U.S. dollars.

(b) Application of Insufficient Funds. If at any time insufficient funds are received by and available to Lender to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of fees, indemnities and expense reimbursements then due hereunder, (ii) second, towards payment of interest then due hereunder, (iii) third, towards payment of principal then due hereunder, and (iv) towards payment of Swap Obligations then due. Notwithstanding the foregoing, Lender shall have the right to apply repayments and proceeds of collateral to the Obligations in any order, in its sole discretion.

(c) Late Fee. If any payment (other than the final payment of the Loan due at maturity) is not received by Lender within ten (10) days after its due date (whether as stated, by acceleration, or otherwise), Lender may assess and Borrower agrees to pay a late fee equal to the lesser of five percent (5%) of the past due amount or $1,500.00. Borrower shall pay the late payment fee upon demand by Lender. Such late fee is in addition to any other rights and remedies of Lender hereunder.

3.11 Electronic Notices. Interest Election Requests and notices of prepayments under Sections 3.01 and 3.03 may be made by electronic communication (including email and internet or intranet websites) pursuant to procedures approved by Lender. Such approval may be limited to particular notices or communications. Unless Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the "receipt" by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor. Any party hereto may change its address or telecopier number or email address for notices and other communications hereunder by notice to the other parties hereto.

3.12 Extension Options.

(a) First Extension Option. At the written request of Borrower made at least sixty (60) but not more than one hundred twenty (120) days prior to the Initial Maturity Date, the Maturity Date shall be extended to the one-year anniversary of the Initial Maturity Date (the ***"First Extended Maturity Date"***) provided that the following conditions are satisfied:

(i) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the Initial Maturity Date, the Combined Debt Service Coverage Ratio is not less than 1.60:1.00;

(ii) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the Initial Maturity Date, the Combined Debt Yield Ratio is not less than twelve percent (12%);

(iii) Borrower has delivered to Lender evidence acceptable to Lender (which evidence shall be a new Appraisal obtained by Lender) that, as of the Initial Maturity Date, the Combined Loan-to-Value Ratio does not exceed sixty-five percent (65%);

(iv) On or before the Initial Maturity Date, Lender shall have received an extension fee in an amount equal to 0.25% of the outstanding principal balance of the Loan;

(v) No Default or Unmatured Default shall have occurred and be continuing on the Initial Maturity Date;

(vi) All representations and warranties made hereunder or under any of the other Loan Documents shall be true and correct in all material respects as of the Initial Maturity Date, except to the extent such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct as of such specified date;

(vii) Lender has received reasonably satisfactory documentation evidencing the extension executed by the Borrower and consented to by each Guarantor; and

(viii) If requested by Lender, Lender shall have received a CLTA 110.5 (or equivalent) endorsement to the Title Policy.

(b) Second Extension Option. At the written request of Borrower made at least sixty (60) but not more than one hundred twenty (120) days prior to the First Extended Date, the Maturity Date shall be extended to the one-year anniversary of the First Extended Maturity Date (the ***"Second Extended Maturity Date"***) provided that the following conditions are satisfied:

(i) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the First Extended Maturity Date, the Combined Debt Service Coverage Ratio is not less than 1.60:1.00;

(ii) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the First Extended Maturity Date, the Combined Debt Yield Ratio is not less than twelve percent (12%);

(iii) Borrower has delivered to Lender evidence acceptable to Lender (which evidence shall be a new Appraisal obtained by Lender) that, as of the First Extended Maturity Date, the Combined Loan-to-Value Ratio does not exceed sixty-five percent (65%);

(iv) On or before the First Extended Maturity Date, Lender shall have received an extension fee in an amount equal to 0.25% of the outstanding principal balance of the Loan;

(v) No Default or Unmatured Default shall have occurred and be continuing on the First Extended Maturity Date;

(vi) All representations and warranties made hereunder or under any of the other Loan Documents shall be true and correct in all material respects as of the First Extended Maturity Date, except to the extent such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct as of such specified date;

(vii) Lender has received reasonably satisfactory documentation evidencing the extension executed by the Borrower and consented to by the Guarantor;

(viii) If requested by Lender, Lender shall have received a CLTA 110.5 (or equivalent) endorsement to each Title Policy; and

(ix) Lender has received all deposits required under Section 3.12(d) below, if any.

(c) Amortization Payments during Extension Terms. In the event the maturity of the Loan is extended pursuant to this Section 3.12, until the date the Loan is fully and finally repaid and Lender's commitment to lend under this Agreement is terminated (i) during the first extension period, Borrower shall make monthly principal payments to Lender on each Interest Payment Date, each in an amount equal to an amount that would amortize the principal balance of the Loan outstanding on the Initial Maturity Date in thirty (30) years at a rate of interest equal to the greatest of (A) a fixed rate of 6.50% per annum, (B) the rate of interest on U.S. Treasury Notes having a maturity of 10 years plus 2.50% per annum, or (C) the Adjusted LIBO Rate (applicable to a one-month interest period), plus 2.50% per annum, and (ii) if applicable, during the second extension period, Borrower shall make monthly principal payments to Lender on each Interest Payment Date, each in an amount equal to an amount that would amortize the principal balance of the Loan outstanding on the First Extended Maturity Date in thirty (30) years at a rate of interest equal to the greatest of (A) a fixed rate of 6.50% per annum, (B) the rate of interest on U.S. Treasury Notes having a maturity of 10 years plus 2.50% per annum, or (C) the Adjusted LIBO Rate (applicable to a one-month interest period), plus 2.50% per annum.

(d) Deckers Reserve Account.

(i) If Borrower requests an extension of the First Extended Maturity Date pursuant to Section 3.12(b) and, as of the First Extended Maturity Date, the Deckers Lease has not been renewed for a term expiring no sooner than November 30, 2023 pursuant to the extension terms set forth in the Deckers Lease or on terms otherwise acceptable to Lender in its reasonable discretion, then Borrower shall deposit into a restricted account maintained with Lender (the ***"Deckers Reserve Account"***) on or before the First Extended Maturity Date an amount sufficient to pay all estimated tenant improvement expenses and leasing commissions required in connection with the releasing of the space covered by the Deckers Lease, as reasonably determined by Lender with reference to the new Appraisal of the Property obtained by Lender in connection

with such requested extension of the First Extended Maturity Date. Borrower acknowledges that it shall be reasonable for Lender to disapprove any proposed terms for renewal of the Deckers Lease if, after giving effect to any such proposed terms, the Property and the Other Property would not satisfy, on a pro forma basis, both (1) a Combined Debt Service Coverage Ratio of at least 1.60:1.00, and (2) a Combined Debt Yield Ratio of at least twelve percent (12%).

(ii) The Deckers Reserve Account shall be an interest bearing account, with all accrued interest to become part of the funds on deposit in such Deckers Reserve Account. Borrower agrees that it shall include all interest and earnings on any such deposit as its income (and, if Borrower is a partnership or other pass-through entity, the income of its partners, members or beneficiaries, as the case may be), and shall be the owner of all funds on deposit in the Deckers Reserve Account for federal and applicable state and local tax purposes. Lender shall have the exclusive right to control all funds in the Deckers Reserve Account, but Lender shall have no fiduciary duty with respect to such funds. Borrower grants to Lender a security interest in any Deckers Reserve Account established and all funds now or hereafter deposited into any such account, and any proceeds thereof, as security for the Obligations. Such security interest shall be governed by the Uniform Commercial Code of the State of California, and Lender shall have available to it all of the rights and remedies available to a secured party thereunder. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of a Default, Lender may apply all or any portion of the funds on deposit in any Deckers Reserve Account (including accrued interest thereon) to the payment of the Obligations. The Deckers Reserve Account may be established and held in such name or names as Lender shall deem appropriate, including in the name of Lender. Borrower hereby constitutes and appoints Lender and any officer or agent of Lender its true and lawful attorneys-in-fact with full power of substitution to open any Deckers Reserve Account and to do any and every act that Borrower might do on its own behalf to fulfill the terms of Section 3.12(d) hereof. To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. It is understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

(iii) Borrower may from time to time request disbursements of the funds on deposit in the Deckers Reserve Account to fund or reimburse leasing commissions and/or tenant improvement costs incurred in connection with Leases approved or deemed approved by Lender in accordance with this Agreement which cover all or part of the portion of the Improvements covered by the Deckers Lease. As conditions precedent to each disbursement of funds from the Deckers Reserve Account pursuant to this Section 3.12(d)(iii), Lender shall have received and approved the following:

(A) A draw request in form and detail reasonably satisfactory to Lender.

(B) Evidence reasonably satisfactory to Lender that no Default or Unmatured Default exists.

(C) Evidence reasonably satisfactory to Lender that each contract for labor, materials, services and/or other work included in a draw request has been duly executed and delivered by all parties thereto and is effective, and a true and complete copy of a fully executed copy of each such contract as Lender may have requested.

(D) Evidence reasonably satisfactory to Lender that no mechanic's, materialman's or other similar lien or other encumbrance has been filed and remains in effect against the Property (other than Permitted Encumbrances), no stop notices have been served on Lender that have not been bonded by Borrower in a manner and amount reasonably satisfactory to Lender, and releases or waivers of mechanic's liens and receipted bills showing payment of all amounts due to all parties who have furnished materials or services or performed labor of any kind in connection with the Property (other than in connection with the Told Dispute).

(E) Evidence reasonably satisfactory to Lender that the Improvements have not been damaged without being repaired and are not the subject of any pending or threatened condemnation or adverse zoning proceeding.

(F) With respect to any advance to pay a contractor, original applications for payments in form reasonably approved by Lender, containing a breakdown by trade and/or other categories reasonably acceptable to Lender, executed and certified by such contractor and accompanied by invoices.

(G) Copies of notarized partial lien waiver forms executed by each contractor and each appropriate subcontractor, supplier and materialman, including such partial lien waivers from all parties sending statutory notices to contractors, notices to owners, or notices of nonpayment, specifying in such partial lien waivers the amount paid in consideration of such partial releases.

(H) Such other information, documents and materials as may be reasonably required by Lender.

## ARTICLE IV
## COVENANTS

4.01 Liens, Taxes, and Governmental Claims.

(a) Liens. Borrower agrees to pay, satisfy and obtain the release of all other claims and Liens affecting or purporting to affect the title to, or which may be or appear to be Liens on, the Property or any part thereof (other than the Permitted Encumbrances), and all costs, charges, interest and penalties on account thereof, including without limitation the claims of all Persons supplying labor or materials to the Property, and to give Lender, upon demand, evidence reasonably satisfactory to Lender of the payment, satisfaction or release thereof. Notwithstanding the foregoing, nothing herein contained shall require Borrower to pay any claims or Liens which Borrower in good faith disputes and which Borrower, at its own expense, is currently and diligently contesting, provided that Borrower complies with the provisions of Section 4.01(c) hereof.

(b) Taxes. Borrower agrees to pay or cause to be paid, prior to the date they would become delinquent if not paid, any and all taxes, assessments and governmental charges whatsoever levied upon or assessed or charged against the Property, including all water and sewer taxes, assessments and other charges, fines, impositions and rents, if any. If requested by Lender, Borrower shall give to Lender a receipt or receipts, or certified copies thereof, evidencing every such payment by Borrower, not later than forty-five (45) days after such payment is made. Notwithstanding the foregoing, nothing herein contained shall require Borrower to pay any taxes, assessments or governmental charges which Borrower in good faith disputes and which Borrower, at its own expense, is currently and diligently contesting, provided that applicable law allows non-payment thereof during the pendency of such contest, and provided further that Borrower complies with the provisions of Section 4.01(c) hereof.

(c) Contest. Borrower shall not be required to pay any taxes, claims, governmental charges, or Liens being contested in accordance with the provisions of Section 4.01(a) or (b) hereof, as the case may be, so long as (i) Borrower diligently prosecutes such dispute or contest to a prompt determination in a manner not prejudicial to Lender and promptly pays all amounts ultimately determined to be owing, and (ii) Borrower provides security for the payment of such tax, assessment or governmental charge, or claim, or Lien (together with interest and penalties relating thereto) in an amount and in form and substance reasonably satisfactory to Lender. If Borrower shall fail to pay any such amounts ultimately determined to be owing or to proceed diligently to prosecute such dispute or contest as provided herein, then, upon the expiration of ten (10) days after written notice to Borrower by Lender of Lender's reasonable determination thereof, in addition to any other right or remedy of Lender, Lender may, but shall not be obligated to, discharge the same, and the cost thereof shall be reimbursed by Borrower to Lender. The payment by Lender of any delinquent tax, assessment or governmental charge, or any claim, or Lien which Lender in good faith believes might be prior hereto, shall be conclusive between the parties as to the legality and amount so paid, and Lender shall be subrogated to all rights, equities and Liens discharged by any such expenditure to the fullest extent permitted by law.

4.02 Leases.

(a) Affirmative Covenants. Borrower shall (i) duly and punctually observe, perform and discharge in all material respects the obligations, terms, covenants, conditions and warranties of Borrower as landlord under the Leases, (ii) give prompt notice to Lender of any failure on the part of Borrower to observe, perform and discharge the same or of any written claim made by any Lessee under a Material Lease (as defined below) of any such failure by Borrower, (iii) enforce the performance of each and every material obligation, term, covenant, condition and agreement in the Leases to be performed by any Lessee or any guarantor (including, without limitation, the tenant's obligation to pay rent as and when due), (iv) appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with the Leases or the obligations, duties or liabilities of Borrower and any Lessee thereunder, do so in the name and on behalf of Lender upon request by Lender, but at the expense of Borrower, and pay all costs and expenses of Lender, including reasonable attorneys'

fees and disbursements, in any action or proceeding in which Lender shall appear, (v) at the request of Lender, use commercially reasonable efforts to cause each Lessee under a Lease to execute and deliver to Lender a subordination, non-disturbance and attornment agreement in form and substance reasonably acceptable to Lender promptly upon the execution of such Lease, (vi) at the request of Lender, in confirmation of the assignment and transfer contemplated by the applicable Deed of Trust, execute and deliver to Lender assignments and transfers of all future Leases upon the same terms and conditions as contained in such Deed of Trust, and (vii) make, execute and deliver to Lender upon demand and at any time or times, any and all assignments and other documents and instruments which Lender may reasonably deem advisable to carry out the true purposes and intent of the assignment set forth in the applicable Deed of Trust. Lender shall cooperate in good faith with any request made in connection with a Lease approved or deemed approved by Lender in accordance with the terms of this Agreement for the execution and delivery by Lender of a subordination, non-disturbance and attornment agreement prepared on Lender's then-current standard form subordination, non-disturbance and attornment agreement with only such changes thereto as Lender may approve in its sole and absolute discretion.

(b) Negative Covenants. Unless Borrower first obtains the written consent of Lender (which consent shall not be unreasonably withheld), Borrower shall not (i) cancel, terminate or consent to any surrender of any Lease covering in excess of 25,000 rentable square feet of any Improvements (such Lease being referred to herein as a ***"Material Lease"***) unless such Lease is immediately replaced with a Lease with comparable or better terms or unless compelled to do under court order, (ii) materially and adversely modify or alter the terms of any Material Lease unless, after giving effect to any such modification or alteration, such Material Lease satisfies the requirements for "deemed" approval as set forth below, (iii) waive or release any Lessee or any guarantors under a Material Lease from any material obligations or conditions to be performed by such Lessee or guarantors, (iv) enter into any Lease of all or any portion of the Property unless such Lease is "deemed" approved by Lender as set forth below, (v) renew or extend the term of any Material Lease, except as required under the terms of such Material Lease or unless such Material Lease, as so renewed or extended, satisfies the requirements for "deemed" approval by Lender as set forth below, (vi) except as required under the terms of a Material Lease, consent to any subletting of the premises under any Material Lease, to any assignment of any such Material Lease by the Lessee thereunder, or to any assignment of or further subletting of any sublease of any such Material Lease unless, after giving effect to such sublease or assignment, such Master Lease (and any and all subleases thereof) satisfies the requirements for "deemed" approval by Lender set forth below, (vii) receive or collect any rents from any Lessee for a period of more than one month in advance, (viii) further pledge, transfer, mortgage or otherwise encumber or assign future payments of rents, or (ix) waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Lessee under any Lease of and from any material obligations, covenants, conditions and agreements to be kept, observed and performed by such Lessee, including the obligation to pay rents thereunder, in the manner and at the time and place specified therein. Borrower may deliver to Lender a negotiated term sheet or letter of intent with respect to any proposed new Lease or any proposed amendment to any existing Lease and request that Lender provide Borrower with Lender's preliminary, non-binding approval or disapproval of any such proposed terms (in each case, a ***"Preliminary Response"***). Lender shall review any such request promptly and shall use commercially reasonable efforts to respond to such request

within five (5) Business Days. Borrower expressly acknowledges, however, that any such Preliminary Response provided by Lender shall be non-binding and shall not constitute, or be deemed to constitute, an approval by Lender of any such terms or any such proposed Lease or amendment. Lender's failure to disapprove any matter as to which Lender's prior approval is required under this Section 4.02(b) within a seven (7) Business Day period after Lender shall have received a written request for approval specifically referencing this Section 4.02(b) and all documents and materials reasonably requested by Lender in connection with any such matter (including, without limitation, complete copies of any proposed Lease or amendment to any Lease, and any and all financial statements and materials of any proposed tenant, subtenant and any lease guarantor to the extent available to Borrower) shall be deemed to constitute Lender's approval thereof.

(c) "Deemed" Approval of Leases. Lender shall be "deemed" to have approved any Lease that: (i) is on the Standard Form Lease with no material deviations except as approved by Lender; (ii) is entered into in the ordinary course of business with a bona fide unrelated third party tenant, and Borrower, acting in good faith and exercising due diligence, has determined that the tenant is financially capable of performing its obligations under the Lease; (iii) is received by Lender, together with any guaranty(ies) and, if requested by Lender, all financial information received by Borrower regarding the tenant and any guarantor(s), within fifteen (15) days after execution; (iv) reflects an arm's length transaction; (v) contains no option or right of first refusal to purchase all or any portion of the Property or any present or future interest therein; (vi) requires the tenant to execute and deliver to Lender an estoppel certificate in form and substance acceptable to Lender within ten (10) Business Days after notice from Lender; (vii) does not cover in excess of 75,000 rentable square feet of the applicable Improvements; and (viii) is subject to a subordination, non-disturbance and attornment agreement in form and substance satisfactory to Lender; provided, however, that no proposed Lease or proposed amendment to any existing Lease shall be "deemed" approved by Lender if, after giving effect to such proposed Lease or amendment, the Property and the Other Property shall not satisfy (A) if the effective date of such proposed Lease or amendment is during the initial term of the Loan, a Pro Forma Debt Yield Ratio of at least eleven percent (11%) and a Pro Forma Debt Coverage Ratio of at least 1.50:1.00, or (B) if the effective date of such proposed Lease or amendment is during any extended maturity period in effect pursuant to Section 3.12 above, a Pro Forma Debt Yield Ratio of at least twelve percent (12%) and a Pro Forma Debt Coverage Ratio of at least 1.60:1.00. Prior to execution, Borrower shall provide to Lender via nationally recognized overnight courier a written request for approval (which request shall specifically reference this Section of this Agreement) of each Lease that does not meet the foregoing requirements for "deemed" approval by Lender, which request shall be accompanied by a correct and complete copy of the applicable Lease, including any exhibits, and any guaranty(ies) thereof. Borrower shall pay all reasonable costs incurred by Lender in reviewing and approving Leases and any guaranties thereof, and also in negotiating subordination agreements and subordination, nondisturbance and attornment agreements with tenants, including reasonable attorneys' fees and costs. Notwithstanding the foregoing, no Lease shall be deemed approved by Lender as provided above unless and until Lender shall have received and approved the Standard Form Lease (which approval shall not be unreasonably withheld, conditioned or delayed).

(d) Deckers Lease. Lender hereby confirms that it has approved the Deckers Lease, as in effect on the date hereof.

4.03 Operations of Borrower.

(a) Without limitation of any other provisions of this Agreement or any other Loan Document, Borrower hereby represents, warrants, covenants and agrees that it has not and shall not:

(i) engage in any business or activity other than the acquisition, development, ownership, leasing, operation and maintenance of the Property, and activities incidental thereto;

(ii) acquire or own any material asset other than the Property, the Improvements, and such incidental personal property as may be necessary for the construction and operation of the Improvements;

(iii) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case the prior written consent of Lender, other than such transfers, dispositions and changes expressly permitted under the terms of the Loan Documents;

(iv) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization or formation, or to comply in all material respects with the provisions of Borrower's organizational documents (which organizational documents shall not be terminated without the prior written consent of Lender);

(v) own any subsidiary or make any investment in or acquire the obligations or securities of any other Person without the prior written consent of Lender;

(vi) commingle its assets with the assets of any of its partner(s), members, shareholders, Affiliates, or of any other Person or transfer any assets to any such Person other than distributions on account of equity interests in the Borrower permitted hereunder and properly accounted for;

(vii) incur any Indebtedness other than Permitted Indebtedness;

(viii) allow any Person to pay its debts and liabilities or fail to pay its debts and liabilities solely from its own assets;

(ix) fail to maintain its records, books of account and bank accounts separate and apart from those of the shareholders, partners, members, principals and Affiliates of Borrower, the affiliates of a shareholder, partner or member of Borrower, and any other Person or fail to prepare and maintain its own financial statements in accordance with GAAP and susceptible to audit, or if such financial statements are consolidated, fail to cause such financial statements to contain footnotes disclosing that the Property is actually owned by Borrower;

(x) enter into any contract or agreement with any shareholder, partner, member, principal or Affiliate of Borrower, any Guarantor or any shareholder, partner, member, principal or Affiliate thereof, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any shareholder, partner, member, principal or Affiliate of Borrower or Guarantor, or any shareholder, partner, member, principal or Affiliate thereof (excluding any contribution or reimbursement agreement among any of Borrower, Affiliate Borrower and any Guarantor in connection with the Loan);

(xi) seek dissolution or winding up, in whole or in part;

(xii) fail to correct any known misunderstandings regarding the separate identity of Borrower;

(xiii) hold itself out to be responsible or pledge its assets or credit worthiness for the Indebtedness of another Person (except pursuant to the Secured Guaranty and the Secured Guaranty Deed of Trust);

(xiv) allow any Person to hold itself out to be responsible or pledge its assets or credit worthiness for the Indebtedness of Borrower, except, (A) in the case of any Guarantor, pursuant to the Loan Documents, and (B) in the case of 3175 Mission Oaks and 3233 Mission Oaks, pursuant to a guaranty agreement in favor of Lender covering Indebtedness of Borrower owed to Lender and any collateral provided to Lender as security for any such guaranty obligations;

(xv) make any loans or advances to any third party, including any shareholder, partner, member, principal or Affiliate of Borrower, or any shareholder, partner, member, principal or Affiliate thereof; provided, however, dividends, distributions and payments made by Borrower in compliance with Section 4.06 below are expressly excluded from this clause (xv);

(xvi) fail to file its own tax returns (except to the extent that Borrower is treated as a "disregarded entity" for tax purposes and it not required to file tax returns under applicable Legal Requirements) or to use separate contracts, purchase orders, stationery, invoices and checks;

(xvii) fail to allocate fairly and reasonably among Borrower and any third party (including, without limitation, any Guarantor) any overhead for common employees, shared office space or other overhead and administrative expenses;

(xviii) file a voluntary petition or otherwise initiate proceedings seeking liquidation, reorganization or other relief under any Federal, state or foreign Debtor Relief Laws, for Borrower or any general partner, manager or managing member of Borrower, or consent to the institution of, or fail to contest in a timely and appropriate

manner, and proceeding or petition under Debtor Relief Laws against Borrower or any general partner, manager or managing member of Borrower, or file a petition seeking or consenting to reorganization or relief of Borrower or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of Borrower or any general partner, manager or managing member of Borrower or of all or any substantial part of the properties and assets of Borrower or any general partner, manager or managing member of Borrower, or make any general assignment for the benefit of creditors of Borrower or any general partner, manager or managing member of Borrower, or admit in writing the inability of Borrower or any general partner, manager or managing member of Borrower to pay its debts generally as they become due or declare or effect a moratorium on Borrower or any general partner, manager or managing member of Borrower debt or take any action in furtherance of any such action; or

(xix) conceal assets from any creditor, or enter into any transaction with the intent to hinder, delay or defraud creditors of Borrower or the creditors of any other Person.

The foregoing provisions of this Section 4.03 shall not operate to prohibit Borrower from entering into Swap Agreements otherwise permitted under this Agreement.

4.04 Appraisals.

Lender shall have the right to order new Appraisals of the Property and each Other Property from time to time. Each Appraisal is subject to review and approval by Lender. Borrower agrees within ten (10) days after receipt of written demand to pay to Lender (or to cause any applicable Affiliate Borrower to pay to Lender) the cost and expense for each such Appraisal and a reasonable fee for Lender's review of each Appraisal; provided, however, that Borrower shall only be required to pay (or to cause any applicable Affiliate Borrower to pay) such cost and expense with respect to only one Appraisal of the Property and the Other Property during the initial term of the Loan (or the initial term of the Other Loans, as the case may be), unless any such additional Appraisal(s) is(are) (a) ordered after the occurrence of a Default, (b) ordered in connection with a requested extension of the maturity of the Loan, or (c) required by any Legal Requirement.

4.05 Operating and Reserve Accounts.

Borrower shall maintain all operating and reserve accounts for the Property with Lender, and such accounts shall be, and are hereby, pledged to Lender to secure the Obligations.

4.06 Prohibited Distributions.

If a Default or Unmatured Default has occurred and is continuing, Borrower shall not make any dividend or distribution to its members, or make any other payment to Persons holding a direct or indirect ownership interest in Borrower or engage in any transaction that has a substantially similar effect.

4.07 Borrower's Right to Contest Legal Requirements.

Notwithstanding any provision of this Agreement or any of the other Loan Documents to the contrary, no Default or Unmatured Default shall occur hereunder as a result of the failure of Borrower or the Property or Improvements to comply with any Legal Requirement, including, without limitation, Environmental Laws, so long as the following conditions are satisfied:

(a) Borrower is contesting the applicability of such Legal Requirement to Borrower or the Property or Improvements in good faith and has so notified Lender;

(b) Borrower has properly commenced and is diligently pursuing such contest;

(c) the contest will not materially impair the ability to ultimately comply with the contested Legal Requirement should the contest not be successful and the conduct of the contest will not materially impair Borrower's ability to complete any tenant improvements prior to the date required under any applicable Lease;

(d) Borrower demonstrates to Lender's reasonable satisfaction that Borrower has the financial capability to undertake and pay for such contest and any corrective or remedial action then or thereafter likely to be necessary;

(e) Lender is not at risk for any material liability due to Borrower's non-compliance with such Legal Requirement; and

(f) Borrower's non-compliance with such Legal Requirement will not result in a Lien or charge on the Property or the Improvements, the enforcement of which is not stayed by such contest or bonded or insured over to the reasonable satisfaction of Lender.

4.08 Government Regulation.

Borrower shall not (a) be or become subject at any time to any law, regulation, or list of any Governmental Authority (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits Lender from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower, or (b) fail to provide documentary and other evidence of Borrower's identity as may be reasonably requested by Lender at any time to enable Lender to verify Borrower's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

4.09 Financial Information and Other Deliveries.

(a) Borrower.

(i) Within forty-five (45) days after the end of each of Borrower's fiscal quarters, Borrower shall deliver to Lender an operating statement (showing actual to budgeted results), and a lease status report (including a rent roll) for the Property and the Improvements, each dated as of the last day of such quarter.

(ii) Within forty-five (45) days after the end of each of Borrower's fiscal quarters, Borrower shall deliver to Lender a balance sheet and statement of operations for Borrower, each dated as of the last day of such fiscal quarter, in form and substance reasonably satisfactory to Lender and certified by a Member of Borrower.

(iii) Within ninety (90) days after the end of each of Borrower's fiscal years, Borrower shall deliver to Lender a balance sheet, statement of operations and statement of cash flows for Borrower, each dated as of the last day of such fiscal year, in form and substance reasonably satisfactory to Lender and certified by a Member of Borrower.

(iv) Within ninety (90) days after each Test Date (as defined in Section 4.13 below) a compliance certificate evidencing Borrower's satisfaction of the Minimum Required Debt Yield (as defined in Section 4.13 below).

(v) Borrower shall promptly deliver to Lender written notice of (A) the occurrence of any Default or Unmatured Default or the occurrence of an event which would make any representation or warranty contained herein untrue or misleading in any material respect as of the date of such event, and (B) the occurrence of any monetary or material non-monetary default under any Material Lease.

(vi) Borrower shall deliver to Lender such other information and materials with respect to Borrower, the Property, each Other Property, any Guarantor, and/or compliance with the terms of this Agreement, as Lender may reasonably request; provided, however, this Section 4.09(a)(vi) shall not apply to any Dune Guarantor's limited partnership agreement; provided further, however, that nothing in this Section 4.09(a)(vi) shall limit the terms and provisions of Section 9.09 below (including, without limitation, Section 9.09(5) below).

(b) Guarantor.

(i) With respect to each Guarantor, within ninety (90) days after the end of each of such Guarantor's fiscal quarters, Borrower shall deliver to Lender a balance sheet and statement of operations for such Guarantor, each dated as of the last day of such fiscal quarter, in form and substance reasonably satisfactory to Lender and certified by the chief financial officer of such Guarantor.

(ii) With respect to each Guarantor, within one hundred twenty (120) days after the end of each of such Guarantor's fiscal years, Borrower shall deliver to Lender a balance sheet, statement of operations and statement of cash flows for such Guarantor, each dated as of the last day of such fiscal year, in form and substance satisfactory to Lender and certified by the chief financial officer of such Guarantor, together with a compliance certificate evidencing such Guarantor's compliance with the financial covenants set forth in Section 3.2 of the Guaranty that are applicable to such Guarantor.

(iii) Lender hereby acknowledges that the balance sheet, statement of operations and statement of cash flow with respect to each Guarantor previously delivered to Lender in connection with the making of the Loan are in a form satisfactory to Lender for purposes of any deliveries required under this Section 4.09(b).

4.10 Hazardous Substances.

Borrower warrants, represents and covenants as follows:

(a) Environmental Reports; Compliance with Environmental Laws. Borrower has caused the preparation of the Environmental Reports, and except as disclosed in the Environmental Reports, to the actual knowledge of Borrower, neither Borrower nor the Property is in violation of any Environmental Laws.

(b) No Liens, Notices or Actions. Except as disclosed in the Environmental Reports, neither Borrower nor the Property is subject to any private or governmental Lien or judicial or administrative notice or action pending, or to Borrower's actual knowledge, threatened, relating to Hazardous Substances or the environmental condition of the Property.

(c) No Hazardous Substances; Compliance with Environmental Laws. Except as disclosed in the Environmental Reports, Borrower has no actual knowledge of (i) any Hazardous Substances (other than De Minimis Amounts) which are located on or which have been stored, processed or disposed of on or released or discharged from (including ground water contamination) the Property, and (ii) the existence any above or underground storage tanks on the Property. Borrower shall not allow any Hazardous Substances (other than De Minimis Amounts) to be stored, located, discharged, possessed, managed, processed or otherwise handled on the Property and shall comply with all Environmental Laws affecting the Property, respectively.

(d) Notice. Borrower shall immediately notify Lender should Borrower become aware of (i) any Hazardous Substance (other than De Minimis Amounts) or other environmental problem or liability with respect to the Property or (ii) any Lien, action, or notice of the nature described in Section 4.10(b) above.

4.11 ERISA.

(a) Plan Assets; Compliance; No Material Liability. Borrower hereby covenants and agrees that (i) Borrower shall not use any Plan Assets to repay or secure the Obligations, (ii) no assets of Borrower or Guarantor are or will be Plan Assets, (iii) each Employee Benefit Plan will be in material compliance with all applicable requirements of ERISA and the Code except to the extent any defects can be remedied without material liability to Borrower under Revenue Procedure 2008-50 or any similar procedure, and (iv) Borrower will not have any material liability under Title IV of ERISA or Section 412 of the Code with respect to any Employee Benefit Plan.

(b) Transfer of Interests. In addition to the prohibitions set forth in this Agreement and the other Loan Documents, and not in limitation thereof, Borrower hereby covenants and agrees that Borrower shall not assign, sell, pledge, encumber, transfer,

hypothecate or otherwise dispose of its interests or rights (direct or indirect) in any Loan Document or any portion of the Property or attempt to do any of the foregoing or suffer any of the foregoing, or permit any party with a direct or indirect interest or right in any Loan Document or any portion of the Property to do any of the foregoing, if such action would cause this Agreement, any of the other Loan Documents, or the Obligations or the exercise of any of Lender's rights in connection therewith, to constitute a prohibited transaction under ERISA or the Code (unless Borrower furnishes to Lender a legal opinion satisfactory to Lender that the transaction is exempt from the prohibited transaction provisions of ERISA and the Code) or would otherwise result in the Property, or assets of Borrower or Guarantor being Plan Assets.

(c) Indemnity. Borrower hereby agrees to indemnify Lender, its Affiliates, and their respective directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not Lender or any Affiliate is a party thereto, but excluding indirect, consequential, special or punitive damages) which any of them may actually pay or incur by reason of the investigation, defense and settlement of claims and in obtaining any prohibited transaction exemption under ERISA or the Code necessary in Lender's judgment by reason of the inaccuracy of the representations and warranties set forth in Section 5.01(i) hereof or a breach of the provisions set forth in this Section 4.11. The obligations of the Borrower under this Section 4.11 shall survive the termination of this Agreement.

4.12 Inspections.

Lender, through its officers, agents and employees, shall, subject to the rights of tenants, have the right at all reasonable times, on reasonable prior notice and at Lender's sole risk (a) to enter upon the Property and inspect the Improvements located thereon and the construction of the Capital Improvement Work; and (b) to examine, books, records, accounting data and other documents pertaining to the Property. Borrower will cooperate with Lender and Lender's representatives and consultants with respect to any such inspection.

4.13 Debt Yield.

(a) Borrower will not permit the Combined Debt Yield Ratio to be less than eleven percent (11%) (the ***"Minimum Required Debt Yield"***), which shall be tested as of the end of the twelfth (12th) month following the closing of the Loan and as of the end of each twelve-month period thereafter (each a ***"Test Date"***). If, as of any Test Date, the Combined Debt Yield Ratio is less than eleven percent (11%), then for the twelve (12) month period following such Test Date (each an ***"Excess Cash Flow Collection Period"***), Borrower shall deposit all Excess Cash Flow generated by the Property during each month into a restricted account maintained with Lender (the ***"Borrower's Funds Account"***), which deposits shall be made within twenty (20) days after the end of each such month. If, as of the last day of any Excess Cash Flow Collection Period, the Combined Debt Yield Ratio is less than eleven percent (11%), then, within twenty (20) days after the end of such Excess Cash Flow Collection Period, Borrower shall pay to Lender (each such payment, a ***"Remargin Payment"***) for application to the Obligations an amount demanded by Lender up to the lesser of (i) the amount required to fully repay the Obligations, and (ii) the amount required to cause the Minimum Required Debt Yield to be satisfied as of the last day of such Excess Cash Flow Collection Period (provided,

however, that the amount then demanded by Lender from Borrower and each Affiliate Borrower under Section 4.13 of each Other Loan Agreement, shall not, in the aggregate, exceed the amount required to cause the Minimum Required Debt Yield to be satisfied as of the last day of such Excess Cash Flow Collection Period). At Borrower's request in connection with any required Remargin Payment, Lender shall apply the amount then on deposit in the Borrower's Funds Account to any such required Remargin Payment; provided, however, if the amount then on deposit in the Borrower's Funds Account is not sufficient to pay in full the required Remargin Payment, Borrower shall pay the deficiency to Lender from other sources as and when due under this Section 4.13. Notwithstanding the foregoing, if the Minimum Required Debt Yield is not satisfied as of any Test Date, then Lender shall retest as of the end of each three-month period during the Excess Cash Flow Collection Period (each a ***"Retest Date"***) whether the Minimum Required Debt Yield is then satisfied. If, as of any such Retest Date, the Minimum Required Debt Yield is then satisfied, Borrower shall have no further obligation to deposit Excess Cash Flow into the Borrower's Funds Account during such Excess Cash Flow Collection Period and all amounts then on deposit in the Borrower's Funds Account shall be promptly released to Borrower. Notwithstanding the foregoing, all amounts then deposit in the Borrower's Funds Account shall be promptly released to Borrower upon full and final payment of the Obligations.

(b) The Borrower's Funds Account shall be an interest bearing account, with all accrued interest to become part of the funds on deposit in such Borrower's Funds Account. Borrower agrees that it shall include all interest and earnings on any such deposit as its income (and, if Borrower is a partnership or other pass-through entity, the income of its partners, members or beneficiaries, as the case may be), and shall be the owner of all funds on deposit in the Borrower's Funds Account for federal and applicable state and local tax purposes. Lender shall have the exclusive right to control all funds in the Borrower's Funds Account, but Lender shall have no fiduciary duty with respect to such funds. Borrower grants to Lender a security interest in any Borrower's Funds Account established and all funds now or hereafter deposited into any such account, and any proceeds thereof, as security for the Obligations. Such security interest shall be governed by the Uniform Commercial Code of the State of California, and Lender shall have available to it all of the rights and remedies available to a secured party thereunder. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of a Default, Lender may apply all or any portion of the funds on deposit in any Borrower's Funds Account (including accrued interest thereon) to the payment of the Obligations. The Borrower's Funds Account may be established and held in such name or names as Lender shall deem appropriate, including in the name of Lender. Borrower hereby constitutes and appoints Lender and any officer or agent of Lender its true and lawful attorneys-in-fact with full power of substitution to open any Borrower's Funds Account and to do any and every act that Borrower might do on its own behalf to fulfill the terms of this Section 4.13. To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. It is understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

4.14 Capital Improvement Work.

(a) Expected Completion Date. Borrower shall cause Capital Improvement Work to be performed in a good and workmanlike manner with diligence and continuity and in accordance with all applicable Legal Requirements. Borrower shall cause the Capital Improvement Work to be Completed on or before the Estimated Completion Date or, subject to the satisfaction of the requirement set forth in Section 4.14(b) below, the Final Completion Date. Borrower shall not commence any Capital Improvement Work in any material respect unless and until the Plans and Specifications are in final form (subject to changes thereto made in accordance with Section 4.14(d) below).

(b) Final Completion Date; Revised Capital Improvement Budget. If the Capital Improvement Work is not Completed on or before the Estimated Completion Date, then (i) Borrower shall deliver to Lender on or before the Estimated Completion Date an updated Capital Improvement Budget, which Capital Improvement Budget shall (A) be current as of the Estimated Completion Date, (B) include a certification of all budgeted costs and expenses paid through the date of such updated Capital Improvement Budget, together with such evidence of payments and conditional and final lien waivers as Lender may reasonably request with respect to all completed work, and (C) be subject in all respects to Lender's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) Borrower shall deposit into a restricted account maintained with Lender (the ***"Capital Improvements Reserve Account"***) on or before the Estimated Completion Date an amount sufficient to pay all costs and expenses required to cause the Capital Improvement Work to be Completed, as set forth in the updated Capital Improvement Budget delivered to and approved by Lender pursuant to and in accordance with clause (i) of this Section 4.14(b).

(c) Capital Improvements Reserve Account.

(i) The Capital Improvements Reserve Account shall be an interest bearing account, with all accrued interest to become part of the funds on deposit in such Capital Improvements Reserve Account. Borrower agrees that it shall include all interest and earnings on any such deposit as its income (and, if Borrower is a partnership or other pass-through entity, the income of its partners, members or beneficiaries, as the case may be), and shall be the owner of all funds on deposit in the Capital Improvements Reserve Account for federal and applicable state and local tax purposes. Lender shall have the exclusive right to control all funds in the Capital Improvements Reserve Account, but Lender shall have no fiduciary duty with respect to such funds. Borrower grants to Lender a security interest in any Capital Improvements Reserve Account established and all funds now or hereafter deposited into any such account, and any proceeds thereof, as security for the Obligations. Such security interest shall be governed by the Uniform Commercial Code of the State of California, and Lender shall have available to it all of the rights and remedies available to a secured party thereunder. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of a Default, Lender may apply all or any portion of the funds on deposit in any Capital Improvements Reserve Account (including accrued interest thereon) to the payment of the Obligations. The Capital Improvements Reserve Account may be established and held in such name or names as Lender shall deem appropriate, including in the name of Lender. Borrower hereby constitutes and appoints Lender and any officer or agent of Lender its true and lawful attorneys-in-fact with full power of substitution to open any Capital Improvements Reserve Account and to do any and every act that Borrower might do on its own behalf to fulfill the terms of this Section

4.14. To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. It is understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

(ii) Borrower may from time to time request disbursements of the funds on deposit in the Capital Improvements Reserve Account to fund or reimburse costs and expenses incurred in connection with the performance of the Capital Improvement Work in accordance with this Agreement. As conditions precedent to each disbursement of funds from the Capital Improvements Reserve Account pursuant to this Section 4.14(c)(ii), Lender shall have received and approved the following:

(A) A draw request in form and detail reasonably satisfactory to Lender.

(B) Evidence reasonably satisfactory to Lender that no Default or Unmatured Default exists.

(C) Evidence reasonably satisfactory to Lender that each contract for labor, materials, services and/or other work included in a draw request has been duly executed and delivered by all parties thereto and is effective, and a true and complete copy of a fully executed copy of each such contract as Lender may have requested.

(D) Evidence reasonably satisfactory to Lender that no mechanic's, materialman's or other similar lien or other encumbrance has been filed and remains in effect against the Property (other than Permitted Encumbrances), no stop notices have been served on Lender that have not been bonded by Borrower in a manner and amount reasonably satisfactory to Lender, and releases or waivers of mechanic's liens and receipted bills showing payment of all amounts due to all parties who have furnished materials or services or performed labor of any kind in connection with the Property (other than in connection with the Told Dispute).

(E) Evidence reasonably satisfactory to Lender that the Improvements have not been damaged without being repaired and are not the subject of any pending or threatened condemnation or adverse zoning proceeding.

(F) With respect to any advance to pay a contractor, original applications for payments in form reasonably approved by Lender, containing a breakdown by trade and/or other categories reasonably acceptable to Lender, executed and certified by such contractor and accompanied by invoices.

(G) Copies of notarized partial lien waiver forms executed by each contractor and each appropriate subcontractor, supplier and materialman, including such partial lien waivers from all parties sending statutory notices to contractors, notices to owners, or notices of nonpayment, specifying in such partial lien waivers the amount paid in consideration of such partial releases.

(H) Such other information, documents and materials as may be reasonably required by Lender.

(d) Changes to Plans and Specifications. Borrower shall not make any material change in the plans and specifications for the Capital Improvement Work delivered to Lender prior to the date hereof without the prior written approval of Lender, which approval shall not be unreasonably withheld, conditioned or delayed. A material change for purposes hereof shall be any change (whether such change increases or decreases the total cost of the Improvements), which (i) involves a cost of more than (A) for any single item, Fifty Thousand Dollars ($50,000) or (B) for all such items (without netting cost increases against cost savings), Two Hundred Thousand Dollars ($200,000), (ii) impairs the structural integrity or the configuration of the Improvements, (iii) substantially changes the architectural appearance of the Improvements or (iv) results in a violation of any applicable Legal Requirement. Changes shall be submitted to Lender for approval on a form acceptable to Lender which shall be accompanied by a copy of the plans and specifications applicable to the changes. All changes in the Plans and Specifications must, prior to being effective, be duly approved by any applicable bond sureties (if required in order to maintain the effectiveness of the bonds), and all Governmental Authorities (to the extent such Governmental Authority's approval is required under applicable Legal Requirements).

(e) Inspecting Professional. In furtherance of Lender's rights hereunder, Lender may, at its option, subject to the rights of tenants, require monthly inspections of the Property by the Inspecting Professional during the construction of the Capital Improvement Work; provided, however, except in the case of emergency, Lender (or the Inspecting Professional) shall give Borrower at least one (1) Business Days' notice prior to each such inspection. Without limitation of the provisions of Section 4.12 hereof, Borrower shall provide the Inspecting Professional with copies of any testing reports received by Borrower with respect to the Property promptly upon Borrower's receipt thereof.

(f) Exculpation. It is expressly understood and agreed that Lender is under no duty to supervise or to inspect the work of construction, and that any such inspection by or on behalf of Lender is for the sole purpose of protecting the interests of Lender with respect to the Property. Failure to inspect the work or any part thereof shall not constitute a waiver of any of Lender's rights hereunder. Inspection not followed by notice of Default shall not constitute a waiver of any Default then existing; nor shall it constitute an acknowledgment that there has been or will be compliance with the applicable plans and specifications or applicable legal requirements or that the construction is free from defective materials or workmanship. It is further understood and agreed that any consents or approvals of Lender hereunder are for the sole purpose of protecting the interests of Lender under the Loan Documents and Borrower shall have no right to rely on such approvals for Borrower's purposes.

4.15 Told Dispute.

Borrower shall cause the Told Dispute to be fully resolved within the earlier of (a) twenty (20) months after the date hereof, or (b) six (6) months after any claim of lien encumbrance is recorded against the Property in connection with the Told Dispute. Lender agrees that Lender shall not make any claim under the Title Policy with respect to the Told Dispute prior to the earlier of (y) the date that is six (6) months after any claim of lien encumbrance is recorded against the Property in connection with the Told Dispute, and (z) the consummation of a judicial or non-judicial foreclosure on the Property pursuant to the Deed of Trust or the Secured Guaranty Deed of Trust or of any transfer of the Property pursuant to a deed in lieu of foreclosure of the Deed of Trust or the Secured Guaranty Deed of Trust.

4.16 Management of the Property.

Borrower at all times shall provide for the competent and responsible management and operation of the Property. At all times, Borrower shall cause the Property to be managed by an Approved Manager. All management contracts affecting the Property shall permit Lender, any court-appointed receiver, and any Person acquiring title to the Property pursuant to a judicial or non-judicial foreclosure of the Deed of Trust (or the Secured Guaranty Deed of Trust), or any deed in lieu thereof, to terminate such management agreement upon thirty (30) days' written notice without penalty or charge. All management contracts must be approved in writing by Lender prior to the execution of the same, which approval shall not be unreasonably withheld, conditioned or delayed.

4.17 Post-Closing Obligations.

Borrower shall deliver to Lender within thirty (30) days after the date hereof a subordination, non-disturbance and attornment agreement executed by Borrower, as landlord, and Deckers Outdoor Corporation, a Delaware corporation, as tenant, in favor of Lender with respect to the Deckers Lease, which subordination, non-disturbance and attornment agreement shall be in form and substance reasonably acceptable to Lender (including, without limitation, express acknowledgment by Deckers Outdoor Corporation that neither Lender nor any foreclosure purchaser shall be liable for any tenant improvement or allowance obligations under the Deckers Lease).

## ARTICLE V
## REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties.

As a material inducement to Lender to enter into this Agreement, Borrower hereby represents and warrants, as follows:

(a) Existence; Power and Authority. Borrower is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to transact business as a foreign limited liability company under the laws of the State of California, with requisite power and authority to (i) incur the Obligations, and (ii) execute, deliver and perform this Agreement and the other Loan Documents to which it is a party.

(b) Authorization; No Conflict. Borrower's execution and delivery to Lender of this Agreement and the other Loan Documents and the full and complete performance of the provisions thereof (i) are authorized by Borrower's organizational documents; (ii) have been duly authorized by all requisite member actions; (iii) do not require the approval or consent of any Governmental Authority having jurisdiction over Borrower or the Property; and (iv) will not result in any breach of, or constitute a default under, or result in the creation of any Lien, (other than those contained in any of the Loan Documents) upon any property or assets of Borrower under any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument or agreement to which Borrower is a party or by which Borrower or the Property is bound.

(c) Title. Borrower is the sole legal and beneficial owner of the fee simple interest in the Property free and clear of all Liens other than the Permitted Encumbrances.

(d) Financial Statements. Any and all balance sheets, statements of income or loss, and financial statements heretofore furnished to Lender with respect to Borrower and Guarantor are true and correct in all material respects as of the dates thereof, and fully and accurately present the financial condition of the subjects thereof as of the dates thereof, and no material adverse change has occurred in the financial condition reflected therein since the dates of the most recent thereof. Neither Borrower nor Guarantor has any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments which are reasonably likely to result in a material adverse effect on the Property or the ownership or operation of the Improvements as contemplated by the Loan Documents or on the financial condition of Borrower or Guarantor or their respective abilities to perform their obligations under the Loan Documents (except (i) as may otherwise be disclosed in the financial statements of Borrower and Guarantor delivered to Lender prior to the date hereof or from time to time hereafter pursuant to Section 4.09 above, or (ii) in the case of Borrower, as otherwise disclosed to Lender in writing on or before the date hereof).

(e) Litigation. Other than the Told Dispute, there are no actions, suits or other legal proceedings pending, or to the actual knowledge of Borrower, threatened in writing, against or affecting Borrower, the Property, or any Guarantor which (i) if adversely determined would materially and adversely affect the ability of Borrower or any Guarantor to perform its respective obligations under the Loan Documents or would have a material adverse effect on the use or value of the Property, or (ii) challenge the validity or enforceability of the Loan Documents or the priority of the Lien and security interest created thereby.

(f) Legal Compliance. Except as may otherwise be disclosed in the Physical Condition Report, neither the zoning nor any other right to construct, use or operate any Improvements is to any extent dependent upon or related to any real estate other than the Property on which such Improvements are located. Except as may otherwise be disclosed in the Physical Condition Report, all approvals, licenses and permits required from Governmental Authorities under applicable Legal Requirements in connection with the current phase of construction of the Improvements have been obtained and Borrower has no actual knowledge of any information suggesting that approvals, licenses and permits for future phases of construction will not be received in a timely manner.

(g) Services and Utilities. Except as may otherwise be disclosed in the Physical Condition Report, all streets, easements, utilities and related services necessary for the operation of the Improvements for their intended purpose are available to the Property.

(h) Enforceability. Each Loan Document executed by Borrower constitutes a legal and binding obligation of, and is valid and enforceable against, Borrower in accordance with the terms thereof (subject to Debtor Relief Laws and general equitable principles) and is not subject to any right of rescission, set-off, counterclaim or defense.

(i) ERISA. Borrower is not an "employee benefit plan" as defined in Section 3(3) of ERISA or a "plan" as defined in Section 4975(e)(1) of the Code. Each Employee Benefit Plan is in material compliance with all applicable requirements under ERISA and the Code, and, to the extent that such Employee Benefit Plan is also intended to be "qualified" within the meaning of Section 401(a) of the Code, it is in material compliance with the applicable requirements under the Code, except to the extent that any defects can be remedied without material liability to Borrower under Revenue Procedure 2008-50 or any similar procedure. None of the Employee Benefit Plans is subject to the requirements of Section 412 of the Code, Part 3 of Title I of ERISA or Title IV of ERISA or is a "multiemployer plan" as defined in Section 3(37) of ERISA. Borrower has no material liability under Title IV of ERISA or Section 412 of the Code with respect to any Employee Benefit Plan.

(j) Legal Parcel; Separate Tax Parcel. The Property is taxed separately and does not include any other property, and for all purposes the Property may be mortgaged, conveyed and otherwise dealt with as a separate legal parcel.

(k) Leases and Rents. Borrower has good and marketable title to the Leases and rents free and clear of all claims, and Liens and encumbrances other than the Permitted Encumbrances. To the actual knowledge of Borrower, the Leases are valid and unmodified and are in full force and effect and Borrower is not in default of any of the material terms or provisions of the Leases. The rents now due or to become due for any periods subsequent to the date hereof have not been collected and payment thereof has not been anticipated for a period of more than one month in advance, waived or released, discounted, set off or otherwise discharged or compromised. Borrower has not received any funds or deposits from any Lessee for which credit has not already been made on account of accrued rents other than security deposits required by the Leases.

5.02 Nature of Representations and Warranties.

All representations and warranties made in this Agreement or any other Loan Document or in any certificate or other document delivered to Lender pursuant to or in connection with this Agreement shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE VI
INSURANCE AND CONDEMNATION

6.01 Insurance and Casualty.

(a) Required Insurance Coverage. Borrower, at its expense, shall maintain and deliver to Lender policies of insurance providing the following:

(i) Commercial General Liability Insurance with limits of not less than $1,000,000.00 per occurrence combined single limit and $2,000,000.00 in the aggregate for the policy period, or in whatever higher amounts as may be required by Lender from time to time by notice to Borrower, and extended to cover: (a) Contractual Liability assumed by Borrower with defense provided in addition to policy limits for indemnities of the named insured, (b) if any of the work is subcontracted, Independent Contractors Liability providing coverage in connection with such portion of the work which may be subcontracted, (c) Broad Form Property Damage Liability, (d) Products & Completed Operations for coverage, such coverage to apply for two years following completion of construction, (e) waiver of subrogation against all parties named additional insured, (f) severability of interest provision, and (g) Personal Injury & Advertisers Liability.

(ii) Automobile Liability including coverage on owned, hired and non-owned automobiles and other vehicles, if used in connection with the performance of the work, with Bodily Injury and Property Damage limits of not less than $1,000,000.00 per occurrence combined single limit, with a waiver of subrogation against all parties named as additional insured.

(iii) Umbrella/Excess Liability in excess of Commercial General Liability, Automobile Liability and Employers' Liability coverages which is at least as broad as these underlying policies with a limit of liability of $10,000,000.00.

(iv) All-Risk Property (Special Cause of Loss) Insurance on the Improvements in an amount not less than the full insurable value on a replacement cost basis of the insured Improvements and personal property related thereto. During any construction period, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" with no coinsurance requirement and shall contain a provision granting the insured permission to occupy prior to completion. Such policy shall not contain an exclusion for terrorist losses. However, if such an exclusion exists in the All-Risk policy, a separate Terrorism policy covering Certified Acts of Terrorism must be evidenced to Lender in an amount equal to the full replacement cost of the Improvements. This policy must also list Lender as mortgagee and loss payee.

(v) Workers' Compensation and Employer's Liability Insurance in accordance with the applicable laws of the state in which the work is to be performed or of the state in which Borrower is obligated to pay compensation to employees engaged in the performance of the work. The policy limit under the Employer's Liability Insurance section shall not be less than $1,000,000.00 for any one accident.

(vi) If all or any portion of the Property lies within a "special flood hazard area" as designated on maps prepared by the Department of Housing and Urban Development, a National Flood Insurance Association standard flood insurance policy covering the Property, plus insurance from a private insurance carrier if necessary, for the duration of the Loan in the amount of the full insurable value of the Improvements located on the Property, or the amount of the Loan, whichever is less.

(vii) Rent loss or business interruption insurance against loss of income (including, but not limited to, rent, cost reimbursements and all other amounts payable by tenants under Leases or otherwise derived by Borrower from the operation of the Property) arising out of damage to or destruction of the Property and Improvements by fire or other peril insured against under each policy. The amount of the policy shall be in the amount equal to one year's projected rentals or gross revenue.

(viii) Such other insurance as Lender may reasonably require, which may include, without limitation, errors and omissions insurance with respect to the contractors, architects and engineers, and earthquake insurance; provided, however, that Lender shall not require Borrower to maintain earthquake insurance unless a so called "PML" report with respect to the Property reflects a probable maximum loss of twenty percent (20%) or more in the event of an earthquake or other seismic casualty.

(b) Policy Requirements. All insurance policies shall (i) be issued by an insurance company licensed to do business in the state where the Property is located having a rating of "A-" VIII or better by A.M. Best Co., in Best's Rating Guide, (ii) name "JPMorgan Chase Bank, N.A., any and all subsidiaries and their successors and/or assigns as their interests may appear" as additional insureds on all liability insurance and as mortgagee and loss payee on all All-Risk Property, flood insurance and rent loss or business interruption insurance, (iii) be endorsed to show that Borrower's insurance shall be primary and all insurance carried by Lender is strictly excess and secondary and shall not contribute with Borrower's insurance, (iv) provide that Lender is to receive thirty (30) days written notice prior to non-renewal or cancellation, (v) be evidenced by a certificate of insurance to be provided to Lender, (vi) include either policy or binder numbers on the ACORD form, and (vii) be in form and amounts reasonably acceptable to Lender.

(c) Evidence of Insurance; Payment of Premiums. Borrower shall deliver to Lender, at least five (5) days before the expiration of an existing policy, evidence reasonably acceptable to Lender of the continuation of the coverage of the expiring policy. If Lender has not received satisfactory evidence of such continuation of coverage in the time frame herein specified, Lender shall have the right, but not the obligation, to purchase such insurance for Lender's interest only. Any amounts so disbursed by Lender pursuant to this Section shall be repaid by Borrower within ten (10) days after written demand therefor. Nothing contained in this Section shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account on this Section. The payment by Lender of any insurance premium for insurance which Borrower is obligated to provide hereunder but which Lender believes has not been paid, shall be conclusive between the parties as to the legality and amounts so paid. Borrower agrees to pay all premiums on such insurance as they become due, and will not permit any condition to exist on or with respect to the Property which would wholly or partially invalidate any insurance thereon.

(d) Collateral Protection. Unless Borrower provides Lender with evidence reasonably satisfactory to Lender of the insurance coverage required by this Agreement, Lender may purchase insurance at Borrower's expense to protect Lender's interest in the Property. This insurance may, but need not, protect Borrower's interest in the Property. The coverages that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Property. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence reasonably satisfactory to Lender that Borrower has obtained insurance as required by this Agreement. If Lender purchases insurance for the Property, Borrower will be responsible for the actual costs of that insurance, including any charges imposed by Lender in connection with the placement of insurance, until the effective date of the cancellation or expiration of such insurance. The costs of the insurance may, at Lender's discretion, be added to Borrower's total principal obligation owing to Lender, and in any event shall be secured by the liens on the Property created by the Loan Documents. It is understood and agreed that the costs of insurance obtained by Lender may be more than the costs of insurance Borrower may be able to obtain on its own.

(e) No Liability; Assignment. Lender shall not by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any such insurance, incur any liability for the form or legal sufficiency of insurance contracts, solvency of insurers, or payment of losses, and Borrower hereby expressly assumes full responsibility therefor and all liability, if any, thereunder. Borrower hereby absolutely assigns and transfers to Lender all of Borrower's right, title and interest in and to any unearned premiums paid on policies and any claims thereunder and Lender shall have the right, but not the obligation, to assign any then existing claims under the same to any purchaser of the Property at any foreclosure sale; provided, however, that so long as no Default exists and is continuing hereunder, Borrower shall have the right under a license granted hereby, and Lender hereby grants to Borrower a license, to exercise rights under said policies and in and to said premiums subject to the provisions of this Agreement. Said license shall be revoked automatically upon the occurrence and during the continuance of a Default hereunder.

(f) No Separate Insurance. Borrower shall not carry any separate insurance on the Property concurrent in kind or form with any insurance required hereunder or contributing in the event of loss without Lender's prior written consent, and any such policy shall have attached a standard non-contributing mortgagee clause, with loss payable to Lender, and shall otherwise meet all other requirements set forth herein.

(g) Casualty Loss.

(i) If all or any part of the Property shall be damaged or destroyed by fire or other casualty, Borrower shall give immediate written notice to the insurance carrier and Lender. With respect to any such casualty loss for which Borrower has an insurance claim with a value in excess of $500,000, Borrower hereby authorizes and empowers Lender, at Lender's option and in Lender's sole discretion as attorney-in-fact for Borrower, to make proof of loss, to adjust and compromise any claim under

insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds; provided, however, that the foregoing authorization and empowerment of Lender to act as attorney-in-fact for Borrower shall not become effective until the occurrence and during the continuance of a Default or until such time as Borrower fails to diligently pursue the collection of such insurance proceeds in Lender's reasonable opinion. The foregoing appointment is irrevocable, or coupled with an interest, and continuing so long as any Obligations remain outstanding, and such rights, powers and privileges shall be exclusive in Lender, its successors and assigns.

(ii) As sole loss payee on all policies of casualty insurance, Lender shall receive all insurance proceeds from any casualty loss, and shall hold the same in an interest-bearing account pending disposition in accordance with this Section. Borrower authorizes Lender to deduct from such insurance proceeds received by Lender all of Lender's costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with the collection thereof (the remainder of such insurance proceeds being referred to herein as ***"Net Casualty Proceeds"***); provided, however, that, notwithstanding the foregoing, so long as no Default or Unmatured Default shall have occurred and be continuing, Borrower shall have the exclusive right to receive the proceeds of all insurance for loss of or damage to the Property in cases in which such claim is valued at less than $500,000.

(iii) Lender shall cause the Net Casualty Proceeds from any casualty loss affecting a Property to be disbursed for the cost of reconstruction of the Property if all of the following conditions are satisfied within ninety (90) days after the applicable casualty loss: (a) Borrower satisfies Lender (in Lender's reasonable judgment) that the reconstruction can be completed within a reasonable period of time after such casualty loss (but in no event later than the Maturity Date) and that after giving effect to such reconstruction the affected Property will be restored to substantially the same condition immediately prior to the casualty loss; (b) Borrower satisfies Lender (in Lender's reasonable judgment) that the Net Casualty Proceeds are sufficient to pay all costs of reconstruction, and if insufficient, Borrower deposits with Lender additional funds to make up such insufficiency; (c) Borrower delivers to Lender all plans and specifications and construction contracts for the work of reconstruction and such plans and specifications and construction contracts are in form and content reasonably acceptable to Lender and with a contractor acceptable to Lender; and (d) Borrower delivers to Lender satisfactory evidence (in Lender's reasonable judgment) that upon completion of the reconstruction, Leases approved or deemed approved by Lender in accordance with the terms of this Agreement demising in the aggregate no less than the lesser of (i) the net rentable square feet in the Improvements covered by Leases in effect immediately prior to the casualty loss, and (ii) seventy-five percent (75%) of the net rentable square feet in the Improvements located on the portion of the Property affected by the casualty, will remain in full force and effect. The disbursement of Net Casualty Proceeds pursuant to this clause (iii) shall be in accordance with customary disbursement procedures and shall not be available after the occurrence and during the continuance of a Default. Any Net Casualty Proceeds not required to reconstruct the Property shall be

delivered to Borrower after expiration of the lien period for the work of reconstruction (or, at Borrower's option, after delivery of title insurance to Lender, over such liens where the lien period has not so expired). Upon the occurrence and during the continuance of a Default or in the event Borrower is unable to satisfy the conditions set forth in subclauses (a) through (d) hereof by the required date, Lender, shall have the right (but not the obligation) to apply all Net Casualty Proceeds held by it to the payment of the Obligations. If the maturity of the Loan is extended in accordance with Section 3.12 above and any Net Casualty Proceeds are applied to the payment of the Obligations during any such extension period, then the amortization payments thereafter required to be made by Borrower pursuant to Section 3.12(c) shall be recalculated by Lender to reflect such paydown of the Loan Amount. Borrower shall have the obligation to promptly and diligently complete the work of reconstruction necessitated by any casualty loss and restore the affected Property to the equivalent of its condition immediately prior to such casualty provided the applicable Net Casualty Proceeds are made available to Borrower for such purpose.

6.02 Condemnation and Other Awards.

Immediately upon receiving written notice of the institution or threatened institution of any proceeding for the condemnation of all or any portion of the Property, Borrower shall notify Lender of such fact. Borrower shall then file or defend its rights thereunder and prosecute the same with due diligence to its final disposition; provided, however, that Borrower shall not enter into any settlement of such proceeding without the prior approval of Lender (which approval shall not be unreasonably withheld, conditioned or delayed). Lender shall be entitled, at its option, to appear in any such proceeding in its own name, and upon the occurrence and during the continuation of a Default or if Borrower fails to diligently prosecute such proceeding (in Lender's reasonable judgment), (a) Lender shall be entitled, at its option, to appear in and prosecute any such proceeding or to make any compromise or settlement in connection with such condemnation on behalf of Borrower, and (b) Borrower hereby irrevocably constitutes and appoints Lender as its attorney-in-fact, and such appointment is coupled with an interest, to commence, appear in and prosecute such action or proceeding or to make such compromise or settlement in connection with any such condemnation on its behalf. The foregoing appointment is irrevocable and continuing so long as the Obligations remain outstanding, and such rights, powers and privileges shall be exclusive in Lender, its successors and assigns. If all or any material portion of the Property is taken or materially diminished in value in connection with such condemnation, or if a consent settlement is entered, by or under threat of such proceeding, the award or settlement payable to Borrower by virtue of its interest in the Property, shall be, and by these presents is, assigned, transferred and set over unto Lender; provided, however, that, so long as no Default or Unmatured Default shall have occurred and be continuing, Borrower shall have the exclusive right to receive the award or settlement payable to Borrower in connection with any such condemnation in cases in which such award or settlement is valued at less than $500,000. Any such award or settlement received by Lender shall be first applied to reimburse Lender for all out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred in connection with the collection of such award or settlement. The balance of such award or settlement (the ***"Net Condemnation Proceeds"***) shall be paid to Lender for application in the manner set forth in Section 6.01(g) as if such award or settlement constituted insurance proceeds from a casualty loss; provided,

however, that Lender shall have no obligation to make Net Condemnation Proceeds available for construction or reconstruction of the Property unless Lender has reasonably determined that the Property as so constructed or reconstructed after giving effect to the condemnation would have a value that is not materially less than its value would have been had there been no such condemnation. Borrower shall have the obligation to promptly and diligently complete the work of reconstruction necessitated by any condemnation and restore the affected Property to the equivalent of its condition immediately prior to such condemnation provided the applicable Net Condemnation Proceeds are made available to Borrower for such purpose; provided, however, that Borrower shall not be obligated to complete the work of reconstruction necessitated by any condemnation and restore the affected Property to the equivalent of its condition immediately prior to such condemnation unless Lender shall make available to Borrower all Net Condemnation Proceeds received by Lender in connection with such condemnation. If the maturity of the Loan is extended in accordance with Section 3.12 above and any Net Condemnation Proceeds are applied to the payment of the Obligations during any such extension period, then the amortization payments thereafter required to be made by Borrower pursuant to Section 3.12(c) shall be recalculated by Lender to reflect such paydown of the Loan Amount.

## ARTICLE VII
## DEFAULTS

7.01 Defaults.

Any of the following events, after passage of the applicable cure period set forth below, shall constitute a ***"Default"*** hereunder:

(a) Failure to Make Payment. The failure by Borrower to pay in full any principal of the Loan when due (including, without limitation, any Remargin Payment required under Section 4.13(a) above); the failure by Borrower to pay in full any interest on the Loan or any fees or any other amounts due under the Loan Documents (other than principal) when due and such failure continues unremedied for a period of ten (10) days after the due date thereof; or the failure by Borrower to make any other payment or deposit required hereunder or under any of the other Loan Documents within the period set forth in Loan Documents, or if no period is set forth in the Loan Documents, then within ten (10) Business Days after demand therefor;

(b) Involuntary Proceeding. An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Guarantor or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Guarantor or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(c) Voluntary Proceedings. Borrower or any Guarantor shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or

hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (b) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Guarantor or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing.

(d) Assignment for Benefit of Creditors. The execution by Borrower or Guarantor of an assignment for the benefit of creditors;

(e) Unable to Pay Debts. The admission in writing by Borrower or Guarantor that it is unable to pay its debts as they mature or that it is generally not paying its debts as they mature;

(f) Liquidation of Borrower or Guarantor. The liquidation, termination or dissolution of Borrower or Guarantor;

(g) Transfer or Encumbrance of Interest in Property or Borrower.

(i) Property. Except for any sales, exchanges, conveyances and transfers at the closing of which the Loan is fully repaid, the sale, lease (except as permitted under this Agreement), exchange, conveyance, transfer, mortgage, assignment, pledge or encumbrance, either voluntarily or involuntarily, or the agreement to do so, of any right, title or interest of Borrower in and to all or any portion of the Property, which occurrence is not rendered ineffective within ten (10) days after occurrence; provided, however, that Borrower shall be permitted to replace defective, obsolete or worn out personal property, and Borrower shall be permitted to grant and/or record Permitted Encumbrances; and

(ii) Borrower. Except for any sales, exchanges, conveyances and transfers at the closing of which the Loan is fully repaid and any required release price under the Secured Guaranty is fully paid, the sale, exchange, conveyance, transfer, mortgage, assignment, pledge or encumbrance, either voluntarily or involuntarily, or the agreement to do so, of any direct or indirect ownership interest in Borrower or any portion thereof (collectively, a ***"Transfer"***); provided, however, Borrower shall not be in Default hereunder (and any such Transfer to a Person that is not a Prohibited Person shall be expressly permitted) if, after giving effect to any of the foregoing, Guarantor (or any one or more of them) shall collectively hold, directly or indirectly, at least 51% of the ownership interests in Borrower;

(h) Levy; Attachment; Seizure. The levy, attachment or seizure pursuant to court order of (i) any right, title or interest of Borrower in and to all or any portion of the Property or (ii) any direct or indirect ownership interests in Borrower, if such order is not vacated and the proceeding in which it was entered is not dismissed within thirty (30) days of the entry of such order (or, if such order is an attachment order relating solely to the Told Dispute, such order is not vacated and the proceeding in which it was entered is not dismissed within one hundred eighty (180) days of the entry of such attachment order);

(i) Failure of Representations. Any representation or warranty contained herein or in any of the other Loan Documents, or in any certificate or other document executed by Borrower or any Guarantor and delivered to Lender pursuant to or in connection with this Agreement, is not true and correct in all material respects, or omits to state a material fact necessary to make such representation not misleading, in each case, as of the date made or deemed made;

(j) Claims; Liens; Encumbrances; Stop Notices. Unless Borrower is contesting the same in accordance with the provisions of Section 4.01(c) hereof, the filing of any claim of lien or encumbrance (other than Permitted Encumbrances) against all or any portion of the Property that is not released or insured over with a title insurance endorsement (obtained at Borrower's cost and expense) within thirty (30) days after notice thereof from Lender to Borrower (or, if such claim of lien or encumbrance relates solely to the Told Dispute, such claim of lien or encumbrance is not released within one hundred eighty (180) days after the filing thereof); or the service on Lender or any disburser of funds of a notice or demand to withhold funds, which is not nullified within thirty (30) days after the date of such service;

(k) Permits; Utilities; Insurance. (i) The neglect, failure or refusal of Borrower to keep in full force and effect any material permit, license, consent or approval required for the construction or operation of any Improvements that is not fully reinstated within thirty (30) days after the lapse of effectiveness of such material permit, license, consent or approval; or (ii) the curtailment in availability to the Property of utilities or other public services necessary for the full occupancy and utilization of the Improvements located thereon that is not restored to full availability within thirty (30) days after such curtailment of availability; or (iii) the failure by Borrower to maintain any insurance required under Section 6.01 hereof or under any other Loan Document that is not cured within five (5) days after Lender gives Borrower notice of such lapse;

(l) Cessation of Loan Documents to be Effective. The cessation, for any reason, of any Loan Document to be in full force and effect in all material respects; the failure of any Lien intended to be created by the Loan Documents to exist or to be valid and perfected; the cessation of any such Lien, for any reason, to have the priority contemplated by this Agreement or the other Loan Documents, subject to Borrower's right to contest any other Lien in accordance with the terms of this Agreement; or the revocation by Guarantor of the Guaranty or any other Loan Document executed by Guarantor;

(m) ERISA. Any breach of the provisions of Section 4.11 hereof;

(n) Prohibited Distributions. Any breach of the provisions of Section 4.06 hereof shall occur which is not cured by Borrower within five (5) Business Days after such breach;

(o) Operations of Borrower. Any breach of the provisions of Section 4.03 hereof shall occur which is not cured by Borrower within twenty (20) days after Lender gives Borrower notice thereof;

(p) Judgments. Any judgment or order for the payment of money in excess of $100,000.00 is rendered against Borrower, and either (a) enforcement proceedings have been commenced by a creditor upon such judgment, or (b) there is a period of fifteen (15) days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect;

(q) Swap Agreements. The occurrence or existence of any default, event of default or other similar condition or event (however described) with respect to any Swap Agreement to which Borrower is a party, whether or not Lender or an Affiliate of Lender is a party thereto, which is not cured within any applicable notice and grace or cure period;

(r) Guarantor Financial Covenants. Guarantor fails to comply with the financial covenants set forth in Section 3.2 of the Guaranty;

(s) Other Loan Documents. The existence of any default, event of default or other similar condition or event (however defined) under any Other Loan Document, which is not cured within any applicable notice and grace or cure period;

(t) Told Dispute. Borrower fails to satisfy its obligations under Section 4.15 as and when required thereunder;

(u) Management of the Property. Any breach of the provisions of Section 4.16 hereof shall occur which is not cured by Borrower within fifteen (15) days after Lender gives Borrower notice thereof;

(v) Post-Closing Obligations. Borrower fails to satisfy its obligations under Section 4.17 as and when required thereunder; or

(w) Failure to Perform Covenants. The failure of Borrower to fully perform any and all covenants and agreements hereunder or under any of the other Loan Documents, and, with respect to covenants and agreements other than those specifically referenced in this Section 7.01, or for which another cure period is provided, such failure is not cured by Borrower within thirty (30) days after Lender gives notice to Borrower thereof, unless (i) such failure, by its nature, is not capable of being cured within such period, (ii) within fifteen (15) days after delivery of such notice, Borrower commences to cure such failure and thereafter diligently prosecutes the cure thereof, and (iii) Borrower causes such failure to be cured no later than ninety (90) days after the date of such notice from Lender.

ARTICLE VIII
ACCELERATION AND REMEDIES

8.01 Acceleration.

If any Default described in Sections 7.01(b) or 7.01(c) hereof occurs with respect to Borrower, the obligations, if any, of the Lender to make any additional advance of the Loan hereunder shall automatically terminate and the Obligations (other than Swap Obligations included therein) shall immediately become due and payable without any election or action on the part of Lender. If any other Default occurs and is continuing, Lender may declare the Obligations (other than Swap Obligations included therein) to be due and payable, or both, whereupon the Obligations (other than Swap Obligations included therein) shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which Borrower hereby expressly waives. Lender has the rights and remedies with respect to the Swap Obligations as provided in the Swap Agreements.

8.02 Right to Perform Work.

Upon the occurrence and during the continuance of a Default hereunder, Lender shall have the right, in person or by agent, in addition to all other rights and remedies available to Lender under this Agreement, the other Loan Documents, to the fullest extent permitted by law, to take possession of the Property and perform any and all work and labor necessary to complete the Improvements or any tenant improvements in accordance with the applicable plans and specifications (with such modifications as shall be deemed appropriate by Lender), and employ watchmen to protect the Property from injury. All reasonable sums so expended by Lender shall be deemed to have been paid to Borrower and constitute Obligations. Effective upon the occurrence and during the continuance of a Default, Borrower hereby constitutes and appoints Lender its true and lawful attorney-in-fact, with full power of substitution, to so complete the Improvements or any tenant improvements in the name of Borrower. Borrower hereby empowers said attorney to: (a) make such additions, changes and corrections in any applicable plans and specifications as Lender deems appropriate; (b) employ such contractors, subcontractors, agents, architects and inspectors as shall be required for said purposes; (c) pay, settle or compromise all existing bills and claims which may be liens against the Property, or as may be necessary or desirable for such completion of any Improvements or tenant improvements or for clearance of title; (d) execute all applications and certificates in the name of Borrower which may be required by any of the contract documents; (e) prosecute and defend all actions or proceedings in connection with the Property or the construction of the Improvements and take such action and require such performance as it deems necessary under any bond or guaranty of completion; and (g) do any and every act which Borrower might do on its own behalf. It is further understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

8.03 Curing of Defaults.

Upon the occurrence and during the continuance of a Default hereunder, without waiving any right of acceleration or foreclosure under the Loan Documents which Lender may have by reason of such Default or any other right Lender may have against Borrower because of said Default, Lender shall have the right (but not the obligation) to take such actions and make such payments as shall be necessary to cure such Default, including, without limitation, the making of Borrowings. All amounts so expended shall constitute Obligations and shall be payable by Borrower on demand by Lender.

ARTICLE IX
MISCELLANEOUS

9.01 Notices.

(a) Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, or mailed by certified or registered mail, as follows:

To Lender:

JPMorgan Chase Bank, N.A.
2029 Century Park West, Suite 3800
Los Angeles, California 90067
Attention: Faina Birger
Email: faina.birger@jpmorgan.com

To Borrower:

3001 MISSION OAKS BLVD LLC
c/o Dune Real Estate Partners LP
623 Fifth Avenue, 30th Floor
New York, New York 1002
Attention: Michael Sherman
Facsimile No.: (212) 301-8357
Email: michael.sherman@drep.com

and

c/o Rexford Industrial
11620 Wilshire Boulevard, Suite 300
Los Angeles, California 90025
Attention: Michael S. Frankel
Facsimile No.: (310) 966-1690
Email: mfrankel@rexfordindustrial.com

With a Copy to:

Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Ronald B. Emanuel, Esq.
Facsimile No.: (212) 541-1434
Email: rbemanuel@bryancave.com

and

Greenberg Glusker Fields Claman &
Machtinger LLP
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067
Attn: Kenneth S. Fields, Esq.
Facsimile No.: (310) 201-2376
Email: kfields@greenbergglusker.com

(b) Electronic Notices. Lender or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Changes in Address. Any party hereto may change its address for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

9.02 Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of Lender hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 9.02(b) hereof, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of any advance of the Loan shall not be construed as a waiver of any Default or Unmatured Default, regardless of whether Lender may have had notice or knowledge of such Default or Unmatured Default at the time.

(b) Waivers and Amendments. No provision of this Agreement or any other Loan Document may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Lender.

9.03 Expenses; Indemnity; Damage Waiver.

(a) Expenses. Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by Lender and its Affiliates, including appraisal fees, inspection fees, title and escrow charges and the reasonable fees, charges and disbursements of counsel for Lender, the preparation and administration of this Agreement, the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by Lender, including the fees, charges and disbursements of any counsel for Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loan made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Loan.

(b) Borrower Indemnity. Borrower shall indemnify Lender, and each Related Party of any of the foregoing Persons (each such Person being called an ***"Indemnitee"***) against, and hold each Indemnitee harmless from, any and all actual losses, claims, damages, judgments, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, but excluding indirect, consequential, special or punitive damages (collectively, ***"Losses"***), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) the Loan or the use of the proceeds therefrom, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Losses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. The foregoing indemnity set forth in this Section 9.03(b) shall not apply to any Losses, which are the subject of the Environmental Indemnity Agreement, it being the intention of the parties hereto that Borrower's liability for environmental matters be governed exclusively by the Environmental Indemnity Agreement and not by this Agreement.

(c) DAMAGE WAIVER. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST ANY INDEMNITEE, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS, THE LOAN OR THE USE OF THE PROCEEDS THEREOF. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LENDER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST BORROWER, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS, THE LOAN OR THE USE OF THE PROCEEDS THEREOF.

(d) Payment of Amounts Due. All amounts due under this Section shall be payable not later than ten (10) days after written demand therefor.

9.04 Successors and Assigns.

(a) Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower or Guarantor may assign or otherwise transfer any of its rights or obligations under the Loan Documents without the prior written consent of Lender, in Lender's sole discretion (and any attempted assignment or transfer by Borrower or Guarantor without such consent shall be null and void). Nothing in the Loan Documents, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in Section 9.04(c) hereof) and, to the extent expressly contemplated hereby, the Related Parties of Lender) any legal or equitable right, remedy or claim under or by reason of any of the Loan Documents.

(b) Assignment by Lender.

(i) Subject to the conditions set forth in Section 9.04(b)(ii) below, Lender may, at Lender's sole cost and expense, assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loan at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of Borrower, provided that no consent of Borrower shall be required for an assignment to an Affiliate of Lender or an Approved Fund or, if a Default has occurred and is continuing, any other assignee.

(ii) Subject to Lender's notification to Borrower of an assignment (and, if required, Borrower's consent thereto), assignee shall be a party hereto and, to the extent of the interest assigned, have the rights and obligations of a Lender under this Agreement, and Lender shall, to the extent of the interest assigned, be released from its obligations under this Agreement (and, in the case of an assignment covering all of Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.07, 3.08, 3.09, 4.11(c) and 9.03 hereof). Borrower hereby agrees to execute any amendment and/or any other document that may be reasonably necessary to effectuate such an assignment, including an amendment to this Agreement to provide for multiple lenders and an administrative agent to act on behalf of such lenders.

(c) Participations.

(i) Lender may, without the consent of Borrower, sell participations to one or more banks or other entities (a ***"Participant"***) in all or a portion of Lender's rights and obligations under this Agreement (including all or a portion of the Loan owing to it); provided that (a) Lender's obligations under this Agreement shall remain unchanged, (b) Lender shall remain solely responsible to Borrower for the performance of such obligations, and (c) Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which Lender sells such a participation shall provide that Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement. Subject to Section 9.04(c)(ii) hereof, Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.07, 3.08 and 3.09 (solely with respect to the participation sold to such Participant) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 9.04(b) hereof.

(ii) A Participant shall not be entitled to receive any greater payment under Section 3.07 or 3.08 hereof than Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with Borrower's prior written consent.

(iii) Notwithstanding anything to the contrary contained in this Section 9.04, without the prior written consent of Borrower in each case, Lender shall not have the right to split the Loan into two or more separate loans, including, without limitation, any mezzanine loans (it being acknowledged, however, that neither the assignment of all, but not less than all of Lender's interest in the Loan in accordance with Section 9.04(b) above, nor the sale of one or more participations in the Loan in accordance with Section 9.04(c) shall be deemed to constitute "splitting" the Loan into two or more separate loans).

(d) Pledges by Lender. Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest (or the enforcement of any rights and remedies thereunder) shall release Lender from any of its obligations hereunder or substitute any such pledgee or assignee for Lender as a party hereto.

9.05 Survival.

All covenants, agreements, representations and warranties made by Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by Lender and shall survive the execution and delivery of this Agreement and the making of the Loan, regardless of any investigation made by Lender or on its behalf and notwithstanding that Lender may have had notice or knowledge of any Default or Unmatured Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on the Loan or any fee or any other amount payable under this Agreement is outstanding. The provisions of Sections 3.07, 3.08, 3.09, and 9.03 hereof shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loan, or the termination of this Agreement or any provision hereof.

9.06 Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by Lender and when Lender shall have received a counterpart hereof duly executed by Borrower, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page of this Agreement by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

9.07 Severability.

Any provision of this Agreement or any other Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9.08 Governing Law; Jurisdiction; Consent to Service of Process.

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of California.

(b) Consent to Jurisdiction. Lender and Borrower each hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any United States Federal or California State court sitting in any County in the State of California in which the Property is located, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such California State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that Lender may otherwise have to bring any action or proceeding relating to this Agreement against Borrower or its properties in the courts of any jurisdiction.

(c) Waiver of Objection to Venue. Lender and Borrower each hereby irrevocably and unconditionally waive, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 9.08(b) hereof. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

9.09 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE ***"COURT"***) BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CONTROVERSY, DISPUTE OR CLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) (EACH, A ***"CLAIM"***) AND THE WAIVER SET FORTH IN THE PRECEDING PARAGRAPH IS NOT ENFORCEABLE IN SUCH ACTION OR PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

1. WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN PARAGRAPH 2 BELOW, ANY CLAIM WILL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. EXCEPT AS OTHERWISE PROVIDED IN THE LOAN DOCUMENTS, VENUE FOR THE REFERENCE PROCEEDING WILL BE IN THE STATE OR FEDERAL COURT IN THE COUNTY OR DISTRICT WHERE VENUE IS OTHERWISE APPROPRIATE UNDER APPLICABLE LAW.

2. THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING, WITHOUT LIMITATION, SET-OFF), (C) APPOINTMENT OF A RECEIVER AND (D) TEMPORARY, PROVISIONAL OR ANCILLARY REMEDIES (INCLUDING, WITHOUT LIMITATION, WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) - (D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT.

3. UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN (10) DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY MAY REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B).

4. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS, A COURT REPORTER WILL BE USED AND THE REFEREE WILL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

5. THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA. THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH APPLICABLE STATE AND FEDERAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING, WITHOUT LIMITATION, MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW.

6. THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY.

9.10 Headings.

Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

9.11 Confidentiality.

Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to the Obligations or the enforcement of rights under the Loan Documents or any Swap Agreement, (f) subject to an agreement containing provisions substantially the

same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any Swap Agreement relating to Borrower and its obligations, (g) with the consent of Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to Lender on a nonconfidential basis from a source other than Borrower. For the purposes of this Section, ***"Information"*** means all information received from Borrower relating to Borrower or its business or any Guarantor relating to such Guarantor or its business, other than any such information that is available to Lender on a nonconfidential basis prior to disclosure by Borrower or such Guarantor. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

9.12 Interest Rate Limitation.

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Borrowing, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the ***"Charges"***), shall exceed the maximum lawful rate (the ***"Maximum Rate"***) which may be contracted for, charged, taken, received or reserved by Lender in accordance with applicable law, the rate of interest payable in respect of such Borrowing hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Borrowing but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to Lender in respect of other Borrowings or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by Lender.

9.13 USA Patriot Act.

Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the ***"Act"***), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information reasonably requested by Lender that will allow Lender to identify Borrower in accordance with the Act.

9.14 Replacement Documentation.

Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of a Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, Borrower will issue, in lieu thereof, a replacement Note or other security document in the same principal amount thereof and otherwise of like tenor. In the event that Borrower issues such replacement Note or other security document, Lender shall indemnify and hold harmless Borrower from any liability incurred by Borrower in connection with the lost, stolen, destroyed or mutilated Note or security document.

9.15 Swap Agreements.

All Swap Agreements, if any, between Borrower and Lender or any Affiliate of Lender are independent agreements governed by the written provisions of said Swap Agreements, which will remain in full force and effect, unaffected by any repayment, prepayment, acceleration, reduction, increase or change in the terms of the Loan Documents, except as otherwise expressly provided in said written Swap Agreements, and any payoff statement from Lender relating to the Loan shall not apply to said Swap Agreements.

[SIGNATURE PAGE FOLLOWS]

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

BORROWER:

3001 MISSION OAKS BLVD LLC,
a Delaware limited liability company

By: /s/ Michael D. Sherman
Name: Michael D. Sherman
Title: General Counsel

LENDER:

JPMORGAN CHASE BANK, N.A.,
a national banking association

By: /s/ Faina Birger
Name: Faina Birger
Title: Authorized Officer

**EXHIBIT A**

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

**PARCEL 1:**

PARCEL 1 OF PARCEL MAP L.D. 346 IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 56 PAGES 32 THROUGH 35, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE INTEREST RESERVED BY ROSE CAMARILLO PETIT, IN DEED RECORDED MARCH 27, 1969 AS DOCUMENT NO. 15164 IN BOOK 3461 PAGE 577, OFFICIAL RECORDS, WHICH DEED RECITES AS FOLLOWS:

“RESERVING UNTO GRANTOR FIFTY PERCENT (50%) OF ANY OIL, GAS OR HYDROCARBON SUBSTANCES IN OR UNDER SAID REAL PROPERTY BELOW A DEPTH OF FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF, THIS RESERVATION TO CONTINUE FOR A MINIMUM PERIOD OF TWENTY (20) YEARS FROM THE DATE HEREOF, AND IF, AT THE END OF SUCH TWENTY (20) YEAR PERIOD, ANY OIL, GAS OR OTHER HYDROCARBON SUBSTANCES ARE BEING PRODUCED IN COMMERCIAL QUANTITIES FROM SAID REAL PROPERTY, THIS RESERVATION SHALL CONTINUE AFTER THE END OF SUCH TWENTY (20) YEAR PERIOD FOR AS LONG AS COMMERCIAL QUANTITIES OF OIL, GAS OR OTHER HYDROCARBON SUBSTANCES SHALL BE PRODUCED FROM SAID REAL PROPERTY. THE GRANTOR DOES NOT RETAIN, BY VIRTUE OF THIS RESERVATION, ANY RIGHT TO ENTER IN, ON OR UNDER SAID REAL PROPERTY ABOVE A DEPTH OF FIVE HUNDRED (500) FEET BELOW THE SURFACE OF SAID REAL PROPERTY”.

**PARCEL 2:**

AN EASEMENT FOR ROAD PURPOSES OVER THAT PORTION OF LOT 5, RANCHO CALLEGUAS, IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11 PAGE 32 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING A STRIP OF LAND 29 FEET WIDE LYING NORTHWESTERLY OF AND ADJOINING THE FOLLOWING DESCRIBED LINE:

COMMENCING IN THE NORTH LINE OF THE LAND DESCRIBED AS PARCEL 1 IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 1555 PAGE 114 OF OFFICIAL RECORDS, DISTANT SOUTH 89° 55' 38" WEST 685.31 FEET FROM THE

INTERSECTION OF SAID NORTH LINE WITH THE WESTERLY LINE OF THE LAND DESCRIBED AS PARCEL 5 IN DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 1136 PAGE 320 OF OFFICIAL RECORDS, NORTH 1° 38' 02" WEST 2183.87 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 382 FEET; THENCE, NORTHERLY ALONG SAID CURVE THROUGH AN ANGLE OF 19° 40' 17", AN ARC DISTANCE OF 131.15 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 5; THENCE ALONG SAID NORTHWESTERLY LINE, SOUTH 40° 40' WEST 1009.35 FEET TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO VENTURA WALNUT GROWERS ASSOCIATION, RECORDED IN BOOK 493 PAGE 247 OF OFFICIAL RECORDS; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LAND, SOUTH 49° 20' EAST 160 FEET TO A LINE WHICH IS PARALLEL WITH AND DISTANT SOUTHEASTERLY 160 FEET MEASURED AT RIGHT ANGLES FROM SAID NORTHWESTERLY LINE OF LOT 5, THE TRUE POINT OF BEGINNING; THENCE,

1ST: SOUTHWESTERLY 968.26 FEET, MORE OR LESS TO THE INTERSECTION WITH THE SOUTHEASTERLY PROLONGATION OF A LINE WHICH BEARS NORTH 56° 59' 30" WEST AND PASSES THROUGH THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE NORTHWESTERLY LINE OF SAID LOT 5, AS SAID LOT IS SHOWN ON SAID MAP, BEARING A DISTANCE OF “NORTH 33° 00' 30" EAST 927.76 FEET”.

**PARCEL 3:**

EASEMENTS FOR ACCESS, MAINTENANCE AND WATER FIRE LINE PURPOSES OVER THOSE PORTIONS OF PARCEL 2 OF PARCEL MAP L.D. 346, AS PER MAP FILED IN BOOK 56 PAGES 32 THROUGH 35, INCLUSIVE, OF PARCEL MAPS, WHICH ARE SHOWN ON SAID MAP AS

(A) PROPOSED 10' WIDE EASEMENT FOR WATER FIRE PURPOSES FOR THE BENEFIT OF PARCEL 1.

(B) PROPOSED 26.00' WIDE EASEMENT FOR RECIPROCAL ACCESS AND MAINTENANCE PURPOSES FOR THE BENEFIT OF PARCELS 1 & 2.

EXCEPT THAT PORTION OF THE PROPOSED 26.00 FOOT WIDE ACCESS EASEMENT AS DESCRIBED IN EXHIBIT C-1 OF DOCUMENT RECORDED APRIL 1, 1999, AS DOCUMENT NO. 99-64117 OF OFFICIAL RECORDS.

**PARCEL 4:**

A NON-EXCLUSIVE EASEMENT FOR VEHICULAR AND PEDESTRIAN ACCESS AND FOR MAINTENANCE PURPOSES OVER THAT PORTION OF PARCELS 1 AND 2 OF PARCEL MAP L.D. 346, IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 56, PAGE 32 THROUGH 35 OF PARCEL MAPS, RECORDS OF SAID VENTURA COUNTY, BEING A CONTINUOUS STRIP OF LAND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID PARCEL 1:

THENCE SOUTH 87° 56' 38" WEST ALONG THE NORTHERLY LINE OF SAID PARCEL 1, A DISTANCE OF 17.00 FEET, TO A LINE THAT IS PARALLEL WITH AND 17.00 FEET WESTERLY OF THE EASTERLY LINE OF SAID PARCEL 1 AND THE POINT OF BEGINNING OF THE ACCESS EASEMENT TO BE DESCRIBED;

THENCE SOUTH 01° 45' 40" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 801.69 FEET, TO A LINE PARALLEL WITH AND 13.00 FEET NORTHWESTERLY OF THE SOUTHEASTERLY LINE OF SAID PARCEL 1;

THENCE SOUTH 36° 39' 02" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 748.48 FEET, TO THE SOUTHERLY LINE OF SAID PARCEL 1 ALSO BEING THE NORTHERLY LINE OF MISSION OAKS BOULEVARD AS SHOWN ON SAID PARCEL MAP;

THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE ALONG A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 223.00 FEET, THROUGH AN ANGLE OF 05° 38' 29", AN ARC LENGTH OF 21.83 FEET, TO THE SOUTHEAST CORNER OF SAID PARCEL 1, ALSO BEING THE SOUTHWEST CORNER OF SAID PARCEL 2, (THE INITIAL RADIAL LINE BEARS SOUTH 19° 26' 00" WEST);

THENCE CONTINUING SOUTHEASTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL 2 ALONG A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 223.00 FEET, THROUGH AN ANGLE OF 02° 24' 14" AN ARC LENGTH OF 9.36 FEET, TO A POINT OF COMPOUND CURVATURE (THE INITIAL RADIAL LINE BEARS SOUTH 13° 49' 31" WEST);

THENCE CONTINUING SOUTHEASTERLY ALONG SAID SOUTHERLY LINE OF PARCEL 2 ALONG A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1973.00 FEET, THROUGH AN ANGLE OF 00° 23' 04", AN ARC LENGTH OF 13.24 FEET, TO A LINE PARALLEL WITH AND 20.50 FEET SOUTHEASTERLY OF SAID SOUTHEASTERLY LINE OF PARCEL 1, ALSO BEING THE WESTERLY LINE OF SAID PARCEL 2, (THE INITIAL RADIAL LINE BEARS SOUTH 11° 25' 17" WEST);

THENCE NORTH 36° 39' 02" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 252.83 FEET; THENCE NORTH 25° 57' 47" EAST A DISTANCE OF 80.89 FEET, TO A LINE PARALLEL WITH AND 13.00 FEET SOUTHEASTERLY OF SAID SOUTHEASTERLY LINE OF PARCEL 1; THENCE NORTH 36° 39' 02" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 414.70 FEET;

THENCE NORTH 01° 45' 40" WEST CONTINUING ALONG SAID PARALLEL LINE AND THE NORTHERLY PROLONGATION THEREOF, A DISTANCE OF 820.88 FEET;

THENCE NORTH 46° 45' 40" WEST A DISTANCE OF 27.10 FEET, (HEREINAFTER REFERRED TO AS COURSE “A”);

THENCE NORTH 02° 02' 47" WEST A DISTANCE OF 372.69 FEET, (HEREINAFTER REFERRED TO AS COURSE “B”);

THENCE NORTH 40° 14' 27" EAST A DISTANCE OF 333.96 FEET, (HEREINAFTER REFERRED TO AS COURSE “C”);

THENCE NORTH 87° 57' 13" EAST A DISTANCE OF 69.04 FEET, (HEREINAFTER REFERRED TO AS COURSE “D”) TO THE EASTERLY LINE OF SAID PARCEL 2;

THENCE NORTH 02° 02' 47" WEST ALONG SAID EASTERLY LINE OF PARCEL 2, A DISTANCE OF 26.00 FEET TO A LINE PARALLEL WITH AND 26.00 FEET NORTHERLY OF THE AFOREMENTIONED COURSE “D”;

THENCE ALONG SAID PARALLEL LINE SOUTH 87° 57' 13" WEST A DISTANCE OF 80.54 FEET, TO A LINE PARALLEL WITH AND 26.00 FEET NORTHWESTERLY OF THE AFOREMENTIONED COURSE “C”;

THENCE ALONG SAID PARALLEL LINE SOUTH 40° 14' 27" WEST A DISTANCE OF 355.52 FEET TO A LINE PARALLEL WITH AND 26.00 FEET WESTERLY OF THE AFOREMENTIONED COURSE “B” THENCE ALONG SAID PARALLEL LINE SOUTH 02° 04' 47" EAST A DISTANCE OF 399.12 FEET TO A LINE PARALLEL WITH AND 30.00 SOUTHWESTERLY OF THE AFOREMENTIONED COURSE “A”;

THENCE ALONG SAID PARALLEL LINE SOUTH 46° 45' 40" EAST A DISTANCE OF 21.32 FEET TO A LINE PARALLEL WITH AND 17.00 WESTERLY OF THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID PARCEL 1;

THENCE ALONG SAID PARALLEL LINE SOUTH 01° 45' 40" EAST A DISTANCE OF 2.75 FEET TO THE POINT OF BEGINNING.

EXCEPT ANY PORTION LYING WITHIN PARCEL 1.

**PARCEL 5:**

EASEMENT AREA UNOBSTRUCTED FROM THE GROUND TO THE SKY, EXCEPT FOR PAVING FOR ACCESS AND PARKING, CURBING, LANDSCAPING, LIGHTING FIXTURES, UTILITY POLES AND OTHER USES AND IMPROVEMENTS THAT DO NOT VIOLATE APPLICABLE BUILDING, ZONING AND OTHER LAWS AS ADOPTED BY THE CITY OF CAMARILLO, OVER THAT PORTION OF PARCEL 2 OF PARCEL MAP L.D. 346, IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 56 OF PARCEL MAPS, PAGE 32 THROUGH 35 THEREOF, RECORDS OF SAID VENTURA COUNTY, BEING A STRIP OF LAND 20.00 FEET WIDE, THE WESTERLY LINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF PARCEL 1 OF SAID PARCEL MAP L.D. 346 ALSO BEING AN ANGLE POINT IN THE WESTERLY LINE OF SAID PARCEL 2, BEING SOUTH 01° 45' 40" WEST A DISTANCE OF 801.26 FEET FROM THE NORTHEAST CORNER OF SAID PARCEL 1;

THENCE NORTH 01° 45' 40" WEST ALONG THE EASTERLY LINE OF SAID PARCEL 1 AND ALONG SAID WESTERLY LINE OF PARCEL 2, A DISTANCE OF 801.26 FEET TO THE NORTHEAST CORNER OF SAID PARCEL 1, ALSO BEING AN ANGLE POINT IN THE WESTERLY LINE OF SAID PARCEL 2, AND THE TERMINUS OF SAID STRIP DESCRIPTION.

**PARCEL 6:**

THAT PORTION OF LOT 5 OF RANCHO CALLEGUAS, AS SHOWN ON THE MAP RECORDED IN BOOK 11, PAGE 32 OF MISCELLANEOUS RECORDS (MAPS), BEING THOSE PORTIONS OF MISSION OAKS BOULEVARD, IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS DEDICATED BY THE DEEDS RECORDED MAY 28, 1953 IN BOOK 1136, AT PAGE 320, AND OCTOBER 7, 1957 IN BOOK 1555, AT PAGE 114, AND THE DEED RECORDED DECEMBER 20, 1996 AS DOCUMENT NO. 96-174182, ALL OF OFFICIAL RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE NORTHERLY LINE OF PARCEL 1 OF SAID DEED RECORDED IN BOOK 1555, AT PAGE 114 OF OFFICIAL RECORDS, SAID POINT BEING THE EASTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED IN SAID DEED AS “S. 72° 22' 45" E., 203.41 FEET”, THENCE ALONG SAID NORTHERLY LINE NORTH 71° 57' 02" WEST, 203.41 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING ALONG SAID NORTHERLY LINE,

1ST NORTH 24° 36' 26" WEST, 17.94 FEET; THENCE,

2ND NORTH 56° 28' 55" WEST, 13.66 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 45.00 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 79° 08' 39" EAST; THENCE,

3RD SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21° 45' 35", AN ARC DISTANCE OF 17.09 FEET; THENCE,

4TH SOUTH 10° 54' 14" EAST, 91.98 FEET; THENCE,

5TH SOUTH 62° 04' 04" EAST, 23.81 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 490.00 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 5° 20' 04" EAST; THENCE,

6TH EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 42° 12' 02", AN ARC DISTANCE OF 360.90 FEET; THENCE,

7TH SOUTH 53° 08' 02" EAST, 5.76 FEET TO A POINT OF INTERSECTION WITH THE CURVED NORTHERLY LINE OF SAID DOCUMENT NO. 96-174182 OF OFFICIAL RECORDS, SAID CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 406.00 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 54° 43' 56" WEST; THENCE,

8TH NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10° 51' 14", AN ARC DISTANCE OF 76.91 FEET; THENCE, ALONG THE NORTHWESTERLY LINE OF SAID DOCUMENT NO. 96-174182,

9TH SOUTH 47° 36' 18" WEST 3.76 FEET TO A POINT ON THE NORTHERLY LINE OF PARCEL 1 OF SAID DEED RECORDED IN BOOK 1555, AT PAGE 114 OF OFFICIAL RECORDS, SAID NORTHERLY LINE BEING A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 277.00 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 47° 12' 52" WEST; THENCE,

10TH THENCE, NORTHWESTERLY ALONG SAID CURVED NORTHERLY LINE THROUGH A CENTRAL ANGLE OF 29° 09' 54", AN ARC DISTANCE OF 141.00 FEET; THENCE,

11TH NORTH 71° 57' 02" WEST, 203.41 FEET TO THE TRUE POINT OF BEGINNING.

ASSESSOR PARCEL NO.: 162-0-060-145

**EXHIBIT B**

Capital Improvement Budget

| Item | Amount ($) | % |
|---|---|---|
| Site Work | $170,500 | 46% |
| Demolition | $ 9,500 | 3% |
| Grading | $ 29,630 | 8% |
| Concrete | $ 25,200 | 7% |
| Masonry | $ 50,400 | 13% |
| Painting | $ 4,536 | 1% |
| **Total Sitework** | **$289,766** | **78%** |
| GC Fee and General Conditions | $ 32,386 | 9% |
| Soft Costs | $ 19,943 | 5% |
| Contingency | $ 20,526 | 5% |
| CM Fee | $ 10,879 | 3% |
| **Grand Total** | **$373,499** | **100%** |

**Exhibit 10.18**

**J.P. Morgan**

TERM LOAN AGREEMENT

DATED AS OF JUNE 28, 2012

BY AND BETWEEN

3175 MISSION OAKS BLVD LLC,

AS BORROWER,

AND

JPMORGAN CHASE BANK, N.A.

AS LENDER

**CHASE REAL ESTATE BANKING**

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EXHIBITS

Exhibit A — Legal Description of Property
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TERM LOAN AGREEMENT

THIS TERM LOAN AGREEMENT (this ***"Agreement"***) dated as of this 28th day of June, 2012, is by and between 3175 MISSION OAKS BLVD LLC, a Delaware limited liability company (***"Borrower"***), and JPMORGAN CHASE BANK, N.A. a national banking association (***"Lender"***).

RECITALS

WHEREAS, Borrower is acquiring all that certain real property located in the County of Ventura and State of California more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the***"Property")***; and

WHEREAS, Borrower has requested, and Lender has agreed to provide financing to Borrower to pay a portion of the purchase price of the Property, all on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINED TERMS

1.01 Definitions.

The following terms shall have the following meanings:

***"3001 Mission Oaks"*** means 3001 MISSION OAKS BLVD LLC, a Delaware limited liability company.

***"3001 Mission Oaks Loan"*** means the loan made by Lender to 3001 Mission Oaks in the maximum principal amount of $13,405,000 pursuant to the 3001 Mission Oaks Loan Documents.

***"3001 Mission Oaks Loan Agreement"*** means that certain Term Loan Agreement of even date herewith between Lender and 3001 Mission Oaks, as amended, restated or otherwise modified from time to time.

***"3001 Mission Oaks Loan Documents"*** means the documents and agreements defined and described as "Loan Documents" in the 3001 Mission Oaks Loan Agreement, all as amended, restated or otherwise modified from time to time.

***"3233 Mission Oaks"*** means 3233 MISSION OAKS BLVD LLC, a Delaware limited liability company.

***"3233 Mission Oaks Loan"*** means the loan made by Lender to 3233 Mission Oaks in the maximum principal amount of $7,467,879 pursuant to the 3233 Mission Oaks Loan Documents.

***"3233 Mission Oaks Loan Agreement"*** means that certain Term Loan Agreement of even date herewith between Lender and 3233 Mission Oaks, as amended, restated or otherwise modified from time to time.

***"3233 Mission Oaks Loan Documents"*** means the documents and agreements defined and described as "Loan Documents" in the 3233 Mission Oaks Loan Agreement, all as amended, restated or otherwise modified from time to time.

***"Adjusted LIBO Rate"*** means, with respect to any Eurodollar Borrowing for the relevant Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period, multiplied by (b) the Statutory Reserve Rate.

***"Adjusted One Month LIBOR Rate"*** means, for any day, an interest rate per annum equal to the sum of (i) 2.50% plus (ii) the Adjusted LIBO Rate for a one month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding).

***"Affiliate"*** means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is controlled by or is under common Control with the Person specified.

***"Affiliate Borrower"*** means each of 3001 Mission Oaks and 3233 Mission Oaks.

***"Agreement"*** means this Agreement, as amended or modified.

***"Appraisal"*** means, with respect to the Property and/or any Other Property, as the case may be, a written statement setting forth an opinion of the market value of the Property and/or such Other Property, as the case may be, that (a) has been independently and impartially prepared by a qualified appraiser directly engaged by Lender, (b) complies with all applicable federal and state laws and regulations dealing with appraisals or valuations of real property, and (c)has been reviewed as to form and content and approved by Lender, in its reasonable discretion.

***"Appraised Value"*** means, with respect to the Property and/or any Other Property, as the case may be, the "as is" value of the Property and/or any Other Property, as the case may be, as determined by the Lender based upon its review of the most current Appraisal of the Property and/or such Other Property, as the case may be.

***"Approved Fund"*** means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages Lender.

***"Approved Manager"*** means (a) Borrower, (b) Rexford Industrial Realty & Management, Inc., a California corporation, (c) any Person that Controls, is Controlled by or under common Control with, any Guarantor, or (d) any other reputable and creditworthy property manager, subject to the prior approval of Lender, not to be unreasonably withheld, with at least five (5) years' experience and a portfolio of properties comparable to the Property under active management.

***"Board"*** means the Board of Governors of the Federal Reserve System of the United States of America.

***"Borrower"*** has the meaning set forth in the preamble.

***"Borrower Financing Statement"*** means the financing statement for filing with the Secretary of State of the State of Delaware covering the personal property in which Borrower has granted a security interest to Lender, in the Loan Documents.

***"Borrowing"*** means a portion or portions of the Loan of the same Type, converted or continued on the same date and, in the case of Eurodollar Borrowings, as to which a single Interest Period is in effect.

***"Borrowing Date"*** means a date on which a Borrowing is made hereunder.

***"Business Day"*** means any day that is not a Saturday, Sunday or other day on which commercial banks in Los Angeles, California are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Borrowing, the term ***"Business Day"*** shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

***"Capital Lease Obligations"*** of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

***"Capital Improvement Budget"*** means the breakdown of costs and expenses attached hereto as Exhibit B, as the same may be revised from time to time with the prior written approval of Lender (which consent shall not be unreasonably withheld, conditioned or delayed); provided, however, that (a) Lender's approval shall not be required with respect to reallocations of actual demonstrated cost savings from one line item to another within such breakdown of costs and expenses, and (b) without limitation of Lender's approval rights set forth in Section 4.14(b) below with respect to any revised breakdown delivered to Lender in connection with any required deposit of funds in the Capital Improvements Reserve Account, Lender's approval shall not be required with respect to revisions to the working breakdown of costs and expenses then most recently approved by Lender which do not involve (i) a change of more than Fifty Thousand Dollars ($50,000) in any one line item, or (ii) together with all prior revisions, if any, to the breakdown of costs and expenses then most recently approved by Lender, changes of more than Two Hundred Thousand Dollars ($200,000) in the aggregate for all line items.

***"Capital Improvement Work"*** means all capital improvements to the Property and related work described in the Plans and Specifications.

***"CB Floating Rate"*** means the Prime Rate; provided that the CB Floating Rate shall never be less than the Adjusted One Month LIBOR Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day). Any change in the CB Floating Rate due to a change in the Prime Rate or the Adjusted One Month LIBOR Rate shall be effective from and including the effective date of such change in the Prime Rate or the Adjusted One Month LIBOR Rate, respectively.

***"CBFR"***, when used in reference to any Borrowing, refers to whether such Borrowing, is bearing interest at a rate determined by reference to the CB Floating Rate.

***"Change in Law"*** means the occurrence after the date of this Agreement of: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of Section 3.07(b), by any lending office of Lender or by Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a ***"Change in Law,"*** regardless of the date enacted, adopted, issued or implemented.

***"Charges"*** has the meaning set forth in Section 9.12 hereof.

***"Code"*** means the Internal Revenue Code of 1986, as amended from time to time.

***"Combined Annual Debt Service"*** means, as of any date of determination, annual debt service on a loan with a principal amount equal to the Combined Loan Amount on such date of determination, assuming (a) a fixed rate of interest per annum equal to the greatest of (i) the then applicable 10-year Treasury Rate plus 2.50%, (ii) six and one-half of one percent (6.50%) per annum, or (iii) the then applicable Designated Current Rate, and (b) amortization of such loan in equal annual payments of principal and interest over a period of thirty (30) years.

***"Combined Debt Service Coverage Ratio"*** means, as of any determination date, the ratio of (a) annualized Combined NOI (based on the results of operations of the Property and each Other Property for the preceding three months), to (b) Combined Annual Debt Service.

***"Combined Debt Yield Ratio"*** means, on any date of determination, the ratio, expressed as a percentage, of (a) annualized Combined NOI (based on the results of operations of the Property and each Other Property for the preceding three months), to (b) the Combined Loan Amount then in effect.

***"Combined Loan Amount"*** means, on any date of determination, an amount equal to the sum of (a) the Loan Amount in effect on such date of determination, (b) the Loan Amount (as such term is defined and used in the 3001 Loan Agreement) in effect on such date of determination, and (c) the Loan Amount (as such term is defined and used in the 3233 Loan Agreement) in effect on such date of determination.

***"Combined Loan-to-Value Ratio"*** means, on any date of determination, the ratio, expressed as a percentage, of (a) the Combined Loan Amount in effect on such date of determination, to (b) the aggregate Appraised Value of the Property and each Other Property.

***"Combined NOI"*** means, for any period of determination, (i) the aggregate income, revenues, reimbursements and receipts of any kind whatsoever generated from Qualified Leases during such period, less, without duplication, (ii) the aggregate expenses incurred during such period in connection with the operation of the Property and each Other Property, but expressly excluding capital expenses, other non-recurring extraordinary expenses, depreciation and amortization, income taxes, debt service on the Loan, debt service on each Other Loan, amounts funded into reserves and escrows maintained with Lender pursuant to the Loan Documents or the Other Loan Documents, as applicable, any and all expenses (including, without limitation, legal, accounting and other professional fees, expenses and disbursements) incurred in connection with the making or administration of the Loan and any Other Loan or the sale, exchange, transfer, financing or refinancing of the Property and any Other Property or in connection with the recovery of insurance proceeds or condemnation awards relating to the Property or any Other Property. Any item of expense relating to the operation of the Property which is paid in cash and, in accordance with an accrual basis of accounting, is capitalized and expensed over a period which exceeds one (1) year shall be treated as an operating expense for the purposes of the foregoing calculation incurred ratably over the period of calculation.

***"Complete," "Completed"*** or ***"Completion"*** means, with respect to the Capital Improvement Work, that (a) all such Capital Improvement Work has been completed (including all punch-list items) in accordance with the Plans and Specifications and all applicable Legal Requirements, including, to the extent required under applicable Legal Requirements, receipt of a certificate of occupancy and/or a final sign off, (b) Lender shall have received a satisfactory final affidavit from the general contractor engaged in connection with the Capital Improvement Work and full and complete releases of lien from such general contractor and each subcontractor of and supplier to such general contractor with respect to work performed and/on materials supplied in the performance of the Capital Improvement Work, and (c) a valid notice of completion has been recorded with respect to the Capital Improvement Work.

***"Completion Guaranty"*** means the Completion Guaranty of even date herewith executed by Guarantor in favor of Lender in connection with the Capital Improvement Work and the Loan, as amended from time to time.

***"Control"*** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. ***"Controlling"*** and ***"Controlled"*** have meanings correlative thereto.

***"Debtor Relief Laws"*** means any applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, fraudulent conveyance, reorganization, or similar laws affecting the rights, remedies or recourse of creditors generally, including without limitation, the United States Bankruptcy Code and all amendments thereto, as are in effect from time to time during the term of the Loan.

***"Deckers 3001 Mission Oaks Lease"*** means that certain Standard Industrial/Commercial Multi-Tenant Lease-Net dated September 15, 2004, by and between 3001 Mission Oaks (as successor-in-interest to Mission Oaks Associates, LLC), as landlord, and Deckers Outdoor Corporation, a Delaware corporation, as tenant, as amended, modified and supplemented by (a) that certain First Amendment to Lease dated December 1, 2004, (b) that certain Second Amendment to Lease dated May 31, 2005, (c) that certain Third Amendment to Lease dated October 31, 2005, (d) that certain Fourth Amendment to Lease dated December 9, 2005, (e) that certain Fifth Amendment to Lease dated June 19, 2007, (f) that certain Sixth Amendment to Lease dated October 31, 2007, and (g) that certain Seventh Amendment to Lease dated September 1, 2011, as the same may be further amended, modified and supplemented from time to time in accordance with the 3001 Loan Documents.

***"Deckers Lease"*** means that certain Standard Industrial/Commercial Multi-Tenant Lease-Net dated October 31, 2007 by and between Borrower (as successor-in-interest to 450 N. Baldwin Park Associates, LLC), as landlord, and Deckers Outdoor Corporation, a Delaware corporation, as tenant, as amended, modified, and supplemented by (a) that certain First Amendment to Lease dated August 9, 2010, (b) that certain Second Amendment to Lease dated July 26, 2011. (c) that certain Third Amendment to Lease dated August 31, 2011, (d) that certain Fourth Amendment to Lease dated September 1, 2011 and (e) that certain Fifth Amendment to Standard Industrial/Commercial Multi-Tenant Lease-Net dated October 31, 2007, which Fifth Amendment is dated as of June 1, 2012, as the same may be further amended, modified and supplemented from time to time in accordance with the Loan Documents.

***"Deed of Trust"*** means the Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (3175 Mission Oaks) of even date herewith executed by Borrower to JPMorgan Chase Bank, N.A., Trustee, for the benefit of Lender, covering the Property or any portion thereof, as amended from time to time.

***"Default"*** has the meaning assigned to it in Section 7.01 hereof.

***"De Minimis Amounts"*** shall mean any Hazardous Substance either (a) being transported on or from the Property or being stored for use by Borrower or its tenant on the Property within a year from original arrival on the Property in connection with Borrower's current operations, .or (b) being currently used by Borrower or its tenant on the Property, in either case in such quantities and in a manner that both (i) does not constitute a violation or threatened violation of any Environmental Law or require any reporting or disclosure under any Environmental Law, and (ii) is consistent with customary business practice for such operations in the state where such Property is located.

***"Designated Current Rate"*** means, on any date of determination, (a) if all borrowings under the Loan and each Other Loan are accruing interest based on the Fixed Rate (as such term is defined herein, or, as it relates to each Other Loan, as the term "Fixed Rate" is defined in the Other Loan Agreement applicable to such Other Loan), the Adjusted LIBO Rate for a one-month interest period, plus 2.50% per annum, or (b) if any borrowing under the Loan or any Other Loan is accruing interest based on the Floating Rate (as such term is defined herein, or, as it relates to each Other Loan, as the term "Floating Rate" is defined in the Other Loan Agreement applicable to such Other Loan), the higher of (i) the Adjusted LIBO Rate for a one-month interest period, plus 2.50% per annum, or (ii) the Floating Rate.

***"Designated Lease"*** means, on any date of determination, a lease of space within the Property or any Other Property, (a) which (1) has been approved or deemed approved by Lender in accordance with this Agreement or the applicable Other Loan Documents, as the case may be, or (2) is a proposed new lease (or proposed amendment to a lease described under clause (a)(l) above) assumed to have taken effect pursuant to Section 4.02(c) below for the sole purpose of calculating whether the Property and the Other Property will, after giving effect to such proposed lease or amendment, satisfy the then required minimum Pro Forma Debt Yield Ratio and minimum Pro Forma Minimum Debt Service Coverage Ratio, (b) which has a remaining term of not less than three (3) months (and is not month-to-month), (c) under which the tenant has taken occupancy and commenced paying rent, or, in the case of a proposed new lease described under clause (a)(2) above, the tenant will take occupancy and commence paying rent within the immediately following three (3) month period, and (d) under which no Tenant Monetary Default has occurred and is continuing.

***"Disclosure"*** has the meaning set forth in Section 2.03 hereof.

***"dollars"*** or ***"$"*** refers to lawful money of the United States of America.

***"Dune Guarantor"*** means, individually and collectively, (a) Dune Real Estate Fund II LP, a Delaware limited partnership, (b) Dune Real Estate Parallel Fund II LP, a Delaware limited partnership, (c) DREF II NA Fund LP, a Delaware limited partnership, and (d) DREF II International Fund LP, a Delaware limited partnership.

***"Employee Benefit Plan"*** means an employee benefit plan as defined in Section 3(3) of ERISA, maintained, sponsored by or contributed to by Borrower or any ERISA Affiliate.

***"Environmental Indemnity Agreement"*** means that certain Environmental Indemnity Agreement of even date herewith executed by Borrower and Guarantor in favor of Lender, as amended from time to time.

***"Environmental Laws"*** means any federal, state or local law, whether common law, statute, ordinance, rule, regulation, or judicial or administrative decision or policy or guideline, pertaining to Hazardous Substances, health, industrial hygiene, environmental conditions, or the regulation or protection of the environment, and all amendments thereto as of this date and to be added in the future and any successor statute or rule or regulation promulgated thereto, including, without limitation, "CERCLA", "RCRA", or state superlien or environmental clean-up statutes.

***"Environmental Reports"*** means that certain Phase I Environmental Site Assessment of the Property and the Other Property, prepared by ADR Environmental Group, Inc., dated as of May 11, 2012.

***"ERISA"*** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute.

***"ERISA Affiliate"*** means Borrower or any corporation, trade or business that along with Borrower is treated as a single employer under Sections 414(b), 414(c), 414(m) or 414(o) of the Code.

***"Estimated Completion Date"*** means the date that is fifteen (15) months after the date hereof.

***"Eurodollar,"*** when used in reference to any Borrowing, refers to whether such Borrowing is bearing interest at the Fixed Rate determined by reference to the Adjusted LIBO Rate.

***"Excess Cash Flow"*** means, with respect to each period of determination, an amount equal to (a) all income, revenues, reimbursements and receipts of any kind whatsoever actually collected during such period from the Property, less (b) the expenses incurred during such period in connection with the operation of the Property, less (c) the interest and principal actually paid by Borrower to Lender with respect to the Loan during such period, less (d) all amounts funded by Borrower into reserves and escrows maintained with Lender pursuant to the Loan Documents during such period, all as compiled by Borrower and approved by Lender in its reasonable discretion.

***"Excluded Taxes"*** means, with respect to Lender or any other recipient of any payment to be made by or on account of any obligation of Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of Lender, in which its applicable lending office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which Borrower is located.

***"Federal Funds Effective Rate"*** means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/16 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/16 of 1%) of the quotations for such day for such transactions received by Lender from three Federal funds brokers of recognized standing selected by it.

***"Final Completion Date"*** means the date that is eighteen (18) months after the date hereof.

***"First Extended Maturity Date"*** has the meaning set forth in Section 3.12(a) hereof.

***"Fixed Rate"*** means, with respect to a Eurodollar Borrowing for the relevant Interest Period, the sum of the applicable Adjusted LIBO Rate plus 2.50% per annum.

***"Floating Rate"*** means, for any day, the sum of the CB Floating Rate plus 0.50% per annum.

***"GAAP"*** means generally accepted accounting principles in the United States of America.

***"Governmental Authority"*** means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

***"Guarantee"*** of or by any Person (the ***"guarantor"***) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the ***"primary obligor"***) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

***"Guarantor"*** means, individually and collectively, each Rexford Guarantor and each Dune Guarantor.

***"Guaranty"*** means the Guaranty of even date herewith executed by Guarantor in favor of Lender in connection with the Loan, as amended from time to time.

***"Hazardous Substances"*** means and includes all of the following: (a) any substance, material, or waste that is included within the definitions of "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," "toxic materials," "toxic waste," or words of similar import in any Environmental Law, (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto), and (c) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive,

freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical, urea formaldehyde insulation, radioactive materials, biological substances and any other kind and/or type of pollutants or contaminates, sewage sludge, solvents and/or industrial slag; provided, however, that, as used herein, ***"Hazardous Substances"*** shall not include (a) materials customarily used in the construction and demolition of buildings, or (b) cleaning materials and office products customarily used in the operation of properties such as the Property, to the extent such materials described in the preceding clauses (a) and (b) are stored, handled, used and disposed of in compliance with all Environmental Laws.

***"Improvements"*** means all improvements now or hereafter located on the Property, including, without limitation, an approximately 423,106 square foot industrial building and all other related improvements.

***"Indebtedness"*** of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, and (k) all Swap Obligations. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

***"Indemnified Taxes"*** means Taxes other than Excluded Taxes.

***"Indemnitee"*** has the meaning set forth in Section 9.03(b) hereof.

***"Initial Maturity Date"*** means June 28, 2015.

***"Inspecting Professional"*** means a construction consultant engaged or to be engaged by Lender, or any successor thereto selected by Lender.

***"Interest Election Request"*** means a request by Borrower to convert or continue a Borrowing in accordance with Section 3.01 hereof.

***"Interest Payment Date"*** means the fifth (5th) day of each month.

***"Interest Period"*** means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three, or six months thereafter, as the Borrower may elect, provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

***"Lease"*** means any lease or other agreement for the use and occupancy of all or any portion of the Improvements, whether now in existence or hereafter arising.

***"Legal Requirements"*** means any and all judicial decisions, statutes, rulings, directions, rules, regulations, permits, certificates or ordinances of any Governmental Authority in any way applicable to Borrower, the Property or the Improvements, including, without limitation, the ownership, division, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof.

***"Lender"*** has the meaning set forth in the preamble.

***"Lessee"*** means a tenant under a Lease.

***"LIBO Rate"*** means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters Screen LIBOR 01 Page (or on any successor or substitute page thereof, or any successor to or substitute for such page, providing rate quotations comparable to those currently provided on such page, as determined by Lender from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the ***"LIBO Rate"*** with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000.00 and for a maturity comparable to such Interest Period are offered by the principal London office of Lender in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

***"Lien"*** means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

***"Loan"*** means, the loan made by Lender pursuant to this Agreement.

***"Loan Amount"*** means, on any date of determination, the then outstanding principal balance of the Loan.

***"Loan Documents"*** means this Agreement, the Note, the Deed of Trust, the Guaranty, the Environmental Indemnity Agreement, and any and all other documents now or hereafter executed by Borrower, Guarantor or any other guarantor of the Obligations or any portion thereof evidencing, guarantying, securing or otherwise pertaining to the Obligations; provided, however, that none of (a) any Swap Agreements between Borrower and Lender or Affiliate of Lender, (b) the Secured Guaranty, (c) the Secured Guaranty Deed of Trust, or any Other Loan Documents shall constitute Loan Documents under this Agreement.

***"Loan Fee"*** is the fee of $103,135.60 due and payable upon the initial disbursement of the Loan.

***"Maturity Date"*** means the Initial Maturity Date as such date may be extended pursuant to Section 3.12 hereof.

***"Maximum Rate"*** has the meaning set forth in Section 9.12 hereof.

***"Net Casualty Proceeds"*** shall have the meaning set forth in Section 6.01 hereof.

***"Net Condemnation Proceeds"*** shall have the meaning set forth in Section 6.02 hereof.

***"Note"*** means the Promissory Note executed by Borrower in favor of Lender, as amended from time to time.

***"Obligations"*** means (i) all unpaid principal of and accrued and unpaid interest on the Loan, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other indebtedness, liabilities or obligations of Borrower to Lender, or any indemnified party arising under the Loan Documents and (ii) all Swap Obligations under Swap Agreements, if any, with Lender or its Affiliates; provided, however, that Borrower's obligations under the Secured Guaranty and the Secured Guaranty Deed of Trust are expressly excluded from, and shall not be deemed to constitute any part of, the Obligations.

***"Other Loan"*** means each of the 3001 Mission Oaks Loan and the 3233 Mission Oaks Loan.

***"Other Loan Agreement"*** means each of the 3001 Mission Oaks Loan Agreement and the 3233 Mission Oaks Loan Agreement.

***"Other Loan Documents"*** means the 3001 Mission Oaks Loan Documents and the 3233 Mission Oaks Loan Documents, or any of them.

***"Other Property"*** means, on any date of determination, the real property and improvements owned by an Affiliate Borrower which, as of such date of determination, are subject to a first priority lien in favor of Lender (a) in the case of real property and improvements owned by 3001 Mission Oaks, securing all of 3001 Mission Oaks' obligations under the 3001 Mission Oaks Loan, and (b) in the case of real property and improvements owned by 3233 Mission Oaks, securing all of 3233 Mission Oaks' obligations under the 3233 Mission Oaks Loan.

***"Other Taxes"*** means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies imposed by any Governmental Authority arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement; provided, however, ***"Other Taxes"*** expressly excludes Excluded Taxes.

***"Participant"*** has the meaning set forth in Section 9.04(c) hereof.

***"Permits"*** means all permits, licenses, certificates and approvals now or hereafter issued to Borrower for the operation of the Property.

***"Permitted Encumbrances"*** means (a) Liens and security interests granted pursuant to the Loan Documents, (b) the items set forth on Schedule B of the Title Policy, (c) customary easements entered into by Borrower in connection with the development and operation of the Property which Lender has determined would have no material adverse effect on the use or value of the Property, (d) documents required to be recorded by applicable law which have no material adverse effect on the use or value of the Property, (e) Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, (f) subordination, non-disturbance and attornment agreements executed by Lender with respect to Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, (g) memoranda of Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, (h) subject to the requirements of Section 4.15, any Liens or encumbrances relating to the Told Dispute, (i) Liens arising from claims of Persons supplying labor or materials to the Property that are being contested by Borrower pursuant to and in accordance with the Loan Documents, (j) unpaid taxes, assessment and governmental charges that are being contested by Borrower pursuant to and in accordance with the Loan Documents, and (k) matter specifically approved in writing by Lender in each case.

***"Permitted Indebtedness"*** means (a) the Obligations, (b) unsecured letters of credit or guarantees, if any, required by Governmental Authorities in connection with the Capital Improvement Work, (c) trade debt incurred in connection with the Capital Improvement Work, provided that such debt is not evidenced by a note and is paid within thirty (30) days of the date when due (subject to Borrower's right to contest in accordance with Section 4.01(c)), (d) trade debt (other than trade debt described in clause (c) above) incurred in the ordinary course of operation of the Property in such amounts as are normal and reasonable under the circumstances, provided that such debt is not evidenced by a note and is paid within thirty (30) days of the date when due (subject to Borrower's to contest in accordance with Section 4.0 l(c)), and provided in any event that the aggregate outstanding principal balance of such debt under this clause (d) shall not exceed at any one time five percent (5.0%) of the outstanding Obligations, (e) equipment leases entered into in the ordinary course of the operation of the Property, (f) Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, and (g) the Secured Guaranty and the Secured Guaranty Deed of Trust.

***"Person"*** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

***"Physical Conditions Report"*** means that certain Property Condition Report dated as of May 16, 2012 and prepared by Andersen Environmental regarding the physical condition of a Property, which report shall be satisfactory in form and substance to Lender in its sole discretion.

***"Plan Assets"*** means the assets of an employee benefit plan within the meaning of 29 C.F.R. 2510.3-101.

***"Plans and Specifications"*** means the final plans and specifications and working drawings approved by Lender in its reasonable discretion, and to the extent required, all applicable Governmental Authorities, relating to the capital improvements described in the Capital Improvement Budget, as such plans, specifications and working drawings may be modified and supplemented from time to time in accordance with the terms and provisions of this Agreement.

***"Prime Rate"*** means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The Prime Rate is a reference rate and is not necessarily the lowest rate.

***"Pro Forma Debt Service Coverage Ratio"*** means, as of any date of determination, the ratio of (a) Pro Forma NOI, to (b) Combined Annual Debt Service.

***"Pro Forma Debt Yield Ratio"*** means, on any date of determination, the ratio, expressed as a percentage, of (a) Pro Forma NOI, to (b) the Combined Loan Amount then in effect.

***"Pro Forma NOI"*** means, on any date of determination, (i) the aggregate income, revenues, reimbursements and receipts of any kind whatsoever reasonably expected to be generated from Designated Leases within the immediately following twelve (12) months, less, without duplication, (ii) the aggregate appraised "As-Stabilized" expenses allocable to the space covered by such Designated Lease, as set forth in the then current Appraisal of the Property and each Other Property, as reasonably determined by Lender.

***"Prohibited Person"*** shall mean any Person (a) listed in the Annex to, or otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the ***"Executive Order"***); (b) that is owned or Controlled by, or acting for or on behalf of, any Person that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) with whom Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order; (d) who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; (e) that is

named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov.ofac/t11sdn.pdf or at any replacement website or other replacement official publication of such list; or (f) who is an affiliate of or affiliated with a Person listed above.

***"Property"*** has the meaning set forth in the Recitals.

***"Qualified Lease"*** means, on any date of determination, a lease of space within the Property or any Other Property, (a) which has been approved or deemed approved by Lender in accordance with this Agreement or the applicable Other Loan Documents, as the case may be, (b) which has been fully executed and a copy of which has been delivered to Lender, (c) which remains in effect, (d) which has a remaining term of not less than three (3) months (and is not month-to-month), (e) under which the tenant has taken occupancy and commenced paying rent, and (f) under which no Tenant Monetary Default has occurred and is continuing.

***"Related Parties"*** means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

***"Rexford Guarantor"*** means, individually and collectively, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company, and Rexford Industrial Fund V, LP, a Delaware limited partnership.

***"Second Extended Maturity Date"*** has the meaning set forth in Section 3.12(b) hereof.

***"Secured Guaranty"*** means that certain Guaranty of even date herewith executed by Borrower in favor of Lender, as amended, restated or otherwise modified from time to time, pursuant to which Borrower has guaranteed the full payment and performance of the obligations of each Affiliate Borrower under the Other Loan Documents to which such Affiliate Borrower is a party.

***"Secured Guaranty Deed of Trust"*** means the Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (Secured Guaranty) of even date herewith executed by Borrower to JPMorgan Chase Bank, N.A., Trustee, for the benefit of Lender, covering the Property or any portion thereof, as amended from time to time.

***"Standard Form Lease"*** means Borrower's standard form lease for leases of space within the Improvements.

***"Statutory Reserve Rate"*** means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Lender is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D, Eurodollar Borrowings shall be deemed

to constitute eurocurrency fundings and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

***"Swap Agreement"*** means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

***"Swap Obligations"*** of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

***"Taxes"*** means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

***"Tenant Monetary Default"*** means (i) a default by any lessee under any lease covering any portion of the Property, the Improvements, or any Other Property in the payment of such lessee's scheduled rent or other amounts due under such lease which continues beyond any applicable grace or cure period, or (ii) the filing of any petition or the commencement of any case or proceeding by or against any lessee described in clause (i) above under any provision or chapter of the Federal Bankruptcy Code or any other federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization.

***"Title Company"*** means Chicago Title Company.

***"Title Policy"*** means an ALTA Lender's Policy of Title Insurance in form and substance satisfactory to Lender issued by the Title Company in the aggregate coverage amount of $41,500,000 insuring (a) the Deed of Trust as a first priority lien on the Property and Improvements, and (b) the Secured Guaranty Deed of Trust as a second priority lien on the Property and Improvements (second in lien priority only to the Deed of Trust), and containing such endorsements and with such re-insurance as Lender may request, excepting only such items as shall be acceptable to Lender.

***"Told Dispute"*** means the dispute between TOLD Partners, Inc. and Borrower and/or Borrower's predecessor-in-title relating to a broker's commission claimed to be due in connection with an extension of (a) the Deckers Lease pursuant to the Fourth Amendment to Lease dated September 1, 2011, and/or (b) the Deckers 3001 Mission Oaks Lease pursuant to the Seventh Amendment to Lease dated September 1, 2011.

***"Transactions"*** means the execution, delivery and performance by Borrower of this Agreement and the other Loan Documents, the borrowing of the Loan and the use of the proceeds thereof.

***"Treasury Rate"*** means the weekly average yield on United States Treasury Securities Constant Maturities Series issued by the United States Government for a ten (10) year term as most recently published by the Board of Governors of the Federal Reserve System and Federal Reserve Statistical Release H.I5 (519) (or any similar or successor publication selected by Lender) as of the date of determination.

***"Type,"*** when used in reference to any Borrowing, refers to whether the rate of interest on such Borrowing is determined by reference to the Adjusted LIBO Rate or the CB Floating Rate.

***"Unnurtured Default"*** means the occurrence of an event which with notice or lapse of time or both would constitute a Default.

ARTICLE II
CONDITIONS TO DISBURSEMENT

2.01 The Loan. Borrower agrees to borrow the Loan from Lender, and Lender agrees to lend the Loan to Borrower, subject to the terms and conditions herein set forth, in an amount not to exceed the Loan Amount. Borrower agrees to use the proceeds of the Loan to acquire the Property. The Loan Amount in effect on the date hereof is Twenty Million Six Hundred Twenty-Seven Thousand One Hundred Twenty-One and No/100 Dollars ($20,627,121.00).

2.02 Conditions to Closing.

Borrower agrees that, in addition to all other conditions set forth herein, the making of the Loan is conditioned upon the fulfillment of each of the following conditions:

(a) Loan Documents. Lender shall have received on the date hereof the following documents fully executed and in form and substance satisfactory to Lender:

(i) The Note;

(ii) The Deed of Trust;

(iii) The Guaranty;

(iv) The Completion Guaranty;

(v) The Environmental Indemnity Agreement;

(vi) The Secured Guaranty;

(vii) The Secured Guaranty Deed of Trust;

(viii) The Borrower Financing Statement; and

(ix) Lender's Disbursement and Rate Management Signature Authorization and Instruction Form.

(b) Additional Closing Deliveries. Lender shall have received the following on the date hereof in form and substance satisfactory to Lender:

(i) An opinion or opinions from counsel for Borrower and Guarantor;

(ii) Current UCC, tax and judgment searches made in such places as Lender may specify, covering Borrower and showing no filings relating to, or which could relate to, the Property other than those made hereunder;

(iii) Evidence of the insurance required under Section 6.01 hereof;

(iv) A commitment to issue a Title Policy with respect to the Deed of Trust and the Secured Guaranty Deed of Trust, together with copies of all documentation evidencing exceptions raised therein;

(v) A certificate of a secretary or assistant secretary of Borrower certifying as to (A) the operating agreement of Borrower, (B) the authorizing resolutions of Borrower, and (C) incumbency and specimen signatures of signatories for Borrower, together with (D) a copy of the Certificate of Formation for Borrower certified by the Delaware Secretary of State as of a recent date, and (E) a certificate of good standing as of a recent date for Borrower from the Delaware Secretary of State, and (F) a certificate of good standing as of a recent date for Borrower from the California Secretary of State;

(vi) A certificate of an authorized officer of each Rexford Guarantor, certifying as to (A) the operating agreement or limited partnership agreement, as applicable, of such Rexford Guarantor, (B) the authorizing resolutions of such Rexford Guarantor, and (C) incumbency and specimen signatures of signatories for such Rexford Guarantor, together with (D) a copy of the Certificate of Formation or Certificate of Limited Partnership, as applicable, for such Rexford Guarantor, certified by the Delaware Secretary of State as of a recent date, and (E) a certificate of good standing as of a recent date for such Rexford Guarantor from the Delaware Secretary of State as of a recent date;

(vii) A certificate of an authorized officer of each Dune Guarantor, certifying as to (A) the authorizing resolutions of such Dune Guarantor, and (B) incumbency and specimen signatures of signatories for such Dune Guarantor, together with (C) a copy of the Certificate of Limited Partnership for such Dune Guarantor, certified by the Delaware Secretary of State as of a recent date, and (D) a certificate of good standing as of a recent date for such Dune Guarantor from the Delaware Secretary of State as of a recent date;

(viii) An ALTA survey of the Property certified in a manner acceptable to Lender (the ***"Survey"***);

(ix) If required by Lender, evidence indicating whether the Property is located within a one hundred year flood plain or identified as a special flood hazard area as defined by the Federal Insurance Administration; and, if so, a flood notification form signed by the Borrower and evidence that flood insurance is in place for the building and contents, all in form and substance satisfactory to Lender;

(x) An Appraisal of the Property and the Other Property showing the Combined Loan-to-Value Ratio to be no more than seventy percent (70%);

(xi) Evidence satisfactory to Lender that the Property and the Other Property satisfy a Combined Debt Yield Ratio of not less than eleven percent (11%);

(xii) Evidence satisfactory to Lender that the Property and the Other Property satisfy a Combined Debt Service Coverage Ratio of not less than 1.50:1.00;

(xiii) Evidence satisfactory to Lender showing that the Combined Loan Amount does not exceed seventy percent (70%) of the aggregate purchase price paid by Borrower, 3001 Mission Oaks and 3233 Mission Oaks for the acquisition of the Property and the Other Property;

(xiv) If required by Lender, a so-called "PML" report with respect to the Property, which shall address (a) the probable maximum loss that is likely to be sustained by the Property in the event of an earthquake or other seismic casualty at or affecting the Property, and (b) likelihood and likely intensity of an earthquake or other seismic casualty at or affecting the Property;

(xv) Copies of all Leases covering any portion of the Property and/or the Improvements;

(xvi) If required by Lender, a fully executed subordination, non-disturbance and attornment agreement and a tenant estoppel certificate executed by each tenant under a Lease, all in form and substance acceptable to Lender;

(xvii) If required by Lender, evidence indicating compliance by the Improvements with applicable zoning requirements (without requirement for a variance);

(xviii) If required by Lender, an environmental report with respect to the Property prepared by an environmental consultant acceptable to Lender;

(xix) A Physical Conditions Report;

(xx) A Certification of Non-Foreign Status with respect to Borrower;

(xxi) A signed IRS Form W8 and W9 with respect to Borrower, as applicable;

(xxii) Evidence that Borrower has retained JPMorgan Chase Bank, N.A. as its principal depository bank for property operating accounts related to the Property, and, to the extent permitted by law and contractual agreements, tenant security deposits for the Property;

(xxiii) The most recently available financial statements of each Guarantor; and

(xxiv) Such other information and documents as Lender may require.

(c) Fees and Expenses. The Loan Fee and all other fees and reimbursement of expenses due Lender shall be paid prior to or out of the initial disbursement.

2.03 Loan Disbursement.

At closing, Lender shall advance the entirety of the proceeds of the Loan into the escrow established by Borrower in connection with Borrower's acquisition of the Property.

2.04 Effective Date.

The effective date of the Loan shall be the date set forth in the preamble to this Agreement.

## ARTICLE III
## LOAN TERMS

3.01 Interest Elections.

(a) Generally. All amounts outstanding under the Loan shall be a CBFR Borrowing unless Borrower has elected a Eurodollar Borrowing as provided herein. Borrower may elect to convert a Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. Borrower may elect different options with respect to different portions of the affected Borrowing, and each such portion shall be considered a separate Borrowing.

(b) Interest Election Request. To make an election pursuant to this Section, Borrower shall notify Lender of such election by telephone (i) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., Los Angeles, California time, three Business Days before the date of the proposed Borrowing or (ii) in the case of a CBFR Borrowing, not later than 11:00 a.m., Los Angeles, California time, one Business Day before the date of the proposed Borrowing. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery to Lender of a written Interest Election Request in a form approved by Lender and signed by Borrower.

(c) Required Information. Each telephonic and written Interest Election Request shall specify the following information:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a CBFR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If no Type of Borrowing is specified in the Interest Election Request, or if any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then Borrower shall be deemed to have requested a CBFR Borrowing. Subject to the terms and conditions set forth in Section 3.01(d) below and the last sentence of Section 3.01(e) below, Interest Rate Election Requests may specify that the election provided therein shall apply to one or more successive Interest Periods (i.e., an Interest Rate Election Request may specify that a therein requested Eurodollar Borrowing with a one-month Interest Period shall be continually renewed as a Eurodollar Borrowing with a one-month Interest Period upon the end of each such Interest Period).

(d) Limitations. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of three (3) Eurodollar Borrowings outstanding. Each Eurodollar Borrowing shall be in an amount not less than $500,000.00. No Interest Period may be elected that would end after the Maturity Date.

(e) Failure to Elect; Default. If Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a CBFR Borrowing. Notwithstanding any contrary provision hereof, so long as a Default has occurred and is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing, and (ii) unless repaid, each Eurodollar Borrowing shall be converted to a CBFR Borrowing at the end of the Interest Period applicable thereto.

3.02 Repayment of Loan: Evidence of Debt

(a) Repayment at Maturity. Borrower hereby unconditionally promises to pay to Lender the then unpaid principal amount of the Loan and all unpaid accrued interest on the Maturity Date.

(b) Lender Accounting. Lender shall maintain accounts in which it shall record (i) the amount of each Borrowing maintained hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to Lender hereunder, (iii) the amount of any sum received by Lender hereunder, and (iv) the amount of the Loan Amount in effect from time to time. The entries made in the accounting maintained pursuant to this Section 3.02(b) shall be, absent manifest error, prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of Lender to maintain such accounting or any error therein shall not in any manner affect the obligation of Borrower to repay the Loan in accordance with the terms of this Agreement.

(c) Note. The Loan made by Lender shall be evidenced by the Note.

3.03 Prepayment of Loan.

(a) Borrower shall have the right at any time and from time to time to prepay the Loan in whole or in part without premium or penalty (other than as provided in Section 3.08 below), subject to prior notice in accordance with paragraph (b) of this Section.

(b) Borrower shall notify Lender by telephone of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., Los Angeles, California time, three Business Days before the date of prepayment, or (ii) in the case of prepayment of a CBFR Borrowing, not later than 11:00 a.m., Los Angeles, California time, one (1) Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid. Prepayments shall be accompanied by accrued interest on the amount prepaid, plus any other amounts due under Section 3.08, plus, in the case of prepayment of a Eurodollar Borrowing, an administrative fee of $250.00.

3.04 Fees.

(a) Loan Fee. Borrower agrees to pay to Lender the Loan Fee upon the closing of the Loan.

(b) Fees Non-Refundable. All fees payable hereunder shall be paid on the dates due, in immediately available funds. Fees paid shall not be refundable under any circumstances.

3.05 Interest.

(a) CBFR Borrowings. Each CBFR Borrowing shall bear interest at the Floating Rate.

(b) Eurodollar Borrowings. Each Eurodollar Borrowing shall bear interest at the Fixed Rate for the Interest Period in effect for such Borrowing.

(c) Default Rate. Notwithstanding the foregoing, upon the occurrence and during the continuance of a Default, and after maturity, all Borrowings shall bear interest, after as well as before judgment, at a rate per annum equal to 5% plus the rate otherwise applicable to such Borrowings as provided in the preceding paragraphs of this Section.

(d) Payment of Accrued Interest. Accrued interest on each Borrowing shall be payable in arrears on each Interest Payment Date for such Borrowing and upon maturity of the Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Borrowing, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Borrowing prior to the end of the current Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(e) Computation of Interest. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable CB Floating Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by Lender and such determination shall be conclusive absent manifest error.

3.06 Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) Lender determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) Lender determines that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to Lender of making or maintaining the Borrowing for such Interest Period;

then Lender shall give notice thereof to Borrower by telephone as promptly as practicable thereafter and, until Lender notifies Borrower that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) any request for a new Eurodollar Borrowing shall be made as a CBFR Borrowing. Determinations made by Lender under this Section 3.06 shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of Lender under agreements having provisions similar to this Section 3.06 after consideration of such factors as Lender then reasonably determines to be relevant.

3.07 Increased Costs.

(a) Increased Costs of Making or Maintaining Eurodollar Borrowings. If any Change in Law shall

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Borrowings made by Lender;

and the result of any of the foregoing shall be to increase the cost to Lender of making or maintaining any Eurodollar Borrowing (or of maintaining its obligation to make any such Borrowing) or to increase the cost or to reduce the amount of any sum received or receivable by Lender (whether of principal, interest or otherwise), then Borrower will pay to Lender, within thirty (30) days following Borrower's receipt of written demand from Lender, such additional amount or amounts as will compensate Lender for such additional costs incurred or reduction suffered.

(b) Capital Adequacy. If Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on Lender's capital or on the capital of Lender's holding company, if any, as a consequence of this Agreement or the Loan made by Lender to a level below that which Lender or Lender's holding company could have achieved but for such Change in Law (taking into consideration Lender's policies and the policies of Lender's holding company with respect to capital adequacy), then Borrower will pay to Lender, from time to time, in each case within thirty (30) days following written demand from Lender, such additional amount or amounts as will compensate Lender or Lender's holding company for any such reduction suffered.

(c) Certificate of Amounts Due. A certificate of Lender setting forth the amount or amounts necessary to compensate Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to Borrower and shall be conclusive absent manifest error. Borrower shall pay Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) Delay in Demand For Compensation. Failure or delay on the part of Lender to demand compensation pursuant to this Section shall not constitute a waiver of Lender's right to demand such compensation; provided that Borrower shall not be required to compensate Lender pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) Lender Determinations. Determinations made by Lender under this Section 3.07 shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of Lender under agreements having provisions similar to this Section 3.07 after consideration of such factors as Lender then reasonably determines to be relevant.

3.08 Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Borrowing other than on the last day of an Interest Period applicable thereto (including as a result of a Default), (b) the conversion of any Eurodollar Borrowing other than on the last day of the Interest Period applicable thereto, or (c) the failure to borrow, convert, continue or prepay any Eurodollar Borrowing on the date specified in any notice delivered pursuant hereto, then, in any such event, Borrower shall compensate Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Borrowing, such loss, cost or expense to Lender shall be deemed to include an amount reasonably determined by Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Borrowing had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Borrowing, for the period from the date of such event

to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Borrowing), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of Lender setting forth any amount or amounts that Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

***[Remainder of Page Intentionally Left Blank]***

By its signature below, Borrower waives any right under California Civil Code Section 2954.10 or otherwise to prepay any Eurodollar Borrowing, in whole or in part, without payment of the amounts described above. Borrower acknowledges that prepayment of any Eurodollar Borrowing may result in Lender's incurring additional losses, costs, expenses and liabilities, including lost revenues and lost profits. Borrower therefore agrees to pay any and all such amounts if any portion of the principal amount of any Eurodollar Borrowing, whether voluntarily or by reason of acceleration, including acceleration upon any transfer or conveyance of any right, title or interest in the Property giving Lender the right to accelerate the maturity of the Loan as provided in the Deeds of Trust. Borrower agrees that Lender's willingness to offer Eurodollar Borrowings to Borrower is sufficient and independent consideration, given individual weight by Lender, for this waiver.

Borrower understands that Lender would not offer Eurodollar Borrowings to Borrower absent this waiver.

3175 MISSION OAKS BLVD LLC,
a Delaware limited liability company

By: /s/ Michael D. Sherman
Name: MICHAEL D. SHERMAN
Title: GENERAL COUNSEL

3.09 Taxes.

(a) No Deduction For Taxes. Any and all payments by or on account of any obligation of Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions and (iii) Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law. Borrower shall not be obligated to pay any of the Indemnified Taxes or Other Taxes otherwise provided for in this Section 3.09 if Lender is a non U.S. entity and (i) has not filed with the Department of the Treasury of the United States of America either form W-8BEN or form W8ECI, or (ii) has failed to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of America of such non-U.S. entity, if such compliance is required by statue or regulation of the United States of America as a precondition to relief or exemption from the Indemnified Taxes or Other Taxes.

(b) Other Taxes. In addition, Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Legal Requirements.

(c) Borrower Indemnity. Borrower shall indemnify Lender, within thirty (30) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by Lender, on or with respect to any payment by or on account of any obligation of Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by Lender shall be conclusive absent manifest error.

(d) Evidence of Payment. At Lender's request from time to time, Borrower shall deliver to Lender the original or a certified copy of a receipt issued by each applicable Governmental Authority evidencing payment of Indemnified Taxes or Other Taxes, and a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Lender.

(e) Tax Refunds. If Lender determines, in its sole discretion, that it has received refund of any Taxes or Other Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to this Section 3.09, it shall pay over such refund to Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section 3.09 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that Borrower, upon the request of Lender, agrees to repay the amount paid over to Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Lender in the event Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to Borrower or any other Person.

3.10 Payments Generally; Late Fee.

(a) Payments Generally. Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Sections 3.07, 3.08, or 3.09, or otherwise) prior to 11:00 a.m., Los Angeles, California time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of Lender be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to Lender at its offices at Phoenix, Arizona except that payments pursuant to Sections 3.07, 3.08, 3.09 and 9.03 hereof shall be made directly to the Persons entitled thereto. Lender shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in U.S. dollars.

(b) Application of Insufficient Funds. If at any time insufficient funds are received by and available to Lender to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of fees, indemnities and expense reimbursements then due hereunder, (ii) second, towards payment of interest then due hereunder, (iii) third, towards payment of principal then due hereunder, and (iv) towards payment of Swap Obligations then due. Notwithstanding the foregoing, Lender shall have the right to apply repayments and proceeds of collateral to the Obligations in any order, in its sole discretion.

(c) Late Fee. If any payment (other than the final payment of the Loan due at maturity) is not received by Lender within ten (10) days after its due date (whether as stated, by acceleration, or otherwise), Lender may assess and Borrower agrees to pay a late fee equal to the lesser of five percent (5%) of the past due amount or $1,500.00. Borrower shall pay the late payment fee upon demand by Lender. Such late fee is in addition to any other rights and remedies of Lender hereunder.

3.11 Electronic Notices. Interest Election Requests and notices of prepayments under Sections 3.01 and 3.03 may be made by electronic communication (including email and internet or intranet websites) pursuant to procedures approved by Lender. Such approval may be limited to particular notices or communications. Unless Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the "receipt" by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor. Any party hereto may change its address or telecopier number or email address for notices and other communications hereunder by notice to the other parties hereto.

3.12 Extension Options.

(a) First Extension Option. At the written request of Borrower made at least sixty (60) but not more than one hundred twenty (120) days prior to the Initial Maturity Date, the Maturity Date shall be extended to the one-year anniversary of the Initial Maturity Date (the ***"First Extended Maturity Date"***) provided that the following conditions are satisfied:

(i) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the Initial Maturity Date, the Combined Debt Service Coverage Ratio is not less than 1.60:1.00;

(ii) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the Initial Maturity Date, the Combined Debt Yield Ratio is not less than twelve percent (12%);

(iii) Borrower has delivered to Lender evidence acceptable to Lender (which evidence shall be a new Appraisal obtained by Lender) that, as of the Initial Maturity Date, the Combined Loan-to-Value Ratio does not exceed sixty-five percent (65%);

(iv) On or before the Initial Maturity Date, Lender shall have received an extension fee in an amount equal to 0.25% of the outstanding principal balance of the Loan;

(v) No Default or Unmatured Default shall have occurred and be continuing on the Initial Maturity Date;

(vi) All representations and warranties made hereunder or under any of the other Loan Documents shall be true and correct in all material respects as of the Initial Maturity Date, except to the extent such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct as of such specified date;

(vii) Lender has received reasonably satisfactory documentation evidencing the extension executed by the Borrower and consented to by each Guarantor; and

(viii) If requested by Lender, Lender shall have received a CLTA 110.5 (or equivalent) endorsement to the Title Policy.

(b) Second Extension Option. At the written request of Borrower made at least sixty (60) but not more than one hundred twenty (120) days prior to the First Extended Date, the Maturity Date shall be extended to the one-year anniversary of the First Extended Maturity Date (the ***"Second Extended Maturity Date"***) provided that the following conditions are satisfied:

(i) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the First Extended Maturity Date, the Combined Debt Service Coverage Ratio is not less than 1.60:1.00;

(ii) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the First Extended Maturity Date, the Combined Debt Yield Ratio is not less than twelve percent (12%);

(iii) Borrower has delivered to Lender evidence acceptable to Lender (which evidence shall be a new Appraisal obtained by Lender) that, as of the First Extended Maturity Date, the Combined Loan-to-Value Ratio does not exceed sixty-five percent (65%);

(iv) On or before the First Extended Maturity Date, Lender shall have received an extension fee in an amount equal to 0.25% of the outstanding principal balance of the Loan;

(v) No Default or Unmatured Default shall have occurred and be continuing on the First Extended Maturity Date;

(vi) All representations and warranties made hereunder or under any of the other Loan Documents shall be true and correct in all material respects as of the First Extended Maturity Date, except to the extent such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct as of such specified date;

(vii) Lender has received reasonably satisfactory documentation evidencing the extension executed by the Borrower and consented to by the Guarantor;

(viii) If requested by Lender, Lender shall have received a CLTA 110.5 (or equivalent) endorsement to each Title Policy; and

(ix) Lender has received all deposits required under Section 3.12(d) below, if any.

(c) Amortization Payments during Extension Terms. In the event the maturity of the Loan is extended pursuant to this Section 3.12, until the date the Loan is fully and finally repaid and Lender's commitment to lend under this Agreement is terminated (i) during the first extension period, Borrower shall make monthly principal payments to Lender on each Interest Payment Date, each in an amount equal to an amount that would amortize the principal balance of the Loan outstanding on the Initial Maturity Date in thirty (30) years at a rate of interest equal to the greatest of (A) a fixed rate of 6.50% per annum, (B) the rate of interest on U.S. Treasury Notes having a maturity of 10 years plus 2.50% per annum, or (C) the Adjusted LIBO Rate (applicable to a one-month interest period), plus 2.50% per annum, and (ii) if applicable, during the second extension period, Borrower shall make monthly principal payments to Lender on each Interest Payment Date, each in an amount equal to an amount that would amortize the principal balance of the Loan outstanding on the First Extended Maturity Date in thirty (30) years at a rate of interest equal to the greatest of (A) a fixed rate of 6.50% per annum, (B) the rate of interest on U.S. Treasury Notes having a maturity of 10 years plus 2.50% per annum, or (C) the Adjusted LIBO Rate (applicable to a one-month interest period), plus 2.50% per annum.

(d) Deckers Reserve Account.

(i) If Borrower requests an extension of the First Extended Maturity Date pursuant to Section 3.12(b) and, as of the First Extended Maturity Date, the Deckers Lease has not been renewed for a term expiring no sooner than November 30, 2023 pursuant to the extension terms set forth in the Deckers Lease or on terms otherwise acceptable to Lender in its reasonable discretion, then Borrower shall deposit into a restricted account maintained with Lender (the ***"Deckers Reserve Account"***) on or before the First Extended Maturity Date an amount sufficient to pay all estimated tenant improvement expenses and leasing commissions required in connection with the releasing of the space covered by the Deckers Lease, as reasonably determined by Lender with reference to the new Appraisal of the Property obtained by Lender in connection

with such requested extension of the First Extended Maturity Date. Borrower acknowledges that it shall be reasonable for Lender to disapprove any proposed terms for renewal of the Deckers Lease if, after giving effect to any such proposed terms, the Property and the Other Property would not satisfy, on a pro forma basis, both (1) a Combined Debt Service Coverage Ratio of at least 1.60:1.00, and (2) a Combined Debt Yield Ratio of at least twelve percent (12%).

(ii) The Deckers Reserve Account shall be an interest bearing account, with all accrued interest to become part of the funds on deposit in such Deckers Reserve Account. Borrower agrees that it shall include all interest and earnings on any such deposit as its income (and, if Borrower is a partnership or other pass-through entity, the income of its partners, members or beneficiaries, as the case may be), and shall be the owner of all funds on deposit in the Deckers Reserve Account for federal and applicable state and local tax purposes. Lender shall have the exclusive right to control all funds in the Deckers Reserve Account, but Lender shall have no fiduciary duty with respect to such funds. Borrower grants to Lender a security interest in any Deckers Reserve Account established and all funds now or hereafter deposited into any such account, and any proceeds thereof, as security for the Obligations. Such security interest shall be governed by the Uniform Commercial Code of the State of California, and Lender shall have available to it all of the rights and remedies available to a secured party thereunder. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of a Default, Lender may apply all or any portion of the funds on deposit in any Deckers Reserve Account (including accrued interest thereon) to the payment of the Obligations. The Deckers Reserve Account may be established and held in such name or names as Lender shall deem appropriate, including in the name of Lender. Borrower hereby constitutes and appoints Lender and any officer or agent of Lender its true and lawful attorneys-in-fact with full power of substitution to open any Deckers Reserve Account and to do any and every act that Borrower might do on its own behalf to fulfill the terms of Section 3.12(d) hereof. To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. It is understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

(iii) Borrower may from time to time request disbursements of the funds on deposit in the Deckers Reserve Account to fund or reimburse leasing commissions and/or tenant improvement costs incurred in connection with Leases approved or deemed approved by Lender in accordance with this Agreement which cover all or part of the portion of the Improvements covered by the Deckers Lease. As conditions precedent to each disbursement of funds from the Deckers Reserve Account pursuant to this Section 3.12(d)(iii), Lender shall have received and approved the following:

(A) A draw request in form and detail reasonably satisfactory to Lender.

(B) Evidence reasonably satisfactory to Lender that no Default or Unmatured Default exists.

(C) Evidence reasonably satisfactory to Lender that each contract for labor, materials, services and/or other work included in a draw request has been duly executed and delivered by all parties thereto and is effective, and a true and complete copy of a fully executed copy of each such contract as Lender may have requested.

(D) Evidence reasonably satisfactory to Lender that no mechanic's, materialman's or other similar lien or other encumbrance has been filed and remains in effect against the Property (other than Permitted Encumbrances), no stop notices have been served on Lender that have not been bonded by Borrower in a manner and amount reasonably satisfactory to Lender, and releases or waivers of mechanic's liens and receipted bills showing payment of all amounts due to all parties who have furnished materials or services or performed labor of any kind in connection with the Property (other than in connection with the Told Dispute).

(E) Evidence reasonably satisfactory to Lender that the Improvements have not been damaged without being repaired and are not the subject of any pending or threatened condemnation or adverse zoning proceeding.

(F) With respect to any advance to pay a contractor, original applications for payments in form reasonably approved by Lender, containing a breakdown by trade and/or other categories reasonably acceptable to Lender, executed and certified by such contractor and accompanied by invoices.

(G) Copies of notarized partial lien waiver forms executed by each contractor and each appropriate subcontractor, supplier and materialman, including such partial lien waivers from all parties sending statutory notices to contractors, notices to owners, or notices of nonpayment, specifying in such partial lien waivers the amount paid in consideration of such partial releases.

(H) Such other information, documents and materials as may be reasonably required by Lender.

## ARTICLE IV
## COVENANTS

4.01 Liens, Taxes, and Governmental Claims.

(a) Liens. Borrower agrees to pay, satisfy and obtain the release of all other claims and Liens affecting or purporting to affect the title to, or which may be or appear to be Liens on, the Property or any part thereof (other than the Permitted Encumbrances), and all costs, charges, interest and penalties on account thereof, including without limitation the claims of all Persons supplying labor or materials to the Property, and to give Lender, upon demand, evidence reasonably satisfactory to Lender of the payment, satisfaction or release thereof. Notwithstanding the foregoing, nothing herein contained shall require Borrower to pay any claims or Liens which Borrower in good faith disputes and which Borrower, at its own expense, is currently and diligently contesting, provided that Borrower complies with the provisions of Section 4.01(c) hereof.

(b) Taxes. Borrower agrees to pay or cause to be paid, prior to the date they would become delinquent if not paid, any and all taxes, assessments and governmental charges whatsoever levied upon or assessed or charged against the Property, including all water and sewer taxes, assessments and other charges, fines, impositions and rents, if any. If requested by Lender, Borrower shall give to Lender a receipt or receipts, or certified copies thereof, evidencing every such payment by Borrower, not later than forty-five (45) days after such payment is made. Notwithstanding the foregoing, nothing herein contained shall require Borrower to pay any taxes, assessments or governmental charges which Borrower in good faith disputes and which Borrower, at its own expense, is currently and diligently contesting, provided that applicable law allows non-payment thereof during the pendency of such contest, and provided further that Borrower complies with the provisions of Section 4.0 l(c) hereof.

(c) Contest. Borrower shall not be required to pay any taxes, claims, governmental charges, or Liens being contested in accordance with the provisions of Section 4.01(a) or (b) hereof, as the case may be, so long as (i) Borrower diligently prosecutes such dispute or contest to a prompt determination in a manner not prejudicial to Lender and promptly pays all amounts ultimately determined to be owing, and (ii) Borrower provides security for the payment of such tax, assessment or governmental charge, or claim, or Lien (together with interest and penalties relating thereto) in an amount and in form and substance reasonably satisfactory to Lender. If Borrower shall fail to pay any such amounts ultimately determined to be owing or to proceed diligently to prosecute such dispute or contest as provided herein, then, upon the expiration of ten (10) days after written notice to Borrower by Lender of Lender's reasonable determination thereof, in addition to any other right or remedy of Lender, Lender may, but shall not be obligated to, discharge the same, and the cost thereof shall be reimbursed by Borrower to Lender. The payment by Lender of any delinquent tax, assessment or governmental charge, or any claim, or Lien which Lender in good faith believes might be prior hereto, shall be conclusive between the parties as to the legality and amount so paid, and Lender shall be subrogated to all rights, equities and Liens discharged by any such expenditure to the fullest extent permitted by law.

4.02 Leases.

(a) Affirmative Covenants. Borrower shall (i) duly and punctually observe, perform and discharge in all material respects the obligations, terms, covenants, conditions and warranties of Borrower as landlord under the Leases, (ii) give prompt notice to Lender of any failure on the part of Borrower to observe, perform and discharge the same or of any written claim made by any Lessee under a Material Lease (as defined below) of any such failure by Borrower, (iii) enforce the performance of each and every material obligation, term, covenant, condition and agreement in the Leases to be performed by any Lessee or any guarantor (including, without limitation, the tenant's obligation to pay rent as and when due), (iv) appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with the Leases or the obligations, duties or liabilities of Borrower and any Lessee thereunder, do so in the name and on behalf of Lender upon request by Lender, but at the expense of Borrower, and pay all costs and expenses of Lender, including reasonable attorneys'

fees and disbursements, in any action or proceeding in which Lender shall appear, (v) at the request of Lender, use commercially reasonable efforts to cause each Lessee under a Lease to execute and deliver to Lender a subordination, non-disturbance and attornment agreement in form and substance reasonably acceptable to Lender promptly upon the execution of such Lease, (vi) at the request of Lender, in confirmation of the assignment and transfer contemplated by the applicable Deed of Trust, execute and deliver to Lender assignments and transfers of all future Leases upon the same terms and conditions as contained in such Deed of Trust, and (vii) make, execute and deliver to Lender upon demand and at any time or times, any and all assignments and other documents and instruments which Lender may reasonably deem advisable to carry out the true purposes and intent of the assignment set forth in the applicable Deed of Trust. Lender shall cooperate in good faith with any request made in connection with a Lease approved or deemed approved by Lender in accordance with the terms of this Agreement for the execution and delivery by Lender of a subordination, non-disturbance and attornment agreement prepared on Lender's then-current standard form subordination, non-disturbance and attornment agreement with only such changes thereto as Lender may approve in its sole and absolute discretion.

(b) Negative Covenants. Unless Borrower first obtains the written consent of Lender (which consent shall not be unreasonably withheld), Borrower shall not (i) cancel, terminate or consent to any surrender of any Lease covering in excess of 25,000 rentable square feet of any Improvements (such Lease being referred to herein as a ***"Material Lease"***) unless such Lease is immediately replaced with a Lease with comparable or better terms or unless compelled to do under court order, (ii) materially and adversely modify or alter the terms of any Material Lease unless, after giving effect to any such modification or alteration, such Material Lease satisfies the requirements for "deemed" approval as set forth below, (iii) waive or release any Lessee or any guarantors under a Material Lease from any material obligations or conditions to be performed by such Lessee or guarantors, (iv) enter into any Lease of all or any portion of the Property unless such Lease is "deemed" approved by Lender as set forth below, (v) renew or extend the term of any Material Lease, except as required under the terms of such Material Lease or unless such Material Lease, as so renewed or extended, satisfies the requirements for "deemed" approval by Lender as set forth below, (vi) except as required under the terms of a Material Lease, consent to any subletting of the premises under any Material Lease, to any assignment of any such Material Lease by the Lessee thereunder, or to any assignment of or further subletting of any sublease of any such Material Lease unless, after giving effect to such sublease or assignment, such Master Lease (and any and all subleases thereof) satisfies the requirements for "deemed" approval by Lender set forth below, (vii) receive or collect any rents from any Lessee for a period of more than one month in advance, (viii) further pledge, transfer, mortgage or otherwise encumber or assign future payments of rents, or (ix) waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Lessee under any Lease of and from any material obligations, covenants, conditions and agreements to be kept, observed and performed by such Lessee, including the obligation to pay rents thereunder, in the manner and at the time and place specified therein. Borrower may deliver to Lender a negotiated term sheet or letter of intent with respect to any proposed new Lease or any proposed amendment to any existing Lease and request that Lender provide Borrower with Lender's preliminary, non-binding approval or disapproval of any such proposed terms (in each case, a ***"Preliminary Response"***). Lender shall review any such request promptly and shall use commercially reasonable efforts to respond to such request

within five (5) Business Days. Borrower expressly acknowledges, however, that any such Preliminary Response provided by Lender shall be non-binding and shall not constitute, or be deemed to constitute, an approval by Lender of any such terms or any such proposed Lease or amendment. Lender's failure to disapprove any matter as to which Lender's prior approval is required under this Section 4.02(b) within a seven (7) Business Day period after Lender shall have received a written request for approval specifically referencing this Section 4.02(b) and all documents and materials reasonably requested by Lender in connection with any such matter (including, without limitation, complete copies of any proposed Lease or amendment to any Lease, and any and all financial statements and materials of any proposed tenant, subtenant and any lease guarantor to the extent available to Borrower) shall be deemed to constitute Lender's approval thereof.

(c) "Deemed" Approval of Leases. Lender shall be "deemed" to have approved any Lease that: (i) is on the Standard Form Lease with no material deviations except as approved by Lender; (ii) is entered into in the ordinary course of business with a bona fide unrelated third party tenant, and Borrower, acting in good faith and exercising due diligence, has determined that the tenant is financially capable of performing its obligations under the Lease; (iii) is received by Lender, together with any guaranty(ies) and, if requested by Lender, all financial information received by Borrower regarding the tenant and any guarantor(s), within fifteen (15) days after execution; (iv) reflects an arm's length transaction; (v) contains no option or right of first refusal to purchase all or any portion of the Property or any present or future interest therein; (vi) requires the tenant to execute and deliver to Lender an estoppel certificate in form and substance acceptable to Lender within ten (10) Business Days after notice from Lender; (vii) does not cover in excess of 75,000 rentable square feet of the applicable Improvements; and (viii) is subject to a subordination, non-disturbance and attornment agreement in form and substance satisfactory to Lender; provided, however, that no proposed Lease or proposed amendment to any existing Lease shall be "deemed" approved by Lender if, after giving effect to such proposed Lease or amendment, the Property and the Other Property shall not satisfy (A) if the effective date of such proposed Lease or amendment is during the initial term of the Loan, a Pro Forma Debt Yield Ratio of at least eleven percent (11%) and a Pro Forma Debt Coverage Ratio of at least 1.50:1.00, or (B) if the effective date of such proposed Lease or amendment is during any extended maturity period in effect pursuant to Section 3.12 above, a Pro Forma Debt Yield Ratio of at least twelve percent (12%) and a Pro Forma Debt Coverage Ratio of at least 1.60:1.00. Prior to execution, Borrower shall provide to Lender via nationally recognized overnight courier a written request for approval (which request shall specifically reference this Section of this Agreement) of each Lease that does not meet the foregoing requirements for "deemed" approval by Lender, which request shall be accompanied by a correct and complete copy of the applicable Lease, including any exhibits, and any guaranty(ies) thereof. Borrower shall pay all reasonable costs incurred by Lender in reviewing and approving Leases and any guaranties thereof, and also in negotiating subordination agreements and subordination, nondisturbance and attornment agreements with tenants, including reasonable attorneys' fees and costs. Notwithstanding the foregoing, no Lease shall be deemed approved by Lender as provided above unless and until Lender shall have received and approved the Standard Form Lease (which approval shall not be unreasonably withheld, conditioned or delayed).

(d) Deckers Lease. Lender hereby confirms that it has approved the Deckers Lease, as in effect on the date hereof.

4.03 Operations of Borrower.

(a) Without limitation of any other provisions of this Agreement or any other Loan Document, Borrower hereby represents, warrants, covenants and agrees that it has not and shall not:

(i) engage in any business or activity other than the acquisition, development, ownership, leasing, operation and maintenance of the Property, and activities incidental thereto;

(ii) acquire or own any material asset other than the Property, the Improvements, and such incidental personal property as may be necessary for the construction and operation of the Improvements;

(iii) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case the prior written consent of Lender, other than such transfers, dispositions and changes expressly permitted under the terms of the Loan Documents;

(iv) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization or formation, or to comply in all material respects with the provisions of Borrower's organizational documents (which organizational documents shall not be terminated without the prior written consent of Lender);

(v) own any subsidiary or make any investment in or acquire the obligations or securities of any other Person without the prior written consent of Lender;

(vi) commingle its assets with the assets of any of its partner(s), members, shareholders, Affiliates, or of any other Person or transfer any assets to any such Person other than distributions on account of equity interests in the Borrower permitted hereunder and properly accounted for;

(vii) incur any Indebtedness other than Permitted Indebtedness;

(viii) allow any Person to pay its debts and liabilities or fail to pay its debts and liabilities solely from its own assets;

(ix) fail to maintain its records, books of account and bank accounts separate and apart from those of the shareholders, partners, members, principals and Affiliates of Borrower, the affiliates of a shareholder, partner or member of Borrower, and any other Person or fail to prepare and maintain its own financial statements in accordance with GAAP and susceptible to audit, or if such financial statements are consolidated, fail to cause such financial statements to contain footnotes disclosing that the Property is actually owned by Borrower;

(x) enter into any contract or agreement with any shareholder, partner, member, principal or Affiliate of Borrower, any Guarantor or any shareholder, partner, member, principal or Affiliate thereof, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any shareholder, partner, member, principal or Affiliate of Borrower or Guarantor, or any shareholder, partner, member, principal or Affiliate thereof (excluding any contribution or reimbursement agreement among any of Borrower, Affiliate Borrower and any Guarantor in connection with the Loan);

(xi) seek dissolution or winding up, in whole or in part;

(xii) fail to correct any known misunderstandings regarding the separate identity of Borrower;

(xiii) hold itself out to be responsible or pledge its assets or credit worthiness for the Indebtedness of another Person (except pursuant to the Secured Guaranty and the Secured Guaranty Deed of Trust);

(xiv) allow any Person to hold itself out to be responsible or pledge its assets or credit worthiness for the Indebtedness of Borrower, except, (A) in the case of any Guarantor, pursuant to the Loan Documents, and (B) in the case of 3001 Mission Oaks and 3233 Mission Oaks, pursuant to a guaranty agreement in favor of Lender covering Indebtedness of Borrower owed to Lender and any collateral provided to Lender as security for any such guaranty obligations;

(xv) make any loans or advances to any third party, including any shareholder, partner, member, principal or Affiliate of Borrower, or any shareholder, partner, member, principal or Affiliate thereof; provided, however, dividends, distributions and payments made by Borrower in compliance with Section 4.06 below are expressly excluded from this clause (xv);

(xvi) fail to file its own tax returns (except to the extent that Borrower is treated as a "disregarded entity" for tax purposes and it not required to file tax returns under applicable Legal Requirements) or to use separate contracts, purchase orders, stationery, invoices and checks;

(xvii) fail to allocate fairly and reasonably among Borrower and any third party (including, without limitation, any Guarantor) any overhead for common employees, shared office space or other overhead and administrative expenses;

(xviii) file a voluntary petition or otherwise initiate proceedings seeking liquidation, reorganization or other relief under any Federal, state or foreign Debtor Relief Laws, for Borrower or any general partner, manager or managing member of Borrower, or consent to the institution of, or fail to contest in a timely and appropriate

manner, and proceeding or petition under Debtor Relief Laws against Borrower or any general partner, manager or managing member of Borrower, or file a petition seeking or consenting to reorganization or relief of Borrower or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of Borrower or any general partner, manager or managing member of Borrower or of all or any substantial part of the properties and assets of Borrower or any general partner, manager or managing member of Borrower, or make any general assignment for the benefit of creditors of Borrower or any general partner, manager or managing member of Borrower, or admit in writing the inability of Borrower or any general partner, manager or managing member of Borrower to pay its debts generally as they become due or declare or effect a moratorium on Borrower or any general partner, manager or managing member of Borrower debt or take any action in furtherance of any such action; or

(xix) conceal assets from any creditor, or enter into any transaction with the intent to hinder, delay or defraud creditors of Borrower or the creditors of any other Person.

The foregoing provisions of this Section 4.03 shall not operate to prohibit Borrower from entering into Swap Agreements otherwise permitted under this Agreement.

4.04 Appraisals.

Lender shall have the right to order new Appraisals of the Property and each Other Property from time to time. Each Appraisal is subject to review and approval by Lender. Borrower agrees within ten (10) days after receipt of written demand to pay to Lender (or to cause any applicable Affiliate Borrower to pay to Lender) the cost and expense for each such Appraisal and a reasonable fee for Lender's review of each Appraisal; provided, however, that Borrower shall only be required to pay (or to cause any applicable Affiliate Borrower to pay) such cost and expense with respect to only one Appraisal of the Property and the Other Property during the initial term of the Loan (or the initial term of the Other Loans, as the case may be), unless any such additional Appraisal(s) is(are) (a) ordered after the occurrence of a Default, (b) ordered in connection with a requested extension of the maturity of the Loan, or (c) required by any Legal Requirement.

4.05 Operating and Reserve Accounts.

Borrower shall maintain all operating and reserve accounts for the Property with Lender, and such accounts shall be, and are hereby, pledged to Lender to secure the Obligations.

4.06 Prohibited Distributions.

If a Default or Unmatured Default has occurred and is continuing, Borrower shall not make any dividend or distribution to its members, or make any other payment to Persons holding a direct or indirect ownership interest in Borrower or engage in any transaction that has a substantially similar effect.

4.07 Borrower's Right to Contest Legal Requirements.

Notwithstanding any provision of this Agreement or any of the other Loan Documents to the contrary, no Default or Unmatured Default shall occur hereunder as a result of the failure of Borrower or the Property or Improvements to comply with any Legal Requirement, including, without limitation, Environmental Laws, so long as the following conditions are satisfied:

(a) Borrower is contesting the applicability of such Legal Requirement to Borrower or the Property or Improvements in good faith and has so notified Lender;

(b) Borrower has properly commenced and is diligently pursuing such contest;

(c) the contest will not materially impair the ability to ultimately comply with the contested Legal Requirement should the contest not be successful and the conduct of the contest will not materially impair Borrower's ability to complete any tenant improvements prior to the date required under any applicable Lease;

(d) Borrower demonstrates to Lender's reasonable satisfaction that Borrower has the financial capability to undertake and pay for such contest and any corrective or remedial action then or thereafter likely to be necessary;

(e) Lender is not at risk for any material liability due to Borrower's non-compliance with such Legal Requirement; and

(f) Borrower's non-compliance with such Legal Requirement will not result in a Lien or charge on the Property or the Improvements, the enforcement of which is not stayed by such contest or bonded or insured over to the reasonable satisfaction of Lender.

4.08 Government Regulation.

Borrower shall not (a) be or become subject at any time to any law, regulation, or list of any Governmental Authority (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits Lender from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower, or (b) fail to provide documentary and other evidence of Borrower's identity as may be reasonably requested by Lender at any time to enable Lender to verify Borrower's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

4.09 Financial Information and Other Deliveries.

(a) Borrower.

(i) Within forty-five (45) days after the end of each of Borrower's fiscal quarters, Borrower shall deliver to Lender an operating statement (showing actual to budgeted results), and a lease status report (including a rent roll) for the Property and the Improvements, each dated as of the last day of such quarter.

(ii) Within forty-five (45) days after the end of each of Borrower's fiscal quarters, Borrower shall deliver to Lender a balance sheet and statement of operations for Borrower, each dated as of the last day of such fiscal quarter, in form and substance reasonably satisfactory to Lender and certified by a Member of Borrower.

(iii) Within ninety (90) days after the end of each of Borrower's fiscal years, Borrower shall deliver to Lender a balance sheet, statement of operations and statement of cash flows for Borrower, each dated as of the last day of such fiscal year, in form and substance reasonably satisfactory to Lender and certified by a Member of Borrower.

(iv) Within ninety (90) days after each Test Date (as defined in Section 4.13 below) a compliance certificate evidencing Borrower's satisfaction of the Minimum Required Debt Yield (as defined in Section 4.13 below).

(v) Borrower shall promptly deliver to Lender written notice of (A) the occurrence of any Default or Unmatured Default or the occurrence of an event which would make any representation or warranty contained herein untrue or misleading in any material respect as of the date of such event, and (B) the occurrence of any monetary or material non-monetary default under any Material Lease.

(vi) Borrower shall deliver to Lender such other information and materials with respect to Borrower, the Property, each Other Property, any Guarantor, and/or compliance with the terms of this Agreement, as Lender may reasonably request; provided, however, this Section 4.09(a)(vi) shall not apply to any Dune Guarantor's limited partnership agreement; provided further, however, that nothing in this Section 4.09(a)(vi) shall limit the terms and provisions of Section 9.09 below (including, without limitation, Section 9.09(5) below).

(b) Guarantor.

(i) With respect to each Guarantor, within ninety (90) days after the end of each of such Guarantor's fiscal quarters, Borrower shall deliver to Lender a balance sheet and statement of operations for such Guarantor, each dated as of the last day of such fiscal quarter, in form and substance reasonably satisfactory to Lender and certified by the chief financial officer of such Guarantor.

(ii) With respect to each Guarantor, within one hundred twenty (120) days after the end of each of such Guarantor's fiscal years, Borrower shall deliver to Lender a balance sheet, statement of operations and statement of cash flows for such Guarantor, each dated as of the last day of such fiscal year, in form and substance satisfactory to Lender and certified by the chief financial officer of such Guarantor, together with a compliance certificate evidencing such Guarantor's compliance with the financial covenants set forth in Section 3.2 of the Guaranty that are applicable to such Guarantor.

(iii) Lender hereby acknowledges that the balance sheet, statement of operations and statement of cash flow with respect to each Guarantor previously delivered to Lender in connection with the making of the Loan are in a form satisfactory to Lender for purposes of any deliveries required under this Section 4.09(b).

4.10 Hazardous Substances.

Borrower warrants, represents and covenants as follows:

(a) Environmental Reports; Compliance with Environmental Laws. Borrower has caused the preparation of the Environmental Reports, and except as disclosed in the Environmental Reports, to the actual knowledge of Borrower, neither Borrower nor the Property is in violation of any Environmental Laws.

(b) No Liens, Notices or Actions. Except as disclosed in the Environmental Reports, neither Borrower nor the Property is subject to any private or governmental Lien or judicial or administrative notice or action pending, or to Borrower's actual knowledge, threatened, relating to Hazardous Substances or the environmental condition of the Property.

(c) No Hazardous Substances; Compliance with Environmental Laws. Except as disclosed in the Environmental Reports, Borrower has no actual knowledge of (i) any Hazardous Substances (other than De Minimis Amounts) which are located on or which have been stored, processed or disposed of on or released or discharged from (including ground water contamination) the Property, and (ii) the existence any above or underground storage tanks on the Property. Borrower shall not allow any Hazardous Substances (other than De Minimis Amounts) to be stored, located, discharged, possessed, managed, processed or otherwise handled on the Property and shall comply with all Environmental Laws affecting the Property, respectively.

(d) Notice. Borrower shall immediately notify Lender should Borrower become aware of (i) any Hazardous Substance (other than De Minimis Amounts) or other environmental problem or liability with respect to the Property or (ii) any Lien, action, or notice of the nature described in Section 4.10(b) above.

4.11 ERISA.

(a) Plan Assets; Compliance; No Material Liability. Borrower hereby covenants and agrees that (i) Borrower shall not use any Plan Assets to repay or secure the Obligations, (ii) no assets of Borrower or Guarantor are or will be Plan Assets, (iii) each Employee Benefit Plan will be in material compliance with all applicable requirements of ERISA and the Code except to the extent any defects can be remedied without material liability to Borrower under Revenue Procedure 2008-50 or any similar procedure, and (iv) Borrower will not have any material liability under Title IV of ERISA or Section 412 of the Code with respect to any Employee Benefit Plan.

(b) Transfer of Interests. In addition to the prohibitions set forth in this Agreement and the other Loan Documents, and not in limitation thereof, Borrower hereby covenants and agrees that Borrower shall not assign, sell, pledge, encumber, transfer, hypothecate or otherwise dispose of its interests or rights (direct or indirect) in any Loan Document or any portion of the Property or attempt to do any of the foregoing or suffer any of the foregoing, or permit any party with a direct or indirect interest or right in any Loan Document or any portion of the Property to do any of the foregoing, if such action would cause this Agreement, any of the other Loan Documents, or the Obligations or the exercise of any of Lender's rights in connection therewith, to constitute a prohibited transaction under ERISA or the Code (unless Borrower furnishes to Lender a legal opinion satisfactory to Lender that the transaction is exempt from the prohibited transaction provisions of ERISA and the Code) or would otherwise result in the Property, or assets of Borrower or Guarantor being Plan Assets.

(c) Indemnity. Borrower hereby agrees to indemnify Lender, its Affiliates, and their respective directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not Lender or any Affiliate is a party thereto, but excluding indirect, consequential, special or punitive damages ) which any of them may actually pay or incur by reason of the investigation, defense and settlement of claims and in obtaining any prohibited transaction exemption under ERISA or the Code necessary in Lender's judgment by reason of the inaccuracy of the representations and warranties set forth in Section 5.01(i) hereof or a breach of the provisions set forth in this Section 4.11. The obligations of the Borrower under this Section 4.11 shall survive the termination of this Agreement.

4.12 Inspections.

Lender, through its officers, agents and employees, shall, subject to the rights of tenants, have the right at all reasonable times, on reasonable prior notice and at Lender's sole risk (a) to enter upon the Property and inspect the Improvements located thereon and the construction of the Capital Improvement Work; and (b) to examine, books, records, accounting data and other documents pertaining to the Property. Borrower will cooperate with Lender and Lender's representatives and consultants with respect to any such inspection.

4.13 Debt Yield.

(a) Borrower will not permit the Combined Debt Yield Ratio to be less than eleven percent (11%) (the ***"Minimum Required Debt Yield"***), which shall be tested as of the end of the twelfth (12th) month following the closing of the Loan and as of the end of each twelve-month period thereafter (each a ***"Test Date"***). If, as of any Test Date, the Combined Debt Yield Ratio is less than eleven percent (11%), then for the twelve (12) month period following such Test Date (each an ***"Excess Cash Flow Collection Period"***), Borrower shall deposit all Excess Cash Flow generated by the Property during each month into a restricted account maintained with Lender (the ***"Borrower's Funds Account"***), which deposits shall be made within twenty (20) days after the end of each such month. If, as of the last day of any Excess Cash Flow Collection Period, the Combined Debt Yield Ratio is less than eleven percent (11%), then, within twenty (20) days after the end of such Excess Cash Flow Collection Period, Borrower shall pay to Lender (each such payment, a ***"Remargin Payment"***) for application to the Obligations an amount demanded by Lender up to the lesser of (i) the amount required to fully repay the Obligations, and (ii) the amount required to cause the Minimum Required Debt Yield to be satisfied as of the last day of such Excess Cash Flow Collection Period (provided,

however, that the amount then demanded by Lender from Borrower and each Affiliate Borrower under Section 4.13 of each Other Loan Agreement, shall not, in the aggregate, exceed the amount required to cause the Minimum Required Debt Yield to be satisfied as of the last day of such Excess Cash Flow Collection Period). At Borrower's request in connection with any required Remargin Payment, Lender shall apply the amount then on deposit in the Borrower's Funds Account to any such required Remargin Payment; provided, however, if the amount then on deposit in the Borrower's Funds Account is not sufficient to pay in full the required Remargin Payment, Borrower shall pay the deficiency to Lender from other sources as and when due under this Section 4.13. Notwithstanding the foregoing, if the Minimum Required Debt Yield is not satisfied as of any Test Date, then Lender shall retest as of the end of each three-month period during the Excess Cash Flow Collection Period (each a ***"Retest Date"***) whether the Minimum Required Debt Yield is then satisfied. If, as of any such Retest Date, the Minimum Required Debt Yield is then satisfied, Borrower shall have no further obligation to deposit Excess Cash Flow into the Borrower's Funds Account during such Excess Cash Flow Collection Period and all amounts then on deposit in the Borrower's Funds Account shall be promptly released to Borrower. Notwithstanding the foregoing, all amounts then deposit in the Borrower's Funds Account shall be promptly released to Borrower upon full and final payment of the Obligations.

(b) The Borrower's Funds Account shall be an interest bearing account, with all accrued interest to become part of the funds on deposit in such Borrower's Funds Account. Borrower agrees that it shall include all interest and earnings on any such deposit as its income (and, if Borrower is a partnership or other pass-through entity, the income of its partners, members or beneficiaries, as the case may be), and shall be the owner of all funds on deposit in the Borrower's Funds Account for federal and applicable state and local tax purposes. Lender shall have the exclusive right to control all funds in the Borrower's Funds Account, but Lender shall have no fiduciary duty with respect to such funds. Borrower grants to Lender a security interest in any Borrower's Funds Account established and all funds now or hereafter deposited into any such account, and any proceeds thereof, as security for the Obligations. Such security interest shall be governed by the Uniform Commercial Code of the State of California, and Lender shall have available to it all of the rights and remedies available to a secured party thereunder. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of a Default, Lender may apply all or any portion of the funds on deposit in any Borrower's Funds Account (including accrued interest thereon) to the payment of the Obligations. The Borrower's Funds Account may be established and held in such name or names as Lender shall deem appropriate, including in the name of Lender. Borrower hereby constitutes and appoints Lender and any officer or agent of Lender its true and lawful attorneys-in-fact with full power of substitution to open any Borrower's Funds Account and to do any and every act that Borrower might do on its own behalf to fulfill the terms of this Section 4.13. To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. It is understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

4.14 Capital Improvement Work.

(a) Expected Completion Date. Borrower shall cause Capital Improvement Work to be performed in a good and workmanlike manner with diligence and continuity and in accordance with all applicable Legal Requirements. Borrower shall cause the Capital Improvement Work to be Completed on or before the Estimated Completion Date or, subject to the satisfaction of the requirement set forth in Section 4.14(b) below, the Final Completion Date. Borrower shall not commence any Capital Improvement Work in any material respect unless and until the Plans and Specifications are in final form (subject to changes thereto made in accordance with Section 4.14(d) below).

(b) Final Completion Date; Revised Capital Improvement Budget. If the Capital Improvement Work is not Completed on or before the Estimated Completion Date, then (i) Borrower shall deliver to Lender on or before the Estimated Completion Date an updated Capital Improvement Budget, which Capital Improvement Budget shall (A) be current as of the Estimated Completion Date, (B) include a certification of all budgeted costs and expenses paid through the date of such updated Capital Improvement Budget, together with such evidence of payments and conditional and final lien waivers as Lender may reasonably request with respect to all completed work, and (C) be subject in all respects to Lender's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) Borrower shall deposit into a restricted account maintained with Lender (the ***"Capital Improvements Reserve Account"***) on or before the Estimated Completion Date an amount sufficient to pay all costs and expenses required to cause the Capital Improvement Work to be Completed, as set forth in the updated Capital Improvement Budget delivered to and approved by Lender pursuant to and in accordance with clause (i) of this Section 4.14(b).

(c) Capital Improvements Reserve Account.

(i) The Capital Improvements Reserve Account shall be an interest bearing account, with all accrued interest to become part of the funds on deposit in such Capital Improvements Reserve Account. Borrower agrees that it shall include all interest and earnings on any such deposit as its income (and, if Borrower is a partnership or other pass-through entity, the income of its partners, members or beneficiaries, as the case may be), and shall be the owner of all funds on deposit in the Capital Improvements Reserve Account for federal and applicable state and local tax purposes. Lender shall have the exclusive right to control all funds in the Capital Improvements Reserve Account, but Lender shall have no fiduciary duty with respect to such funds. Borrower grants to Lender a security interest in any Capital Improvements Reserve Account established and all funds now or hereafter deposited into any such account, and any proceeds thereof, as security for the Obligations. Such security interest shall be governed by the Uniform Commercial Code of the State of California, and Lender shall have available to it all of the rights and remedies available to a secured party thereunder. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of a Default, Lender may apply all or any portion of the funds on deposit in any Capital Improvements Reserve Account (including accrued interest thereon) to the payment of the Obligations. The Capital Improvements Reserve Account may be established and held in such name or names as Lender shall deem appropriate, including in the name of Lender. Borrower hereby constitutes and appoints Lender and any officer or agent of Lender its true and lawful attorneys-in-fact with full power of substitution to open any Capital Improvements Reserve Account and to do any and every act that Borrower might do on its own behalf to fulfill the terms of this Section

4.14. To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. It is understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

(ii) Borrower may from time to time request disbursements of the funds on deposit in the Capital Improvements Reserve Account to fund or reimburse costs and expenses incurred in connection with the performance of the Capital Improvement Work in accordance with this Agreement. As conditions precedent to each disbursement of funds from the Capital Improvements Reserve Account pursuant to this Section 4.14(c)(ii), Lender shall have received and approved the following:

(A) A draw request in form and detail reasonably satisfactory to Lender.

(B) Evidence reasonably satisfactory to Lender that no Default or Unmatured Default exists.

(C) Evidence reasonably satisfactory to Lender that each contract for labor, materials, services and/or other work included in a draw request has been duly executed and delivered by all parties thereto and is effective, and a true and complete copy of a fully executed copy of each such contract as Lender may have requested.

(D) Evidence reasonably satisfactory to Lender that no mechanic's, materialman's or other similar lien or other encumbrance has been filed and remains in effect against the Property (other than Permitted Encumbrances), no stop notices have been served on Lender that have not been bonded by Borrower in a manner and amount reasonably satisfactory to Lender, and releases or waivers of mechanic's liens and receipted bills showing payment of all amounts due to all parties who have furnished materials or services or performed labor of any kind in connection with the Property (other than in connection with the Told Dispute).

(E) Evidence reasonably satisfactory to Lender that the Improvements have not been damaged without being repaired and are not the subject of any pending or threatened condemnation or adverse zoning proceeding.

(F) With respect to any advance to pay a contractor, original applications for payments in form reasonably approved by Lender, containing a breakdown by trade and/or other categories reasonably acceptable to Lender, executed and certified by such contractor and accompanied by invoices.

(G) Copies of notarized partial lien waiver forms executed by each contractor and each appropriate subcontractor, supplier and materialman, including such partial lien waivers from all parties sending statutory notices to contractors, notices to owners, or notices of nonpayment, specifying in such partial lien waivers the amount paid in consideration of such partial releases.

(H) Such other information, documents and materials as may be reasonably required by Lender.

(d) Changes to Plans and Specifications. Borrower shall not make any material change in the plans and specifications for the Capital Improvement Work delivered to Lender prior to the date hereof without the prior written approval of Lender, which approval shall not be unreasonably withheld, conditioned or delayed. A material change for purposes hereof shall be any change (whether such change increases or decreases the total cost of the Improvements), which (i) involves a cost of more than (A) for any single item, Fifty Thousand Dollars ($50,000) or (B) for all such items (without netting cost increases against cost savings), Two Hundred Thousand Dollars ($200,000), (ii) impairs the structural integrity or the configuration of the Improvements, (iii) substantially changes the architectural appearance of the Improvements or (iv) results in a violation of any applicable Legal Requirement. Changes shall be submitted to Lender for approval on a form acceptable to Lender which shall be accompanied by a copy of the plans and specifications applicable to the changes. All changes in the Plans and Specifications must, prior to being effective, be duly approved by any applicable bond sureties (if required in order to maintain the effectiveness of the bonds), and all Governmental Authorities (to the extent such Governmental Authority's approval is required under applicable Legal Requirements).

(e) Inspecting Professional. In furtherance of Lender's rights hereunder, Lender may, at its option, subject to the rights of tenants, require monthly inspections of the Property by the Inspecting Professional during the construction of the Capital Improvement Work; provided, however, except in the case of emergency, Lender (or the Inspecting Professional) shall give Borrower at least one (1) Business Days' notice prior to each such inspection. Without limitation of the provisions of Section 4.12 hereof, Borrower shall provide the Inspecting Professional with copies of any testing reports received by Borrower with respect to the Property promptly upon Borrower's receipt thereof.

(f) Exculpation. It is expressly understood and agreed that Lender is under no duty to supervise or to inspect the work of construction, and that any such inspection by or on behalf of Lender is for the sole purpose of protecting the interests of Lender with respect to the Property. Failure to inspect the work or any part thereof shall not constitute a waiver of any of Lender's rights hereunder. Inspection not followed by notice of Default shall not constitute a waiver of any Default then existing; nor shall it constitute an acknowledgment that there has been or will be compliance with the applicable plans and specifications or applicable legal requirements or that the construction is free from defective materials or workmanship. It is further understood and agreed that any consents or approvals of Lender hereunder are for the sole purpose of protecting the interests of Lender under the Loan Documents and Borrower shall have no right to rely on such approvals for Borrower's purposes.

4.15 Told Dispute.

Borrower shall cause the Told Dispute to be fully resolved within the earlier of (a) twenty (20) months after the date hereof, or (b) six (6) months after any claim of lien encumbrance is recorded against the Property in connection with the Told Dispute. Lender agrees that Lender shall not make any claim under the Title Policy with respect to the Told Dispute prior to the earlier of (y) the date that is six (6) months after any claim of lien encumbrance is recorded against the Property in connection with the Told Dispute, and (z) the consummation of a judicial or non-judicial foreclosure on the Property pursuant to the Deed of Trust or the Secured Guaranty Deed of Trust or of any transfer of the Property pursuant to a deed in lieu of foreclosure of the Deed of Trust or the Secured Guaranty Deed of Trust.

4.16 Management of the Property.

Borrower at all times shall provide for the competent and responsible management and operation of the Property. At all times, Borrower shall cause the Property to be managed by an Approved Manager. All management contracts affecting the Property shall permit Lender, any court-appointed receiver, and any Person acquiring title to the Property pursuant to a judicial or non-judicial foreclosure of the Deed of Trust (or the Secured Guaranty Deed of Trust), or any deed in lieu thereof, to terminate such management agreement upon thirty (30) days' written notice without penalty or charge. All management contracts must be approved in writing by Lender prior to the execution of the same, which approval shall not be unreasonably withheld, conditioned or delayed.

4.17 Post-Closing Obligations.

Borrower shall deliver to Lender within thirty (30) days after the date hereof a subordination, non-disturbance and attornment agreement executed by Borrower, as landlord, and Deckers Outdoor Corporation, a Delaware corporation, as tenant, in favor of Lender with respect to the Deckers Lease, which subordination, non-disturbance and attornment agreement shall be in form and substance reasonably acceptable to Lender (including, without limitation, express acknowledgment by Deckers Outdoor Corporation that neither Lender nor any foreclosure purchaser shall be liable for any tenant improvement or allowance obligations under the Deckers Lease).

## ARTICLE V
## REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties.

As a material inducement to Lender to enter into this Agreement, Borrower hereby represents and warrants, as follows:

(a) Existence; Power and Authority. Borrower is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to transact business as a foreign limited liability company under the laws of the State of California, with requisite power and authority to (i) incur the Obligations, and (ii) execute, deliver and perform this Agreement and the other Loan Documents to which it is a party.

(b) Authorization; No Conflict. Borrower's execution and delivery to Lender of this Agreement and the other Loan Documents and the full and complete performance of the provisions thereof (i) are authorized by Borrower's organizational documents; (ii) have been duly authorized by all requisite member actions; (iii) do not require the approval or consent of any Governmental Authority having jurisdiction over Borrower or the Property; and (iv) will not result in any breach of, or constitute a default under, or result in the creation of any Lien, (other than those contained in any of the Loan Documents) upon any property or assets of Borrower under any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument or agreement to which Borrower is a party or by which Borrower or the Property is bound.

(c) Title. Borrower is the sole legal and beneficial owner of the fee simple interest in the Property free and clear of all Liens other than the Permitted Encumbrances.

(d) Financial Statements. Any and all balance sheets, statements of income or loss, and financial statements heretofore furnished to Lender with respect to Borrower and Guarantor are true and correct in all material respects as of the dates thereof, and fully and accurately present the financial condition of the subjects thereof as of the dates thereof, and no material adverse change has occurred in the financial condition reflected therein since the dates of the most recent thereof. Neither Borrower nor Guarantor has any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments which are reasonably likely to result in a material adverse effect on the Property or the ownership or operation of the Improvements as contemplated by the Loan Documents or on the financial condition of Borrower or Guarantor or their respective abilities to perform their obligations under the Loan Documents (except (i) as may otherwise be disclosed in the financial statements of Borrower and Guarantor delivered to Lender prior to the date hereof or from time to time hereafter pursuant to Section 4.09 above, or (ii) in the case of Borrower, as otherwise disclosed to Lender in writing on or before the date hereof).

(e) Litigation. Other than the Told Dispute, there are no actions, suits or other legal proceedings pending, or to the actual knowledge of Borrower, threatened in writing, against or affecting Borrower, the Property, or any Guarantor which (i) if adversely determined would materially and adversely affect the ability of Borrower or any Guarantor to perform its respective obligations under the Loan Documents or would have a material adverse effect on the use or value of the Property, or (ii) challenge the validity or enforceability of the Loan Documents or the priority of the Lien and security interest created thereby.

(f) Legal Compliance. Except as may otherwise be disclosed in the Physical Condition Report, neither the zoning nor any other right to construct, use or operate any Improvements is to any extent dependent upon or related to any real estate other than the Property on which such Improvements are located. Except as may otherwise be disclosed in the Physical Condition Report, all approvals, licenses and permits required from Governmental Authorities under applicable Legal Requirements in connection with the current phase of construction of the Improvements have been obtained and Borrower has no actual knowledge of any information suggesting that approvals, licenses and permits for future phases of construction will not be received in a timely manner.

(g) Services and Utilities. Except as may otherwise be disclosed in the Physical Condition Report, all streets, easements, utilities and related services necessary for the operation of the Improvements for their intended purpose are available to the Property.

(h) Enforceability. Each Loan Document executed by Borrower constitutes a legal and binding obligation of, and is valid and enforceable against, Borrower in accordance with the terms thereof (subject to Debtor Relief Laws and general equitable principles) and is not subject to any right of rescission, set-off, counterclaim or defense.

(i) ERISA. Borrower is not an "employee benefit plan" as defined in Section 3(3) of ERISA or a "plan" as defined in Section 4975(e)(1) of the Code. Each Employee Benefit Plan is in material compliance with all applicable requirements under ERISA and the Code, and, to the extent that such Employee Benefit Plan is also intended to be "qualified" within the meaning of Section 401(a) of the Code, it is in material compliance with the applicable requirements under the Code, except to the extent that any defects can be remedied without material liability to Borrower under Revenue Procedure 2008-50 or any similar procedure. None of the Employee Benefit Plans is subject to the requirements of Section 412 of the Code, Part 3 of Title I of ERISA or Title IV of ERISA or is a "multiemployer plan" as defined in Section 3(37) of ERISA. Borrower has no material liability under Title IV of ERISA or Section 412 of the Code with respect to any Employee Benefit Plan.

(j) Legal Parcel; Separate Tax Parcel. The Property is taxed separately and does not include any other property, and for all purposes the Property may be mortgaged, conveyed and otherwise dealt with as a separate legal parcel.

(k) Leases and Rents. Borrower has good and marketable title to the Leases and rents free and clear of all claims, and Liens and encumbrances other than the Permitted Encumbrances. To the actual knowledge of Borrower, the Leases are valid and unmodified and are in full force and effect and Borrower is not in default of any of the material terms or provisions of the Leases. The rents now due or to become due for any periods subsequent to the date hereof have not been collected and payment thereof has not been anticipated for a period of more than one month in advance, waived or released, discounted, set off or otherwise discharged or compromised. Borrower has not received any funds or deposits from any Lessee for which credit has not already been made on account of accrued rents other than security deposits required by the Leases.

5.02 Nature of Representations and Warranties.

All representations and warranties made in this Agreement or any other Loan Document or in any certificate or other document delivered to Lender pursuant to or in connection with this Agreement shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE VI
INSURANCE AND CONDEMNATION

6.01 Insurance and Casualty.

(a) Required Insurance Coverage. Borrower, at its expense, shall maintain and deliver to Lender policies of insurance providing the following:

(i) Commercial General Liability Insurance with limits of not less than $1,000,000.00 per occurrence combined single limit and $2,000,000.00 in the aggregate for the policy period, or in whatever higher amounts as may be required by Lender from time to time by notice to Borrower, and extended to cover: (a) Contractual Liability assumed by Borrower with defense provided in addition to policy limits for indemnities of the named insured, (b) if any of the work is subcontracted, Independent Contractors Liability providing coverage in connection with such portion of the work which may be subcontracted, (c) Broad Form Property Damage Liability, (d) Products & Completed Operations for coverage, such coverage to apply for two years following completion of construction, (e) waiver of subrogation against all parties named additional insured, (f) severability of interest provision, and (g) Personal Injury & Advertisers Liability.

(ii) Automobile Liability including coverage on owned, hired and non-owned automobiles and other vehicles, if used in connection with the performance of the work, with Bodily Injury and Property Damage limits of not less than $1,000,000.00 per occurrence combined single limit, with a waiver of subrogation against all parties named as additional insured.

(iii) Umbrella/Excess Liability in excess of Commercial General Liability, Automobile Liability and Employers' Liability coverages which is at least as broad as these underlying policies with a limit of liability of $10,000,000.00.

(iv) All-Risk Property (Special Cause of Loss) Insurance on the Improvements in an amount not less than the full insurable value on a replacement cost basis of the insured Improvements and personal property related thereto. During any construction period, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" with no coinsurance requirement and shall contain a provision granting the insured permission to occupy prior to completion. Such policy shall not contain an exclusion for terrorist losses. However, if such an exclusion exists in the All-Risk policy, a separate Terrorism policy covering Certified Acts of Terrorism must be evidenced to Lender in an amount equal to the full replacement cost of the Improvements. This policy must also list Lender as mortgagee and loss payee.

(v) Workers' Compensation and Employer's Liability Insurance in accordance with the applicable laws of the state in which the work is to be performed or of the state in which Borrower is obligated to pay compensation to employees engaged in the performance of the work. The policy limit under the Employer's Liability Insurance section shall not be less than $1,000,000.00 for any one accident.

(vi) If all or any portion of the Property lies within a "special flood hazard area" as designated on maps prepared by the Department of Housing and Urban Development, a National Flood Insurance Association standard flood insurance policy covering the Property, plus insurance from a private insurance carrier if necessary, for the duration of the Loan in the amount of the full insurable value of the Improvements located on the Property, or the amount of the Loan, whichever is less.

(vii) Rent loss or business interruption insurance against loss of income (including, but not limited to, rent, cost reimbursements and all other amounts payable by tenants under Leases or otherwise derived by Borrower from the operation of the Property) arising out of damage to or destruction of the Property and Improvements by fire or other peril insured against under each policy. The amount of the policy shall be in the amount equal to one year's projected rentals or gross revenue.

(viii) Such other insurance as Lender may reasonably require, which may include, without limitation, errors and omissions insurance with respect to the contractors, architects and engineers, and earthquake insurance; provided, however, that Lender shall not require Borrower to maintain earthquake insurance unless a so called "PML" report with respect to the Property reflects a probable maximum loss of twenty percent (20%) or more in the event of an earthquake or other seismic casualty.

(b) Policy Requirements. All insurance policies shall (i) be issued by an insurance company licensed to do business in the state where the Property is located having a rating of "A-" VIII or better by A.M. Best Co., in Best's Rating Guide, (ii) name "JPMorgan Chase Bank, N.A., any and all subsidiaries and their successors and/or assigns as their interests may appear" as additional insureds on all liability insurance and as mortgagee and loss payee on all All-Risk Property, flood insurance and rent loss or business interruption insurance, (iii) be endorsed to show that Borrower's insurance shall be primary and all insurance carried by Lender is strictly excess and secondary and shall not contribute with Borrower's insurance, (iv) provide that Lender is to receive thirty (30) days written notice prior to non-renewal or cancellation, (v) be evidenced by a certificate of insurance to be provided to Lender, (vi) include either policy or binder numbers on the ACORD form, and (vii) be in form and amounts reasonably acceptable to Lender.

(c) Evidence of Insurance; Payment of Premiums. Borrower shall deliver to Lender, at least five (5) days before the expiration of an existing policy, evidence reasonably acceptable to Lender of the continuation of the coverage of the expiring policy. If Lender has not received satisfactory evidence of such continuation of coverage in the time frame herein specified, Lender shall have the right, but not the obligation, to purchase such insurance for Lender's interest only. Any amounts so disbursed by Lender pursuant to this Section shall be repaid by Borrower within ten (10) days after written demand therefor. Nothing contained in this Section shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account on this Section. The payment by Lender of any insurance premium for insurance which Borrower is obligated to provide hereunder but which Lender believes has not been paid, shall be conclusive between the parties as to the legality and amounts so paid. Borrower agrees to pay all premiums on such insurance as they become due, and will not permit any condition to exist on or with respect to the Property which would wholly or partially invalidate any insurance thereon.

(d) Collateral Protection. Unless Borrower provides Lender with evidence reasonably satisfactory to Lender of the insurance coverage required by this Agreement, Lender may purchase insurance at Borrower's expense to protect Lender's interest in the Property. This insurance may, but need not, protect Borrower's interest in the Property. The coverages that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Property. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence reasonably satisfactory to Lender that Borrower has obtained insurance as required by this Agreement. If Lender purchases insurance for the Property, Borrower will be responsible for the actual costs of that insurance, including any charges imposed by Lender in connection with the placement of insurance, until the effective date of the cancellation or expiration of such insurance. The costs of the insurance may, at Lender's discretion, be added to Borrower's total principal obligation owing to Lender, and in any event shall be secured by the liens on the Property created by the Loan Documents. It is understood and agreed that the costs of insurance obtained by Lender may be more than the costs of insurance Borrower may be able to obtain on its own.

(e) No Liability; Assignment. Lender shall not by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any such insurance, incur any liability for the form or legal sufficiency of insurance contracts, solvency of insurers, or payment of losses, and Borrower hereby expressly assumes full responsibility therefor and all liability, if any, thereunder. Borrower hereby absolutely assigns and transfers to Lender all of Borrower's right, title and interest in and to any unearned premiums paid on policies and any claims thereunder and Lender shall have the right, but not the obligation, to assign any then existing claims under the same to any purchaser of the Property at any foreclosure sale; provided, however, that so long as no Default exists and is continuing hereunder, Borrower shall have the right under a license granted hereby, and Lender hereby grants to Borrower a license, to exercise rights under said policies and in and to said premiums subject to the provisions of this Agreement. Said license shall be revoked automatically upon the occurrence and during the continuance of a Default hereunder.

(f) No Separate Insurance. Borrower shall not carry any separate insurance on the Property concurrent in kind or form with any insurance required hereunder or contributing in the event of loss without Lender's prior written consent, and any such policy shall have attached a standard non-contributing mortgagee clause, with loss payable to Lender, and shall otherwise meet all other requirements set forth herein.

(g) Casualty Loss.

(i) If all or any part of the Property shall be damaged or destroyed by fire or other casualty, Borrower shall give immediate written notice to the insurance carrier and Lender. With respect to any such casualty loss for which Borrower has an insurance claim with a value in excess of $500,000, Borrower hereby authorizes and empowers Lender, at Lender's option and in Lender's sole discretion as attorney-in-fact for Borrower, to make proof of loss, to adjust and compromise any claim under

insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds; provided, however, that the foregoing authorization and empowerment of Lender to act as attorney-in-fact for Borrower shall not become effective until the occurrence and during the continuance of a Default or until such time as Borrower fails to diligently pursue the collection of such insurance proceeds in Lender's reasonable opinion. The foregoing appointment is irrevocable, or coupled with an interest, and continuing so long as any Obligations remain outstanding, and such rights, powers and privileges shall be exclusive in Lender, its successors and assigns.

(ii) As sole loss payee on all policies of casualty insurance, Lender shall receive all insurance proceeds from any casualty loss, and shall hold the same in an interest-bearing account pending disposition in accordance with this Section. Borrower authorizes Lender to deduct from such insurance proceeds received by Lender all of Lender's costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with the collection thereof (the remainder of such insurance proceeds being referred to herein as ***"Net Casualty Proceeds"***); provided, however, that, notwithstanding the foregoing, so long as no Default or Unmatured Default shall have occurred and be continuing, Borrower shall have the exclusive right to receive the proceeds of all insurance for loss of or damage to the Property in cases in which such claim is valued at less than $500,000.

(iii) Lender shall cause the Net Casualty Proceeds from any casualty loss affecting a Property to be disbursed for the cost of reconstruction of the Property if all of the following conditions are satisfied within ninety (90) days after the applicable casualty loss: (a) Borrower satisfies Lender (in Lender's reasonable judgment) that the reconstruction can be completed within a reasonable period of time after such casualty loss (but in no event later than the Maturity Date) and that after giving effect to such reconstruction the affected Property will be restored to substantially the same condition immediately prior to the casualty loss; (b) Borrower satisfies Lender (in Lender's reasonable judgment) that the Net Casualty Proceeds are sufficient to pay all costs of reconstruction, and if insufficient, Borrower deposits with Lender additional funds to make up such insufficiency; (c) Borrower delivers to Lender all plans and specifications and construction contracts for the work of reconstruction and such plans and specifications and construction contracts are in form and content reasonably acceptable to Lender and with a contractor acceptable to Lender; and (d) Borrower delivers to Lender satisfactory evidence (in Lender's reasonable judgment) that upon completion of the reconstruction, Leases approved or deemed approved by Lender in accordance with the terms of this Agreement demising in the aggregate no less than the lesser of (i) the net rentable square feet in the Improvements covered by Leases in effect immediately prior to the casualty loss, and (ii) seventy-five percent (75%) of the net rentable square feet in the Improvements located on the portion of the Property affected by the casualty, will remain in full force and effect. The disbursement of Net Casualty Proceeds pursuant to this clause (iii) shall be in accordance with customary disbursement procedures and shall not be available after the occurrence and during the continuance of a Default. Any Net Casualty Proceeds not required to reconstruct the Property shall be

delivered to Borrower after expiration of the lien period for the work of reconstruction (or, at Borrower's option, after delivery of title insurance to Lender, over such liens where the lien period has not so expired). Upon the occurrence and during the continuance of a Default or in the event Borrower is unable to satisfy the conditions set forth in subclauses (a) through (d) hereof by the required date, Lender, shall have the right (but not the obligation) to apply all Net Casualty Proceeds held by it to the payment of the Obligations. If the maturity of the Loan is extended in accordance with Section 3.12 above and any Net Casualty Proceeds are applied to the payment of the Obligations during any such extension period, then the amortization payments thereafter required to be made by Borrower pursuant to Section 3.12(c) shall be recalculated by Lender to reflect such paydown of the Loan Amount. Borrower shall have the obligation to promptly and diligently complete the work of reconstruction necessitated by any casualty loss and restore the affected Property to the equivalent of its condition immediately prior to such casualty provided the applicable Net Casualty Proceeds are made available to Borrower for such purpose.

6.02 Condemnation and Other Awards.

Immediately upon receiving written notice of the institution or threatened institution of any proceeding for the condemnation of all or any portion of the Property, Borrower shall notify Lender of such fact. Borrower shall then file or defend its rights thereunder and prosecute the same with due diligence to its final disposition; provided, however, that Borrower shall not enter into any settlement of such proceeding without the prior approval of Lender (which approval shall not be unreasonably withheld, conditioned or delayed). Lender shall be entitled, at its option, to appear in any such proceeding in its own name, and upon the occurrence and during the continuation of a Default or if Borrower fails to diligently prosecute such proceeding (in Lender's reasonable judgment), (a) Lender shall be entitled, at its option, to appear in and prosecute any such proceeding or to make any compromise or settlement in connection with such condemnation on behalf of Borrower, and (b) Borrower hereby irrevocably constitutes and appoints Lender as its attorney-in-fact, and such appointment is coupled with an interest, to commence, appear in and prosecute such action or proceeding or to make such compromise or settlement in connection with any such condemnation on its behalf. The foregoing appointment is irrevocable and continuing so long as the Obligations remain outstanding, and such rights, powers and privileges shall be exclusive in Lender, its successors and assigns. If all or any material portion of the Property is taken or materially diminished in value in connection with such condemnation, or if a consent settlement is entered, by or under threat of such proceeding, the award or settlement payable to Borrower by virtue of its interest in the Property, shall be, and by these presents is, assigned, transferred and set over unto Lender; provided, however, that, so long as no Default or Unmatured Default shall have occurred and be continuing, Borrower shall have the exclusive right to receive the award or settlement payable to Borrower in connection with any such condemnation in cases in which such award or settlement is valued at less than $500,000. Any such award or settlement received by Lender shall be first applied to reimburse Lender for all out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred in connection with the collection of such award or settlement. The balance of such award or settlement (the ***"Net Condemnation Proceeds"***) shall be paid to Lender for application in the manner set forth in Section 6.01(g) as if such award or settlement constituted insurance proceeds from a casualty loss; provided,

however, that Lender shall have no obligation to make Net Condemnation Proceeds available for construction or reconstruction of the Property unless Lender has reasonably determined that the Property as so constructed or reconstructed after giving effect to the condemnation would have a value that is not materially less than its value would have been had there been no such condemnation. Borrower shall have the obligation to promptly and diligently complete the work of reconstruction necessitated by any condemnation and restore the affected Property to the equivalent of its condition immediately prior to such condemnation provided the applicable Net Condemnation Proceeds are made available to Borrower for such purpose; provided, however, that Borrower shall not be obligated to complete the work of reconstruction necessitated by any condemnation and restore the affected Property to the equivalent of its condition immediately prior to such condemnation unless Lender shall make available to Borrower all Net Condemnation Proceeds received by Lender in connection with such condemnation. If the maturity of the Loan is extended in accordance with Section 3.12 above and any Net Condemnation Proceeds are applied to the payment of the Obligations during any such extension period, then the amortization payments thereafter required to be made by Borrower pursuant to Section 3.12(c) shall be recalculated by Lender to reflect such paydown of the Loan Amount.

## ARTICLE VII
## DEFAULTS

7.01 Defaults.

Any of the following events, after passage of the applicable cure period set forth below, shall constitute a ***"Default"*** hereunder:

(a) Failure to Make Payment. The failure by Borrower to pay in full any principal of the Loan when due (including, without limitation, any Remargin Payment required under Section 4.13(a) above); the failure by Borrower to pay in full any interest on the Loan or any fees or any other amounts due under the Loan Documents (other than principal) when due and such failure continues unremedied for a period of ten (10) days after the due date thereof; or the failure by Borrower to make any other payment or deposit required hereunder or under any of the other Loan Documents within the period set forth in Loan Documents, or if no period is set forth in the Loan Documents, then within ten (10) Business Days after demand therefor;

(b) Involuntary Proceeding. An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Guarantor or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii)the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Guarantor or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(c) Voluntary Proceedings. Borrower or any Guarantor shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or

hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (b) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Guarantor or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing.

(d) Assignment for Benefit of Creditors. The execution by Borrower or Guarantor of an assignment for the benefit of creditors;

(e) Unable to Pay Debts. The admission in writing by Borrower or Guarantor that it is unable to pay its debts as they mature or that it is generally not paying its debts as they mature;

(f) Liquidation of Borrower or Guarantor. The liquidation, termination or dissolution of Borrower or Guarantor;

(g) Transfer or Encumbrance of Interest in Property or Borrower.

(i) Property. Except for any sales, exchanges, conveyances and transfers at the closing of which the Loan is fully repaid, the sale, lease (except as permitted under this Agreement), exchange, conveyance, transfer, mortgage, assignment, pledge or encumbrance, either voluntarily or involuntarily, or the agreement to do so, of any right, title or interest of Borrower in and to all or any portion of the Property, which occurrence is not rendered ineffective within ten (10) days after occurrence; provided, however, that Borrower shall be permitted to replace defective, obsolete or worn out personal property, and Borrower shall be permitted to grant and/or record Permitted Encumbrances; and

(ii) Borrower. Except for any sales, exchanges, conveyances and transfers at the closing of which the Loan is fully repaid and any required release price under the Secured Guaranty is fully paid, the sale, exchange, conveyance, transfer, mortgage, assignment, pledge or encumbrance, either voluntarily or involuntarily, or the agreement to do so, of any direct or indirect ownership interest in Borrower or any portion thereof (collectively, a ***"Transfer"***); provided, however, Borrower shall not be in Default hereunder (and any such Transfer to a Person that is not a Prohibited Person shall be expressly permitted) if, after giving effect to any of the foregoing, Guarantor (or any one or more of them) shall collectively hold, directly or indirectly, at least 51% of the ownership interests in Borrower;

(h) Levy; Attachment; Seizure. The levy, attachment or seizure pursuant to court order of (i) any right, title or interest of Borrower in and to all or any portion of the Property or (ii) any direct or indirect ownership interests in Borrower, if such order is not vacated and the proceeding in which it was entered is not dismissed within thirty (30) days of the entry of such order (or, if such order is an attachment order relating solely to the Told Dispute, such order is not vacated and the proceeding in which it was entered is not dismissed within one hundred eighty (180) days of the entry of such attachment order);

(i) Failure of Representations. Any representation or warranty contained herein or in any of the other Loan Documents, or in any certificate or other document executed by Borrower or any Guarantor and delivered to Lender pursuant to or in connection with this Agreement, is not true and correct in all material respects, or omits to state a material fact necessary to make such representation not misleading, in each case, as of the date made or deemed made;

(j) Claims; Liens; Encumbrances; Stop Notices. Unless Borrower is contesting the same in accordance with the provisions of Section 4.01(c) hereof, the filing of any claim of lien or encumbrance (other than Permitted Encumbrances) against all or any portion of the Property that is not released or insured over with a title insurance endorsement (obtained at Borrower's cost and expense) within thirty (30) days after notice thereof from Lender to Borrower (or, if such claim of lien or encumbrance relates solely to the Told Dispute, such claim of lien or encumbrance is not released within one hundred eighty (180) days after the filing thereof); or the service on Lender or any disburser of funds of a notice or demand to withhold funds, which is not nullified within thirty (30) days after the date of such service;

(k) Permits; Utilities; Insurance. (i) The neglect, failure or refusal of Borrower to keep in full force and effect any material permit, license, consent or approval required for the construction or operation of any Improvements that is not fully reinstated within thirty (30) days after the lapse of effectiveness of such material permit, license, consent or approval; or (ii) the curtailment in availability to the Property of utilities or other public services necessary for the full occupancy and utilization of the Improvements located thereon that is not restored to full availability within thirty (30) days after such curtailment of availability; or (iii) the failure by Borrower to maintain any insurance required under Section 6.01 hereof or under any other Loan Document that is not cured within five (5) days after Lender gives Borrower notice of such lapse;

(l) Cessation of Loan Documents to be Effective. The cessation, for any reason, of any Loan Document to be in full force and effect in all material respects; the failure of any Lien intended to be created by the Loan Documents to exist or to be valid and perfected; the cessation of any such Lien, for any reason, to have the priority contemplated by this Agreement or the other Loan Documents, subject to Borrower's right to contest any other Lien in accordance with the terms of this Agreement; or the revocation by Guarantor of the Guaranty or any other Loan Document executed by Guarantor;

(m) ERISA. Any breach of the provisions of Section 4.11 hereof;

(n) Prohibited Distributions. Any breach of the provisions of Section 4.06 hereof shall occur which is not cured by Borrower within five (5) Business Days after such breach;

(o) Operations of Borrower. Any breach of the provisions of Section 4.03 hereof shall occur which is not cured by Borrower within twenty (20) days after Lender gives Borrower notice thereof;

(p) Judgments. Any judgment or order for the payment of money in excess of $100,000.00 is rendered against Borrower, and either (a) enforcement proceedings have been commenced by a creditor upon such judgment, or (b) there is a period of fifteen (15) days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect;

(q) Swap Agreements. The occurrence or existence of any default, event of default or other similar condition or event (however described) with respect to any Swap Agreement to which Borrower is a party, whether or not Lender or an Affiliate of Lender is a party thereto, which is not cured within any applicable notice and grace or cure period;

(r) Guarantor Financial Covenants. Guarantor fails to comply with the financial covenants set forth in Section 3.2 of the Guaranty;

(s) Other Loan Documents. The existence of any default, event of default or other similar condition or event (however defined) under any Other Loan Document, which is not cured within any applicable notice and grace or cure period;

(t) Told Dispute. Borrower fails to satisfy its obligations under Section 4.15 as and when required thereunder;

(u) Management of the Property. Any breach of the provisions of Section 4.16 hereof shall occur which is not cured by Borrower within fifteen (15) days after Lender gives Borrower notice thereof;

(v) Post-Closing Obligations. Borrower fails to satisfy its obligations under Section 4.17 as and when required thereunder; or

(w) Failure to Perform Covenants. The failure of Borrower to fully perform any and all covenants and agreements hereunder or under any of the other Loan Documents, and, with respect to covenants and agreements other than those specifically referenced in this Section 7.01, or for which another cure period is provided, such failure is not cured by Borrower within thirty (30) days after Lender gives notice to Borrower thereof, unless (i) such failure, by its nature, is not capable of being cured within such period, (ii) within fifteen (15) days after delivery of such notice, Borrower commences to cure such failure and thereafter diligently prosecutes the cure thereof, and (iii) Borrower causes such failure to be cured no later than ninety (90) days after the date of such notice from Lender.

ARTICLE VIII
ACCELERATION AND REMEDIES

8.01 Acceleration.

If any Default described in Sections 7.01(b) or 7.01(c) hereof occurs with respect to Borrower, the obligations, if any, of the Lender to make any additional advance of the Loan hereunder shall automatically terminate and the Obligations (other than Swap Obligations included therein) shall immediately become due and payable without any election or action on the part of Lender. If any other Default occurs and is continuing, Lender may declare the Obligations (other than Swap Obligations included therein) to be due and payable, or both, whereupon the Obligations (other than Swap Obligations included therein) shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which Borrower hereby expressly waives. Lender has the rights and remedies with respect to the Swap Obligations as provided in the Swap Agreements.

8.02 Right to Perform Work.

Upon the occurrence and during the continuance of a Default hereunder, Lender shall have the right, in person or by agent, in addition to all other rights and remedies available to Lender under this Agreement, the other Loan Documents, to the fullest extent permitted by law, to take possession of the Property and perform any and all work and labor necessary to complete the Improvements or any tenant improvements in accordance with the applicable plans and specifications (with such modifications as shall be deemed appropriate by Lender), and employ watchmen to protect the Property from injury. All reasonable sums so expended by Lender shall be deemed to have been paid to Borrower and constitute Obligations. Effective upon the occurrence and during the continuance of a Default, Borrower hereby constitutes and appoints Lender its true and lawful attorney-in-fact, with full power of substitution, to so complete the Improvements or any tenant improvements in the name of Borrower. Borrower hereby empowers said attorney to: (a) make such additions, changes and corrections in any applicable plans and specifications as Lender deems appropriate; (b) employ such contractors, subcontractors, agents, architects and inspectors as shall be required for said purposes; (c) pay, settle or compromise all existing bills and claims which may be liens against the Property, or as may be necessary or desirable for such completion of any Improvements or tenant improvements or for clearance of title; (d) execute all applications and certificates in the name of Borrower which may be required by any of the contract documents; (e) prosecute and defend all actions or proceedings in connection with the Property or the construction of the Improvements and take such action and require such performance as it deems necessary under any bond or guaranty of completion; and (g) do any and every act which Borrower might do on its own behalf. It is further understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

8.03 Curing of Defaults.

Upon the occurrence and during the continuance of a Default hereunder, without waiving any right of acceleration or foreclosure under the Loan Documents which Lender may have by reason of such Default or any other right Lender may have against Borrower because of

said Default, Lender shall have the right (but not the obligation) to take such actions and make such payments as shall be necessary to cure such Default, including, without limitation, the making of Borrowings. All amounts so expended shall constitute Obligations and shall be payable by Borrower on demand by Lender.

## ARTICLE IX
## MISCELLANEOUS

9.01 Notices.

(a) Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, or mailed by certified or registered mail, as follows:

To Lender:

JPMorgan Chase Bank, N.A.
2029 Century Park West, Suite 3800
Los Angeles, California 90067
Attention: Faina Birger
Email: faina.birger@jpmorgan.com

To Borrower:

3175 MISSION OAKS BLVD LLC
c/o Dune Real Estate Partners LP
623 Fifth Avenue, 30th Floor
New York, New York 1002
Attention: Michael Sherman
Facsimile No.: (212) 301-8357
Email: michael.sherman@drep.com

and

c/o Rexford Industrial
11620 Wilshire Boulevard, Suite 300
Los Angeles, California 90025
Attention: Michael S. Frankel
Facsimile No.: (310) 966-1690
Email: mfrankel@rexfordindustrial.com

With a Copy to:

Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Ronald B. Emanuel, Esq.
Facsimile No.: (212) 541-1434
Email: rbemanuel@bryancave.com

and

Greenberg Glusker Fields Claman &
Machtinger LLP
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067
Attn: Kenneth S. Fields, Esq.
Facsimile No.: (310) 201-2376
Email: kfields@greenbergglusker.com

(b) Electronic Notices. Lender or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Changes in Address. Any party hereto may change its address for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

9.02 Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of Lender hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 9.02(b) hereof, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of any advance of the Loan shall not be construed as a waiver of any Default or Unmatured Default, regardless of whether Lender may have had notice or knowledge of such Default or Unmatured Default at the time.

(b) Waivers and Amendments. No provision of this Agreement or any other Loan Document may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Lender.

9.03 Expenses; Indemnity; Damage Waiver.

(a) Expenses. Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by Lender and its Affiliates, including appraisal fees, inspection fees, title and escrow charges and the reasonable fees, charges and disbursements of counsel for Lender, the preparation and administration of this Agreement, the other Loan Documents, or any

amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by Lender, including the fees, charges and disbursements of any counsel for Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loan made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Loan.

(b) Borrower Indemnity. Borrower shall indemnify Lender, and each Related Party of any of the foregoing Persons (each such Person being called an ***"Indemnitee"***) against, and hold each Indemnitee harmless from, any and all actual losses, claims, damages, judgments, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, but excluding indirect, consequential, special or punitive damages (collectively, ***"Losses"***), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) the Loan or the use of the proceeds therefrom, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Losses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. The foregoing indemnity set forth in this Section 9.03(b) shall not apply to any Losses, which are the subject of the Environmental Indemnity Agreement, it being the intention of the parties hereto that Borrower's liability for environmental matters be governed exclusively by the Environmental Indemnity Agreement and not by this Agreement.

(c) DAMAGE WAIVER. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST ANY INDEMNITEE, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS, THE LOAN OR THE USE OF THE PROCEEDS THEREOF. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LENDER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST BORROWER, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS, THE LOAN OR THE USE OF THE PROCEEDS THEREOF.

(d) Payment of Amounts Due. All amounts due under this Section shall be payable not later than ten (10) days after written demand therefor.

9.04 Successors and Assigns.

(a) Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower or Guarantor may assign or otherwise transfer any of its rights or obligations under the Loan Documents without the prior written consent of Lender, in Lender's sole discretion (and any attempted assignment or transfer by Borrower or Guarantor without such consent shall be null and void). Nothing in the Loan Documents, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in Section 9.04(c) hereof) and, to the extent expressly contemplated hereby, the Related Parties of Lender) any legal or equitable right, remedy or claim under or by reason of any of the Loan Documents.

(b) Assignment by Lender.

(i) Subject to the conditions set forth in Section 9.04(b)(ii) below, Lender may, at Lender's sole cost and expense, assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loan at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of Borrower, provided that no consent of Borrower shall be required for an assignment to an Affiliate of Lender or an Approved Fund or, if a Default has occurred and is continuing, any other assignee.

(ii) Subject to Lender's notification to Borrower of an assignment (and, if required, Borrower's consent thereto), assignee shall be a party hereto and, to the extent of the interest assigned, have the rights and obligations of a Lender under this Agreement, and Lender shall, to the extent of the interest assigned, be released from its obligations under this Agreement (and, in the case of an assignment covering all of Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.07, 3.08, 3.09, 4.11(c) and 9.03 hereof). Borrower hereby agrees to execute any amendment and/or any other document that may be reasonably necessary to effectuate such an assignment, including an amendment to this Agreement to provide for multiple lenders and an administrative agent to act on behalf of such lenders.

(c) Participations.

(i) Lender may, without the consent of Borrower, sell participations to one or more banks or other entities (a ***"Participant")*** in all or a portion of Lender's rights and obligations under this Agreement (including all or a portion of the Loan owing to it); provided that (a) Lender's obligations under this Agreement shall remain unchanged, (b) Lender shall remain solely responsible to Borrower for the performance of such obligations, and (c) Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which Lender sells such a participation shall provide that Lender shall retain the sole right to enforce this Agreement and to approve

any amendment, modification or waiver of any provision of this Agreement. Subject to Section 9.04(c)(ii) hereof, Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.07, 3.08 and 3.09 (solely with respect to the participation sold to such Participant) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 9.04(b) hereof.

(ii) A Participant shall not be entitled to receive any greater payment under Section 3.07 or 3.08 hereof than Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with Borrower's prior written consent.

(iii) Notwithstanding anything to the contrary contained in this Section 9.04, without the prior written consent of Borrower in each case, Lender shall not have the right to split the Loan into two or more separate loans, including, without limitation, any mezzanine loans (it being acknowledged, however, that neither the assignment of all, but not less than all of Lender's interest in the Loan in accordance with Section 9.04(b) above, nor the sale of one or more participations in the Loan in accordance with Section 9.04(c) shall be deemed to constitute "splitting" the Loan into two or more separate loans).

(d) Pledges by Lender. Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest (or the enforcement of any rights and remedies thereunder) shall release Lender from any of its obligations hereunder or substitute any such pledgee or assignee for Lender as a party hereto.

9.05 Survival.

All covenants, agreements, representations and warranties made by Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by Lender and shall survive the execution and delivery of this Agreement and the making of the Loan, regardless of any investigation made by Lender or on its behalf and notwithstanding that Lender may have had notice or knowledge of any Default or Unmatured Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on the Loan or any fee or any other amount payable under this Agreement is outstanding. The provisions of Sections 3.07, 3.08, 3.09, and 9.03 hereof shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loan, or the termination of this Agreement or any provision hereof.

9.06 Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by Lender and when Lender shall have received a counterpart hereof duly executed by Borrower, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page of this Agreement by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

9.07 Severability.

Any provision of this Agreement or any other Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9.08 Governing Law; Jurisdiction; Consent to Service of Process.

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of California.

(b) Consent to Jurisdiction. Lender and Borrower each hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any United States Federal or California State court sitting in any County in the State of California in which the Property is located, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such California State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that Lender may otherwise have to bring any action or proceeding relating to this Agreement against Borrower or its properties in the courts of any jurisdiction.

(c) Waiver of Objection to Venue. Lender and Borrower each hereby irrevocably and unconditionally waive, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 9.08(b) hereof. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

9.09 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE ***"COURT"***) BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CONTROVERSY, DISPUTE OR CLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) (EACH, A ***"CLAIM")*** AND THE WAIVER SET FORTH IN THE PRECEDING PARAGRAPH IS NOT ENFORCEABLE IN SUCH ACTION OR PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

1. WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN PARAGRAPH 2 BELOW, ANY CLAIM WILL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. EXCEPT AS OTHERWISE PROVIDED IN THE LOAN DOCUMENTS, VENUE FOR THE REFERENCE PROCEEDING WILL BE IN THE STATE OR FEDERAL COURT IN THE COUNTY OR DISTRICT WHERE VENUE IS OTHERWISE APPROPRIATE UNDER APPLICABLE LAW.

2. THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING, WITHOUT LIMITATION, SET-OFF), (C) APPOINTMENT OF A RECEIVER AND (D) TEMPORARY, PROVISIONAL OR ANCILLARY REMEDIES (INCLUDING, WITHOUT LIMITATION, WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS OR

PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) - (D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT.

3. UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN (10) DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY MAY REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B).

4. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS, A COURT REPORTER WILL BE USED AND THE REFEREE WILL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

5. THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA. THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH APPLICABLE STATE AND FEDERAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING, WITHOUT LIMITATION, MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW.

6. THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY.

9.10 Headings.

Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

9.11 Confidentiality.

Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to the Obligations or the enforcement of rights under the Loan Documents or any Swap Agreement, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any Swap Agreement relating to Borrower and its obligations, (g) with the consent of Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to Lender on a nonconfidential basis from a source other than Borrower. For the purposes of this Section, ***"Information"*** means all information received from Borrower relating to Borrower or its business or any Guarantor relating to such Guarantor or its business, other than any such information that is available to Lender on a nonconfidential basis prior to disclosure by Borrower or such Guarantor. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

9.12 Interest Rate Limitation.

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Borrowing, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the ***"Charges"***), shall exceed the maximum lawful rate (the ***"Maximum Rate")*** which may be contracted for, charged, taken, received or reserved by Lender in accordance with applicable law, the rate of interest payable in respect of such Borrowing hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Borrowing but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to Lender in respect of other Borrowings or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by Lender.

9.13 USA Patriot Act.

Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the ***"Act"***), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information reasonably requested by Lender that will allow Lender to identify Borrower in accordance with the Act.

9.14 Replacement Documentation.

Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of a Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, Borrower will issue, in lieu thereof, a replacement Note or other security document in the same principal amount thereof and otherwise of like tenor. In the event that Borrower issues such replacement Note or other security document, Lender shall indemnify and hold harmless Borrower from any liability incurred by Borrower in connection with the lost, stolen, destroyed or mutilated Note or security document.

9.15 Swap Agreements.

All Swap Agreements, if any, between Borrower and Lender or any Affiliate of Lender are independent agreements governed by the written provisions of said Swap Agreements, which will remain in full force and effect, unaffected by any repayment, prepayment, acceleration, reduction, increase or change in the terms of the Loan Documents, except as otherwise expressly provided in said written Swap Agreements, and any payoff statement from Lender relating to the Loan shall not apply to said Swap Agreements.

[SIGNATURE PAGE FOLLOWS]

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

BORROWER:

3175 MISSION OAKS BLVD LLC,
a Delaware limited liability company

By: /s/ Michael D. Sherman
Name: MICHAEL D. SHERMAN
Title: GENERAL COUNSEL

LENDER:

JPMORGAN CHASE BANK, N.A.,
a national banking association

By: /s/ Faina Birger
Name: FAINA BIRGER
Title: AUTHORIZED OFFICER

**EXHIBIT A**

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 3:

THOSE PORTIONS OF PARCEL 2 OF PARCEL MAP LD-348 LOCATED IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS SHOWN ON MAP ON FILE IN BOOK 56 OF PARCEL MAPS, PAGES 32 THROUGH 35 THEREOF, IN THE OFFICE OF THE COUNTY RECORDER OF SAID VENTURA COUNTY, CALIFORNIA, AND PARCEL A, LD-348A RECORDED AS INSTRUMENT NO. 92-032899 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID VENTURA COUNTY, CALIFORNIA, SHOWN AS PARCEL A ON THE LOT LINE ADJUSTMENT NO. LD-431A RECORDED NOVEMBER 5, 1999, AS INSTRUMENT NO. 1999-0202212, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS LYING BELOW A DEPTH OF 500 FEET, WITH NO RIGHT OF SURFACE ENTRY IN SAID PROPERTY, AS EXCEPTED IN AN INSTRUMENT RECORDED NOVEMBER 2, 1978 IN BOOK 5250, PAGE 787 OF OFFICIAL RECORDS.

EXCEPT THE INTEREST RESERVED BY ROSE CAMARILLO PETIT, IN DEED RECORDED MARCH 27, 1969 AS DOCUMENT NO. 15164 IN BOOK 3461 PAGE 577, OF OFFICIAL RECORDS, WHICH DEED RECITES AS FOLLOWS: “RESERVING UNTO GRANTOR FIFTY PERCENT (50%) OF ANY OIL, GAS OF HYDROCARBON SUBSTANCES IN OR UNDER SAID REAL PROPERTY BELOW A DEPTH OF FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF, THIS RESERVATION TO CONTINUE FOR A MINIMUM PERIOD OF TWENTY (20) YEARS FROM THE DATE HEREOF, AND IF, AT THE END OF SUCH TWENTY (20) YEAR PERIOD, ANY OIL, GAS OR OTHER HYDROCARBON SUBSTANCES ARE BEING PRODUCED IN COMMERCIAL QUANTITIES FROM SAID REAL PROPERTY, THIS RESERVATION SHALL CONTINUE AFTER THE END OF SUCH TWENTY (20) YEAR PERIOD FOR AS LONG AS COMMERCIAL QUANTITIES OF OIL, GAS OR OTHER HYDROCARBON SUBSTANCES SHALL BE PRODUCED FROM SAID REAL PROPERTY. THE GRANTOR DOES NOT RETAIN, BY VIRTUE OF THIS RESERVATION, ANY RIGHT TO ENTER IN, ON OR UNDER SAID REAL PROPERTY ABOVE A DEPTH OF FIVE HUNDRED (500) FEET BELOW THE SURFACE OF SAID REAL PROPERTY”.

**Assessor’s Parcel Number:** 162-0-060-095 and 162-0-060-120

PARCEL 4:

AN EASEMENT FOR ROAD PURPOSES OVER THAT PORTION OF LOT 5, RANCHO CALLEGUAS, IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11 PAGE 32 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING A STRIP OF LAND 29 FEET WIDE LYING NORTHWESTERLY OF AND ADJOINING THE FOLLOWING DESCRIBED LINE:

COMMENCING IN THE NORTH LINE OF THE LAND DESCRIBED AS PARCEL 1 IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 1555 PAGE 114 OF OFFICIAL RECORDS, DISTANT SOUTH 89° 55' 38" WEST 685.31 FEET FROM THE INTERSECTION OF SAID NORTH LINE WITH THE WESTERLY LINE OF THE LAND DESCRIBED AS PARCEL 5 IN DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 1136 PAGE 320 OF OFFICIAL RECORDS, NORTH 1° 38' 02" WEST 2183.87 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 382 FEET; THENCE, NORTHERLY ALONG SAID CURVE THROUGH AN ANGLE OF 19° 40' 17", AN ARC DISTANCE OF 131.15 FEET TO THE NORTHWESTERLY LINE OF SAID LOT 5; THENCE ALONG SAID NORTHWESTERLY LINE, SOUTH 40° 40' WEST 1009.35 FEET TO THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO VENTURA WALNUT GROWERS ASSOCIATION, RECORDED IN BOOK 493 PAGE 247 OF OFFICIAL RECORDS; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LAND, SOUTH 49° 20' EAST 160 FEET TO A LINE WHICH IS PARALLEL WITH AND DISTANT SOUTHEASTERLY 160 FEET MEASURED AT RIGHT ANGLES FROM SAID NORTHWESTERLY LINE OF LOT 5, THE TRUE POINT OF BEGINNING; THENCE, 1ST: SOUTHWESTERLY 968.26 FEET, MORE OR LESS TO THE INTERSECTION WITH THE SOUTHEASTERLY PROLONGATION OF A LINE WHICH BEARS NORTH 56° 59' 30" WEST AND PASSES THROUGH THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE NORTHWESTERLY LINE OF SAID LOT 5, AS SAID LOT IS SHOWN ON SAID MAP, BEARING A DISTANCE OF “NORTH 33° 00' 30" EAST 927.76 FEET”.

PARCEL 5:

A NON-EXCLUSIVE EASEMENT FOR THE INSTALLATION, CONSTRUCTION, USE, REPAIR, MAINTENANCE AND REPLACEMENT OF THE UTILITY FACILITIES OVER THAT PORTION OF PARCEL 1 OF PARCEL MAP LD-348 LOCATED IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS SHOWN ON MAP ON FILE IN BOOK 56 OF PARCEL MAPS, PAGES 32 THROUGH 35 THEREOF, IN THE OFFICE OF THE COUNTY RECORDER OF SAID VENTURA COUNTY, CALIFORNIA.

**EXHIBIT B**

Capital Improvement Budget

| Item | Amount ($) | % |
|---|---|---|
| Site Work | $151,500 | 43% |
| Demolition | $ 0 | 0% |
| Grading | $ 23,467 | 7% |
| Concrete | $108,000 | 31% |
| Masonry | $ 0 | 0% |
| Painting | $ 0 | 0% |
| **Total Sitework** | **$282,967** | **80%** |
| GC Fee and General Conditions | $ 24,478 | 7% |
| Soft Costs | $ 15,149 | 4% |
| Contingency | $ 19,356 | 5% |
| CM Fee | $ 10,258 | 3% |
| **Grand Total** | **$352,208** | **100%** |

**Exhibit 10.19**

**J.P. Morgan**

TERM LOAN AGREEMENT

DATED AS OF JUNE 28, 2012

BY AND BETWEEN

3233 MISSION OAKS BLVD LLC,

AS BORROWER, AND

JPMORGAN CHASE BANK, N.A.

AS LENDER

**CHASE REAL ESTATE BANKING**

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EXHIBITS

Exhibit A — Legal Description of Property
Exhibit B — Capital Improvement Budget

TERM LOAN AGREEMENT

THIS TERM LOAN AGREEMENT (this **"*Agreement*"**) dated as of this 28th day of June, 2012, is by and between 3233 MISSION OAKS BLVD LLC, a Delaware limited liability company (**"*Borrower*"**), and JPMORGAN CHASE BANK, N.A. a national banking association (**"*Lender*"**).

RECITALS

WHEREAS, Borrower is acquiring all that certain real property located in the County of Ventura and State of California more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the**"*Property*"**); and

WHEREAS, Borrower has requested, and Lender has agreed to provide financing to Borrower to pay a portion of the purchase price of the Property, all on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINED TERMS

1.01 Definitions.

The following terms shall have the following meanings:

***"3001 Mission Oaks"*** means 3001 MISSION OAKS BLVD LLC, a Delaware limited liability company.

***"3001 Mission Oaks Loan"*** means the loan made by Lender to 3001 Mission Oaks in the maximum principal amount of $13,405,000 pursuant to the 3001 Mission Oaks Loan Documents.

***"3001 Mission Oaks Loan Agreement"*** means that certain Term Loan Agreement of even date herewith between Lender and 3001 Mission Oaks, as amended, restated or otherwise modified from time to time.

***"3001 Mission Oaks Loan Documents"*** means the documents and agreements defined and described as "Loan Documents" in the 3001 Mission Oaks Loan Agreement, all as amended, restated or otherwise modified from time to time.

***"3175 Mission Oaks"*** means 3175 MISSION OAKS BLVD LLC, a Delaware limited liability company.

***"3175 Mission Oaks Loan"*** means the loan made by Lender to 3175 Mission Oaks in the maximum principal amount of $20,627,121 pursuant to the 3175 Mission Oaks Loan Documents.

***"3175 Mission Oaks Loan Agreement"*** means that certain Term Loan Agreement of even date herewith between Lender and 3175 Mission Oaks, as amended, restated or otherwise modified from time to time.

***"3175 Mission Oaks Loan Documents"*** means the documents and agreements defined and described as "Loan Documents" in the 3175 Mission Oaks Loan Agreement, all as amended, restated or otherwise modified from time to time.

***"Adjusted LIBO Rate"*** means, with respect to any Eurodollar Borrowing for the relevant Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period, multiplied by (b) the Statutory Reserve Rate.

***"Adjusted One Month LIBOR Rate"*** means, for any day, an interest rate per annum equal to the sum of (i) 2.50% plus (ii) the Adjusted LIBO Rate for a one month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding).

***"Affiliate"*** means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

***"Affiliate Borrower"*** means each of 3001 Mission Oaks and 3175 Mission Oaks.

***"Agreement"*** means this Agreement, as amended or modified.

***"Appraisal"*** means, with respect to the Property and/or any Other Property, as the case may be, a written statement setting forth an opinion of the market value of the Property and/or such Other Property, as the case may be, that (a) has been independently and impartially prepared by a qualified appraiser directly engaged by Lender, (b) complies with all applicable federal and state laws and regulations dealing with appraisals or valuations of real property, and (c) has been reviewed as to form and content and approved by Lender, in its reasonable discretion.

***"Appraised Value"*** means, with respect to the Property and/or any Other Property, as the case may be, the "as is" value of the Property and/or any Other Property, as the case may be, as determined by the Lender based upon its review of the most current Appraisal of the Property and/or such Other Property, as the case may be.

***"Approved Fund"*** means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages Lender.

***"Approved Manager"*** means (a) Borrower, (b) Rexford Industrial Realty & Management, Inc., a California corporation, (c) any Person that Controls, is Controlled by or under common Control with, any Guarantor, or (d) any other reputable and creditworthy property manager, subject to the prior approval of Lender, not to be unreasonably withheld, with at least five (5) years' experience and a portfolio of properties comparable to the Property under active management.

***"Board"*** means the Board of Governors of the Federal Reserve System of the United States of America.

***"Borrower"*** has the meaning set forth in the preamble.

***"Borrower Financing Statement"*** means the financing statement for filing with the Secretary of State of the State of Delaware covering the personal property in which Borrower has granted a security interest to Lender, in the Loan Documents.

***"Borrowing"*** means a portion or portions of the Loan of the same Type, converted or continued on the same date and, in the case of Eurodollar Borrowings, as to which a single Interest Period is in effect.

***"Borrowing Date"*** means a date on which a Borrowing is made hereunder.

***"Business Day"*** means any day that is not a Saturday, Sunday or other day on which commercial banks in Los Angeles, California are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Borrowing, the term ***"Business Day"*** shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

***"Capital Lease Obligations"*** of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

***"Capital Improvement Budget"*** means the breakdown of costs and expenses attached hereto asExhibit B, as the same may be revised from time to time with the prior written approval of Lender (which consent shall not be unreasonably withheld, conditioned or delayed); provided, however, that (a) Lender's approval shall not be required with respect to reallocations of actual demonstrated cost savings from one line item to another within such breakdown of costs and expenses, and (b) without limitation of Lender's approval rights set forth in Section 4.14(b) below with respect to any revised breakdown delivered to Lender in connection with any required deposit of funds in the Capital Improvements Reserve Account, Lender's approval shall not be required with respect to revisions to the working breakdown of costs and expenses then most recently approved by Lender which do not involve (i) a change of more than Fifty Thousand Dollars ($50,000) in any one line item, or (ii) together with all prior revisions, if any, to the breakdown of costs and expenses then most recently approved by Lender, changes of more than Five Hundred Thousand Dollars ($500,000) in the aggregate for all line items.

***"Capital Improvement Work"*** means all capital improvements to the Property and related work described in the Plans and Specifications.

***"CB Floating Rate"*** means the Prime Rate; provided that the CB Floating Rate shall never be less than the Adjusted One Month LIBOR Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day). Any change in the CB Floating Rate due to a change in the Prime Rate or the Adjusted One Month LIBOR Rate shall be effective from and including the effective date of such change in the Prime Rate or the Adjusted One Month LIBOR Rate, respectively.

***"CBFR"***, when used in reference to any Borrowing, refers to whether such Borrowing, is bearing interest at a rate determined by reference to the CB Floating Rate.

***"Change in Law"*** means the occurrence after the date of this Agreement of: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of Section 3.07(b), by any lending office of Lender or by Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a ***"Change in Law,"*** regardless of the date enacted, adopted, issued or implemented.

***"Charges"*** has the meaning set forth in Section 9.12 hereof.

***"Code"*** means the Internal Revenue Code of 1986, as amended from time to time.

***"Combined Annual Debt Service"*** means, as of any date of determination, annual debt service on a loan with a principal amount equal to the Combined Loan Amount on such date of determination, assuming (a) a fixed rate of interest per annum equal to the greatest of (i) the then applicable 10-year Treasury Rate plus 2.50%, (ii) six and one-half of one percent (6.50%) per annum, or (iii) the then applicable Designated Current Rate, and (b) amortization of such loan in equal annual payments of principal and interest over a period of thirty (30) years.

***"Combined Debt Service Coverage Ratio"*** means, as of any determination date, the ratio of (a) annualized Combined NOI (based on the results of operations of the Property and each Other Property for the preceding three months), to (b) Combined Annual Debt Service.

***"Combined Debt Yield Ratio"*** means, on any date of determination, the ratio, expressed as a percentage, of (a) annualized Combined NOI (based on the results of operations of the Property and each Other Property for the preceding three months), to (b) the Combined Loan Amount then in effect.

***"Combined Loan Amount"*** means, on any date of determination, an amount equal to the sum of (a) the Loan Amount in effect on such date of determination, (b) the Loan Amount (as such term is defined and used in the 3001 Loan Agreement) in effect on such date of determination, and (c) the Loan Amount (as such term is defined and used in the 3175 Loan Agreement) in effect on such date of determination.

***"Combined Loan-to-Value Ratio"*** means, on any date of determination, the ratio, expressed as a percentage, of (a) the Combined Loan Amount in effect on such date of determination, to (b) the aggregate Appraised Value of the Property and each Other Property.

***"Combined NOI"*** means, for any period of determination, (i) the aggregate income, revenues, reimbursements and receipts of any kind whatsoever generated from Qualified Leases during such period, less, without duplication, (ii) the aggregate expenses incurred during such period in connection with the operation of the Property and each Other Property, but expressly excluding capital expenses, other non-recurring extraordinary expenses, depreciation and amortization, income taxes, debt service on the Loan, debt service on each Other Loan, amounts funded into reserves and escrows maintained with Lender pursuant to the Loan Documents or the Other Loan Documents, as applicable, any and all expenses (including, without limitation, legal, accounting and other professional fees, expenses and disbursements) incurred in connection with the making or administration of the Loan and any Other Loan or the sale, exchange, transfer, financing or refinancing of the Property and any Other Property or in connection with the recovery of insurance proceeds or condemnation awards relating to the Property or any Other Property. Any item of expense relating to the operation of the Property which is paid in cash and, in accordance with an accrual basis of accounting, is capitalized and expensed over a period which exceeds one (1) year shall be treated as an operating expense for the purposes of the foregoing calculation incurred ratably over the period of calculation.

***"Complete," "Completed"*** or ***"Completion"*** means, with respect to the Capital Improvement Work, that (a) all such Capital Improvement Work has been completed (including all punch-list items) in accordance with the Plans and Specifications and all applicable Legal Requirements, including, to the extent required under applicable Legal Requirements, receipt of a certificate of occupancy and/or a final sign off, (b) Lender shall have received a satisfactory final affidavit from the general contractor engaged in connection with the Capital Improvement Work and full and complete releases of lien from such general contractor and each subcontractor of and supplier to such general contractor with respect to work performed and/on materials supplied in the performance of the Capital Improvement Work, and (c) a valid notice of completion has been recorded with respect to the Capital Improvement Work.

***"Completion Guaranty"*** means the Completion Guaranty of even date herewith executed by Guarantor in favor of Lender in connection with the Capital Improvement Work and the Loan, as amended from time to time.

***"Control"*** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. ***"Controlling"*** and ***"Controlled"*** have meanings correlative thereto.

***"Debtor Relief Laws"*** means any applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, fraudulent conveyance, reorganization, or similar laws affecting the rights, remedies or recourse of creditors generally, including without limitation, the United States Bankruptcy Code and all amendments thereto, as are in effect from time to time during the term of the Loan.

***"Deed of Trust"*** means the Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (3233 Mission Oaks) of even date herewith executed by Borrower to JPMorgan Chase Bank, N.A., Trustee, for the benefit of Lender, covering the Property or any portion thereof, as amended from time to time.

***"Default"*** has the meaning assigned to it in Section 7.01 hereof.

***"De Minimis Amounts"*** shall mean any Hazardous Substance either (a) being transported on or from the Property or being stored for use by Borrower or its tenant on the Property within a year from original arrival on the Property in connection with Borrower's current operations, or (b) being currently used by Borrower or its tenant on the Property, in either case in such quantities and in a manner that both (i) does not constitute a violation or threatened violation of any Environmental Law or require any reporting or disclosure under any Environmental Law, and (ii) is consistent with customary business practice for such operations in the state where such Property is located.

***"Designated Current Rate"*** means, on any date of determination, (a) if all borrowings under the Loan and each Other Loan are accruing interest based on the Fixed Rate (as such term is defined herein, or, as it relates to each Other Loan, as the term "Fixed Rate" is defined in the Other Loan Agreement applicable to such Other Loan), the Adjusted LIBO Rate for a one-month interest period, plus 2.50% per annum, or (b) if any borrowing under the Loan or any Other Loan is accruing interest based on the Floating Rate (as such term is defined herein, or, as it relates to each Other Loan, as the term "Floating Rate" is defined in the Other Loan Agreement applicable to such Other Loan), the higher of (i) the Adjusted LIBO Rate for a one-month interest period, plus 2.50% per annum, or (ii) the Floating Rate.

***"Designated Lease"*** means, on any date of determination, a lease of space within the Property or any Other Property, (a) which (1) has been approved or deemed approved by Lender in accordance with this Agreement or the applicable Other Loan Documents, as the case may be, or (2) is a proposed new lease (or proposed amendment to a lease described under clause (a)(1) above) assumed to have taken effect pursuant to Section 4.02(c) below for the sole purpose of calculating whether the Property and the Other Property will, after giving effect to such proposed lease or amendment, satisfy the then required minimum Pro Forma Debt Yield Ratio and minimum Pro Forma Minimum Debt Service Coverage Ratio, (b) which has a remaining term of not less than three (3) months (and is not month-to-month), (c) under which the tenant has taken occupancy and commenced paying rent, or, in the case of a proposed new lease described under clause (a)(2) above, the tenant will take occupancy and commence paying rent within the immediately following three (3) month period, and (d) under which no Tenant Monetary Default has occurred and is continuing.

***"Disclosure"*** has the meaning set forth in Section 2.03 hereof.

***"dollars"*** or ***"$"*** refers to lawful money of the United States of America.

***"Dune Guarantor"*** means, individually and collectively, (a) Dune Real Estate Fund II LP, a Delaware limited partnership, (b) Dune Real Estate Parallel Fund II LP, a Delaware limited partnership, (c) DREF II NA Fund LP, a Delaware limited partnership, and (d) DREF II International Fund LP, a Delaware limited partnership.

***"Employee Benefit Plan"*** means an employee benefit plan as defined in Section 3(3) of ERISA, maintained, sponsored by or contributed to by Borrower or any ERISA Affiliate.

***"Environmental Indemnity Agreement"*** means that certain Environmental Indemnity Agreement of even date herewith executed by Borrower and Guarantor in favor of Lender, as amended from time to time.

***"Environmental Laws"*** means any federal, state or local law, whether common law, statute, ordinance, rule, regulation, or judicial or administrative decision or policy or guideline, pertaining to Hazardous Substances, health, industrial hygiene, environmental conditions, or the regulation or protection of the environment, and all amendments thereto as of this date and to be added in the future and any successor statute or rule or regulation promulgated thereto, including, without limitation, "CERCLA", "RCRA", or state superlien or environmental clean-up statutes.

***"Environmental Reports"*** means that certain Phase I Environmental Site Assessment of the Property and the Other Property, prepared by ADR Environmental Group, Inc., dated as of May 11, 2012.

***"ERISA"*** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute.

***"ERISA Affiliate"*** means Borrower or any corporation, trade or business that along with Borrower is treated as a single employer under Sections 414(b), 414(c), 414(m) or 414(o)of the Code.

***"Estimated Completion Date"*** means the date that is fifteen (15) months after the date hereof.

***"Eurodollar,"*** when used in reference to any Borrowing, refers to whether such Borrowing is bearing interest at the Fixed Rate determined by reference to the Adjusted LIBO Rate.

***"Excess Cash Flow"*** means, with respect to each period of determination, an amount equal to (a) all income, revenues, reimbursements and receipts of any kind whatsoever actually collected during such period from the Property, less (b) the expenses incurred during such period in connection with the operation of the Property, less (c) the interest and principal actually paid by Borrower to Lender with respect to the Loan during such period, less (d) all amounts funded by Borrower into reserves and escrows maintained with Lender pursuant to the Loan Documents during such period, all as compiled by Borrower and approved by Lender in its reasonable discretion.

***"Excluded Taxes"*** means, with respect to Lender or any other recipient of any payment to be made by or on account of any obligation of Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of Lender, in which its applicable lending office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which Borrower is located.

***"Federal Funds Effective Rate"*** means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/16 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/16 of 1%) of the quotations for such day for such transactions received by Lender from three Federal funds brokers of recognized standing selected by it.

***"Final Completion Date"*** means the date that is eighteen (18) months after the date hereof.

***"First Extended Maturity Date"*** has the meaning set forth in Section 3.12(a) hereof.

***"Fixed Rate"*** means, with respect to a Eurodollar Borrowing for the relevant Interest Period, the sum of the applicable Adjusted LIBO Rate plus 2.50% per annum.

***"Floating Rate"*** means, for any day, the sum of the CB Floating Rate plus 0.50% per annum.

***"GAAP"*** means generally accepted accounting principles in the United States of America.

***"Governmental Authority"*** means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

***"Guarantee"*** of or by any Person (the ***"guarantor"***) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the ***"primary obligor"***) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other

obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

***"Guarantor"*** means, individually and collectively, each Rexford Guarantor and each Dune Guarantor.

***"Guaranty"*** means the Guaranty of even date herewith executed by Guarantor in favor of Lender in connection with the Loan, as amended from time to time.

***"Hazardous Substances"*** means and includes all of the following: (a) any substance, material, or waste that is included within the definitions of "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," "toxic materials," "toxic waste," or words of similar import in any Environmental Law, (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto), and (c) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical, urea formaldehyde insulation, radioactive materials, biological substances and any other kind and/or type of pollutants or contaminates, sewage sludge, solvents and/or industrial slag; provided, however, that, as used herein, ***"Hazardous Substances"*** shall not include (a) materials customarily used in the construction and demolition of buildings, or (b) cleaning materials and office products customarily used in the operation of properties such as the Property, to the extent such materials described in the preceding clauses (a) and (b) are stored, handled, used and disposed of in compliance with all Environmental Laws.

***"Improvements"*** means all improvements now or hereafter located on the Property, including, without limitation, an approximately 452,111 square foot industrial building and all other related improvements.

***"Indebtedness"*** of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as

an account party in respect of letters of credit and letters of guaranty (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, and (k) all Swap Obligations. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

***"Indemnified Taxes"*** means Taxes other than Excluded Taxes.

***"Indemnitee"*** has the meaning set forth in Section 9.03(b) hereof.

***"Initial Maturity Date"*** means June 28, 2015.

***"Inspecting Professional"*** means a construction consultant engaged or to be engaged by Lender, or any successor thereto selected by Lender.

***"Interest Election Request"*** means a request by Borrower to convert or continue a Borrowing in accordance with Section 3.01 hereof.

***"Interest Payment Date"*** means the fifth (5th) day of each month.

***"Interest Period"*** means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three, or six months thereafter, as the Borrower may elect, provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

***"Lease"*** means any lease or other agreement for the use and occupancy of all or any portion of the Improvements, whether now in existence or hereafter arising.

***"Legal Requirements"*** means any and all judicial decisions, statutes, rulings, directions, rules, regulations, permits, certificates or ordinances of any Governmental Authority in any way applicable to Borrower, the Property or the Improvements, including, without limitation, the ownership, division, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof.

***"Lender"*** has the meaning set forth in the preamble.

***"Lessee"*** means a tenant under a Lease.

***"LIBO Rate"*** means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters Screen LIBOR 01 Page (or on any successor or substitute page thereof, or any successor to or substitute for such page, providing rate quotations comparable to those currently provided on such page, as determined by Lender from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the ***"LIBO Rate"*** with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000.00 and for a maturity comparable to such Interest Period are offered by the principal London office of Lender in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

***"Lien"*** means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

***"Loan"*** means, the loan made by Lender pursuant to this Agreement.

***"Loan Amount"*** means, on any date of determination, the then outstanding principal balance of the Loan.

***"Loan Documents"*** means this Agreement, the Note, the Deed of Trust, the Guaranty, the Environmental Indemnity Agreement, and any and all other documents now or hereafter executed by Borrower, Guarantor or any other guarantor of the Obligations or any portion thereof evidencing, guarantying, securing or otherwise pertaining to the Obligations; provided, however, that none of (a) any Swap Agreements between Borrower and Lender or Affiliate of Lender, (b) the Secured Guaranty, (c) the Secured Guaranty Deed of Trust, or any Other Loan Documents shall constitute Loan Documents under this Agreement.

***"Loan Fee"*** is the fee of $37,339.40 due and payable upon the initial disbursement of the Loan.

***"Maturity Date"*** means the Initial Maturity Date as such date may be extended pursuant to Section 3.12 hereof.

***"Maximum Rate"*** has the meaning set forth in Section 9.12 hereof.

***"Net Casualty Proceeds"*** shall have the meaning set forth in Section 6.01 hereof.

***"Net Condemnation Proceeds"*** shall have the meaning set forth in Section 6.02 hereof.

***"Note"*** means the Promissory Note executed by Borrower in favor of Lender, as amended from time to time.

***"Obligations"*** means (i) all unpaid principal of and accrued and unpaid interest on the Loan, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other indebtedness, liabilities or obligations of Borrower to Lender, or any indemnified party arising under the Loan Documents and (ii) all Swap Obligations under Swap Agreements, if any, with Lender or its Affiliates; provided, however, that Borrower's obligations under the Secured Guaranty and the Secured Guaranty Deed of Trust are expressly excluded from, and shall not be deemed to constitute any part of, the Obligations.

***"Other Loan"*** means each of the 3001 Mission Oaks Loan and the 3175 Mission Oaks Loan.

***"Other Loan Agreement"*** means each of the 3001 Mission Oaks Loan Agreement and the 3175 Mission Oaks Loan Agreement.

***"Other Loan Documents"*** means the 3001 Mission Oaks Loan Documents and the 3175 Mission Oaks Loan Documents, or any of them.

***"Other Property"*** means, on any date of determination, the real property and improvements owned by an Affiliate Borrower which, as of such date of determination, are subject to a first priority lien in favor of Lender (a) in the case of real property and improvements owned by 3001 Mission Oaks, securing all of 3001 Mission Oaks' obligations under the 3001 Mission Oaks Loan, and (b) in the case of real property and improvements owned by 3175 Mission Oaks, securing all of 3175 Mission Oaks' obligations under the 3175 Mission Oaks Loan.

***"Other Taxes"*** means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies imposed by any Governmental Authority arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement; provided, however, ***"Other Taxes"*** expressly excludes Excluded Taxes.

***"Participant"*** has the meaning set forth in Section 9.04(c) hereof.

***"Permits"*** means all permits, licenses, certificates and approvals now or hereafter issued to Borrower for the operation of the Property.

***"Permitted Encumbrances"*** means (a) Liens and security interests granted pursuant to the Loan Documents, (b) the items set forth on Schedule B of the Title Policy, (c) customary easements entered into by Borrower in connection with the development and operation of the Property which Lender has determined would have no material adverse effect on the use or value of the Property, (d) documents required to be recorded by applicable law which have no material adverse effect on the use or value of the Property, (e) Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, (f) subordination, non-disturbance and attornment agreements executed by Lender with respect to Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, (g) memoranda of Leases approved or deemed approved by Lender in accordance

with the terms of this Agreement, (h) Liens arising from claims of Persons supplying labor or materials to the Property that are being contested by Borrower pursuant to and in accordance with the Loan Documents, (i) unpaid taxes, assessment and governmental charges that are being contested by Borrower pursuant to and in accordance with the Loan Documents, and (j) matter specifically approved in writing by Lender in each case.

***"Permitted Indebtedness"*** means (a) the Obligations, (b) unsecured letters of credit or guarantees, if any, required by Governmental Authorities in connection with the Capital Improvement Work, (c) trade debt incurred in connection with the Capital Improvement Work, provided that such debt is not evidenced by a note and is paid within thirty (30) days of the date when due (subject to Borrower's right to contest in accordance with Section 4.01(c)), (d) trade debt (other than trade debt described in clause (c) above) incurred in the ordinary course of operation of the Property in such amounts as are normal and reasonable under the circumstances, provided that such debt is not evidenced by a note and is paid within thirty (30) days of the date when due (subject to Borrower's to contest in accordance with Section 4.01(c)), and provided in any event that the aggregate outstanding principal balance of such debt under this clause (d) shall not exceed at any one time five percent (5.0%) of the outstanding Obligations, (e) equipment leases entered into in the ordinary course of the operation of the Property, (f) Leases approved or deemed approved by Lender in accordance with the terms of this Agreement, and (g) the Secured Guaranty and the Secured Guaranty Deed of Trust.

***"Person"*** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

***"Physical Conditions Report"*** means that certain Property Condition Report dated as of May 16, 2012 and prepared by Andersen Environmental regarding the physical condition of a Property, which report shall be satisfactory in form and substance to Lender in its sole discretion.

***"Plan Assets"*** means the assets of an employee benefit plan within the meaning of 29 C.F.R. 2510.3-101.

***"Plans and Specifications"*** means the final plans and specifications and working drawings approved by Lender in its reasonable discretion, and to the extent required, all applicable Governmental Authorities, relating to the capital improvements described in the Capital Improvement Budget (including both the Warehouse Building and the Office Building components of the Capital Improvement Budget), as such plans, specifications and working drawings may be modified and supplemented from time to time in accordance with the terms and provisions of this Agreement.

***"Prime Rate"*** means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The Prime Rate is a reference rate and is not necessarily the lowest rate.

***"Pro Forma Debt Service Coverage Ratio"*** means, as of any date of determination, the ratio of (a) Pro Forma NOI, to (b) Combined Annual Debt Service.

***"Pro Forma Debt Yield Ratio"*** means, on any date of determination, the ratio, expressed as a percentage, of (a) Pro Forma NOI, to (b) the Combined Loan Amount then in effect.

***"Pro Forma NOI"*** means, on any date of determination, (i) the aggregate income, revenues, reimbursements and receipts of any kind whatsoever reasonably expected to be generated from Designated Leases within the immediately following twelve (12) months, less, without duplication, (ii) the aggregate appraised "As-Stabilized" expenses allocable to the space covered by such Designated Lease, as set forth in the then current Appraisal of the Property and each Other Property, as reasonably determined by Lender.

***"Prohibited Person"*** shall mean any Person (a) listed in the Annex to, or otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the ***"Executive Order"***); (b) that is owned or Controlled by, or acting for or on behalf of, any Person that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) with whom Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order; (d) who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; (e) that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov.ofac/t11sdn.pdf or at any replacement website or other replacement official publication of such list; or (f) who is an affiliate of or affiliated with a Person listed above.

***"Property"*** has the meaning set forth in the Recitals.

***"Qualified Lease"*** means, on any date of determination, a lease of space within the Property or any Other Property, (a) which has been approved or deemed approved by Lender in accordance with this Agreement or the applicable Other Loan Documents, as the case may be, (b) which has been fully executed and a copy of which has been delivered to Lender, (c) which remains in effect, (d) which has a remaining term of not less than three (3) months (and is not month-to-month), (e) under which the tenant has taken occupancy and commenced paying rent, and (f) under which no Tenant Monetary Default has occurred and is continuing.

***"Related Parties"*** means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

***"Rexford Guarantor"*** means, individually and collectively, Rexford Industrial Fund V REIT, LLC, a Delaware limited liability company, and Rexford Industrial Fund V, LP, a Delaware limited partnership.

***"Second Extended Maturity Date"*** has the meaning set forth in Section 3.12(b) hereof.

***"Secured Guaranty"*** means that certain Guaranty of even date herewith executed by Borrower in favor of Lender, as amended, restated or otherwise modified from time to time, pursuant to which Borrower has guaranteed the full payment and performance of the obligations of each Affiliate Borrower under the Other Loan Documents to which such Affiliate Borrower is a party.

***"Secured Guaranty Deed of Trust"*** means the Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (Secured Guaranty) of even date herewith executed by Borrower to JPMorgan Chase Bank, N.A., Trustee, for the benefit of Lender, covering the Property or any portion thereof, as amended from time to time.

***"Standard Form Lease"*** means Borrower's standard form lease for leases of space within the Improvements.

***"Statutory Reserve Rate"*** means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Lender is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Borrowings shall be deemed to constitute eurocurrency fundings and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

***"Swap Agreement"*** means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

***"Swap Obligations"*** of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

***"Taxes"*** means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

***"Technicolor Lease"*** means that certain Commercial Lease - Net dated as of June 26, 2007 by and between Borrower (as successor-in-interest to 450 N. Baldwin Park Blvd. Associates, LLC (***"Baldwin"***)), as landlord, and Technicolor Home Entertainment Services, Inc., a Delaware corporation (***"Technicolor"***), as tenant, as amended, modified, and supplemented by (a) that certain Waiver Agreement executed by Baldwin on June 25, 2009, Technicolor on May 1, 2009, and Data Sales Co., Inc. on July 13, 2009, as equipment lessor; (b) that certain First Amendment to Lease effective November 15, 2009; (c) that certain Second Amendment to Lease

dated September 1st and 4th, 2009; (d) that certain Third Amendment to Lease dated as of November 10, 2009; (e) that certain Fourth Amendment to Lease dated December 18th and 17th, 2009; (f) that certain Fifth Amendment to Lease dated July 14th and 10th, 2010, and (g) that certain Sixth Amendment to Commercial Lease – Net, dated as of June 27, 2012, as the same may be further amended, modified and supplemented from time to time in accordance with the Loan Documents.

***"Tenant Monetary Default"*** means (i) a default by any lessee under any lease covering any portion of the Property, the Improvements, or any Other Property in the payment of such lessee's scheduled rent or other amounts due under such lease which continues beyond any applicable grace or cure period, or (ii) the filing of any petition or the commencement of any case or proceeding by or against any lessee described in clause (i) above under any provision or chapter of the Federal Bankruptcy Code or any other federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization.

***"Title Company"*** means Chicago Title Company.

***"Title Policy"*** means an ALTA Lender's Policy of Title Insurance in form and substance satisfactory to Lender issued by the Title Company in the aggregate coverage amount of $41,500,000 insuring (a) the Deed of Trust as a first priority lien on the Property and Improvements, and (b) the Secured Guaranty Deed of Trust as a second priority lien on the Property and Improvements (second in lien priority only to the Deed of Trust), and containing such endorsements and with such re-insurance as Lender may request, excepting only such items as shall be acceptable to Lender.

***"Transactions"*** means the execution, delivery and performance by Borrower of this Agreement and the other Loan Documents, the borrowing of the Loan and the use of the proceeds thereof.

***"Treasury Rate"*** means the weekly average yield on United States Treasury Securities Constant Maturities Series issued by the United States Government for a ten (10) year term as most recently published by the Board of Governors of the Federal Reserve System and Federal Reserve Statistical Release H.15 (519) (or any similar or successor publication selected by Lender) as of the date of determination.

***"Type,"*** when used in reference to any Borrowing, refers to whether the rate of interest on such Borrowing is determined by reference to the Adjusted LIBO Rate or the CB Floating Rate.

***"Unmatured Default"*** means the occurrence of an event which with notice or lapse of time or both would constitute a Default.

## ARTICLE II
## CONDITIONS TO DISBURSEMENT

2.01 The Loan. Borrower agrees to borrow the Loan from Lender, and Lender agrees to lend the Loan to Borrower, subject to the terms and conditions herein set forth, in an amount not to exceed the Loan Amount. Borrower agrees to use the proceeds of the Loan to acquire the Property. The Loan Amount in effect on the date hereof is Seven Million Four Hundred Sixty-Seven Thousand Eight Hundred Seventy-Nine and No/100 Dollars ($7,467,879.00).

2.02 Conditions to Closing.

Borrower agrees that, in addition to all other conditions set forth herein, the making of the Loan is conditioned upon the fulfillment of each of the following conditions:

(a) Loan Documents. Lender shall have received on the date hereof the following documents fully executed and in form and substance satisfactory to Lender:

(i) The Note;

(ii) The Deed of Trust;

(iii) The Guaranty;

(iv) The Completion Guaranty;

(v) The Environmental Indemnity Agreement;

(vi) The Secured Guaranty;

(vii) The Secured Guaranty Deed of Trust;

(viii) The Borrower Financing Statement; and

(ix) Lender's Disbursement and Rate Management Signature Authorization and Instruction Form.

(b) Additional Closing Deliveries. Lender shall have received the following on the date hereof in form and substance satisfactory to Lender:

(i) An opinion or opinions from counsel for Borrower and Guarantor;

(ii) Current UCC, tax and judgment searches made in such places as Lender may specify, covering Borrower and showing no filings relating to, or which could relate to, the Property other than those made hereunder;

(iii) Evidence of the insurance required under Section 6.01 hereof;

(iv) A commitment to issue a Title Policy with respect to the Deed of Trust and the Secured Guaranty Deed of Trust, together with copies of all documentation evidencing exceptions raised therein;

(v) A certificate of a secretary or assistant secretary of Borrower certifying as to (A) the operating agreement of Borrower, (B) the authorizing resolutions of Borrower, and (C) incumbency and specimen signatures of signatories for Borrower,

together with (D) a copy of the Certificate of Formation for Borrower certified by the Delaware Secretary of State as of a recent date, and (E) a certificate of good standing as of a recent date for Borrower from the Delaware Secretary of State, and (F) a certificate of good standing as of a recent date for Borrower from the California Secretary of State;

(vi) A certificate of an authorized officer of each Rexford Guarantor, certifying as to (A) the operating agreement or limited partnership agreement, as applicable, of such Rexford Guarantor, (B) the authorizing resolutions of such Rexford Guarantor, and (C) incumbency and specimen signatures of signatories for such Rexford Guarantor, together with (D) a copy of the Certificate of Formation or Certificate of Limited Partnership, as applicable, for such Rexford Guarantor, certified by the Delaware Secretary of State as of a recent date, and (E) a certificate of good standing as of a recent date for such Rexford Guarantor from the Delaware Secretary of State as of a recent date;

(vii) A certificate of an authorized officer of each Dune Guarantor, certifying as to (A) the authorizing resolutions of such Dune Guarantor, and (B) incumbency and specimen signatures of signatories for such Dune Guarantor, together with (C) a copy of the Certificate of Limited Partnership for such Dune Guarantor, certified by the Delaware Secretary of State as of a recent date, and (D) a certificate of good standing as of a recent date for such Dune Guarantor from the Delaware Secretary of State as of a recent date;

(viii) An ALTA survey of the Property certified in a manner acceptable to Lender (the ***"Survey"***);

(ix) If required by Lender, evidence indicating whether the Property is located within a one hundred year flood plain or identified as a special flood hazard area as defined by the Federal Insurance Administration; and, if so, a flood notification form signed by the Borrower and evidence that flood insurance is in place for the building and contents, all in form and substance satisfactory to Lender;

(x) An Appraisal of the Property and the Other Property showing the Combined Loan-to-Value Ratio to be no more than seventy percent (70%);

(xi) Evidence satisfactory to Lender that the Property and the Other Property satisfy a Combined Debt Yield Ratio of not less than eleven percent (11%);

(xii) Evidence satisfactory to Lender that the Property and the Other Property satisfy a Combined Debt Service Coverage Ratio of not less than 1.50:1.00;

(xiii) Evidence satisfactory to Lender showing that the Combined Loan Amount does not exceed seventy percent (70%) of the aggregate purchase price paid by Borrower, 3001 Mission Oaks and 3175 Mission Oaks for the acquisition of the Property and the Other Property;

(xiv) If required by Lender, a so-called "PML" report with respect to the Property, which shall address (a) the probable maximum loss that is likely to be sustained by the Property in the event of an earthquake or other seismic casualty at or affecting the Property, and (b) likelihood and likely intensity of an earthquake or other seismic casualty at or affecting the Property;

(xv) Copies of all Leases covering any portion of the Property and/or the Improvements;

(xvi) If required by Lender, a fully executed subordination, non-disturbance and attornment agreement and a tenant estoppel certificate executed by each tenant under a Lease, all in form and substance acceptable to Lender;

(xvii) If required by Lender, evidence indicating compliance by the Improvements with applicable zoning requirements (without requirement for a variance);

(xviii) If required by Lender, an environmental report with respect to the Property prepared by an environmental consultant acceptable to Lender;

(xix) A Physical Conditions Report;

(xx) A Certification of Non-Foreign Status with respect to Borrower;

(xxi) A signed IRS Form W8 and W9 with respect to Borrower, as applicable;

(xxii) Evidence that Borrower has retained JPMorgan Chase Bank, N.A. as its principal depository bank for property operating accounts related to the Property, and, to the extent permitted by law and contractual agreements, tenant security deposits for the Property;

(xxiii) Evidence reasonably satisfactory to Lender that the term of the Technicolor Lease has been extended through a date no earlier than December 31, 2014, on terms and conditions satisfactory to Lender;

(xxiv) The most recently available financial statements of each Guarantor; and

(xxv) Such other information and documents as Lender may require.

(c) Fees and Expenses. The Loan Fee and all other fees and reimbursement of expenses due Lender shall be paid prior to or out of the initial disbursement.

2.03 Loan Disbursement.

At closing, Lender shall advance the entirety of the proceeds of the Loan into the escrow established by Borrower in connection with Borrower's acquisition of the Property.

2.04 Effective Date.

The effective date of the Loan shall be the date set forth in the preamble to this Agreement.

ARTICLE III
LOAN TERMS

3.01 Interest Elections.

(a) Generally. All amounts outstanding under the Loan shall be a CBFR Borrowing unless Borrower has elected a Eurodollar Borrowing as provided herein. Borrower may elect to convert a Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. Borrower may elect different options with respect to different portions of the affected Borrowing, and each such portion shall be considered a separate Borrowing.

(b) Interest Election Request. To make an election pursuant to this Section, Borrower shall notify Lender of such election by telephone (i) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., Los Angeles, California time, three Business Days before the date of the proposed Borrowing or (ii) in the case of a CBFR Borrowing, not later than 11:00 a.m., Los Angeles, California time, one Business Day before the date of the proposed Borrowing. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery to Lender of a written Interest Election Request in a form approved by Lender and signed by Borrower.

(c) Required Information. Each telephonic and written Interest Election Request shall specify the following information:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a CBFR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period.”

If no Type of Borrowing is specified in the Interest Election Request, or if any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then Borrower shall be deemed to have requested a CBFR Borrowing. Subject to the terms and conditions set forth in Section 3.01(d) below and the last sentence of Section 3.01(e) below, Interest Rate Election Requests may specify that the election provided therein shall apply to one

or more successive Interest Periods (i.e., an Interest Rate Election Request may specify that a therein requested Eurodollar Borrowing with a one-month Interest Period shall be continually renewed as a Eurodollar Borrowing with a one-month Interest Period upon the end of each such Interest Period).

(d) Limitations. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of three (3) Eurodollar Borrowings outstanding. Each Eurodollar Borrowing shall be in an amount not less than $500,000.00. No Interest Period may be elected that would end after the Maturity Date.

(e) Failure to Elect; Default. If Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a CBFR Borrowing. Notwithstanding any contrary provision hereof, so long as a Default has occurred and is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing, and (ii) unless repaid, each Eurodollar Borrowing shall be converted to a CBFR Borrowing at the end of the Interest Period applicable thereto.

3.02 Repayment of Loan; Evidence of Debt.

(a) Repayment at Maturity. Borrower hereby unconditionally promises to pay to Lender the then unpaid principal amount of the Loan and all unpaid accrued interest on the Maturity Date.

(b) Lender Accounting. Lender shall maintain accounts in which it shall record (i) the amount of each Borrowing maintained hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to Lender hereunder, (iii) the amount of any sum received by Lender hereunder, and (iv) the amount of the Loan Amount in effect from time to time. The entries made in the accounting maintained pursuant to this Section 3.02(b) shall be, absent manifest error, prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of Lender to maintain such accounting or any error therein shall not in any manner affect the obligation of Borrower to repay the Loan in accordance with the terms of this Agreement.

(c) Note. The Loan made by Lender shall be evidenced by the Note.

3.03 Prepayment of Loan.

(a) Borrower shall have the right at any time and from time to time to prepay the Loan in whole or in part without premium or penalty (other than as provided in Section 3.08 below), subject to prior notice in accordance with paragraph (b) of this Section.

(b) Borrower shall notify Lender by telephone of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., Los Angeles, California time, three Business Days before the date of prepayment, or (ii) in the case of prepayment of a CBFR Borrowing, not later than 11:00 a.m., Los Angeles, California time, one

(1) Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid. Prepayments shall be accompanied by accrued interest on the amount prepaid, plus any other amounts due under Section 3.08, plus, in the case of prepayment of a Eurodollar Borrowing, an administrative fee of $250.00.

3.04 Fees.

(a) Loan Fee. Borrower agrees to pay to Lender the Loan Fee upon the closing of the Loan.

(b) Fees Non-Refundable. All fees payable hereunder shall be paid on the dates due, in immediately available funds. Fees paid shall not be refundable under any circumstances.

3.05 Interest.

(a) CBFR Borrowings. Each CBFR Borrowing shall bear interest at the Floating Rate.

(b) Eurodollar Borrowings. Each Eurodollar Borrowing shall bear interest at the Fixed Rate for the Interest Period in effect for such Borrowing.

(c) Default Rate. Notwithstanding the foregoing, upon the occurrence and during the continuance of a Default, and after maturity, all Borrowings shall bear interest, after as well as before judgment, at a rate per annum equal to 5% plus the rate otherwise applicable to such Borrowings as provided in the preceding paragraphs of this Section.

(d) Payment of Accrued Interest. Accrued interest on each Borrowing shall be payable in arrears on each Interest Payment Date for such Borrowing and upon maturity of the Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Borrowing, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Borrowing prior to the end of the current Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(e) Computation of Interest. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable CB Floating Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by Lender and such determination shall be conclusive absent manifest error.

3.06 Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) Lender determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) Lender determines that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to Lender of making or maintaining the Borrowing for such Interest Period;

then Lender shall give notice thereof to Borrower by telephone as promptly as practicable thereafter and, until Lender notifies Borrower that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) any request for a new Eurodollar Borrowing shall be made as a CBFR Borrowing. Determinations made by Lender under this Section 3.06 shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of Lender under agreements having provisions similar to this Section 3.06 after consideration of such factors as Lender then reasonably determines to be relevant.

3.07 Increased Costs.

(a) Increased Costs of Making or Maintaining Eurodollar Borrowings. If any Change in Law shall

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Borrowings made by Lender;

and the result of any of the foregoing shall be to increase the cost to Lender of making or maintaining any Eurodollar Borrowing (or of maintaining its obligation to make any such Borrowing) or to increase the cost or to reduce the amount of any sum received or receivable by Lender (whether of principal, interest or otherwise), then Borrower will pay to Lender, within thirty (30) days following Borrower's receipt of written demand from Lender, such additional amount or amounts as will compensate Lender for such additional costs incurred or reduction suffered.

(b) Capital Adequacy. If Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on Lender's capital or on the capital of Lender's holding company, if any, as a consequence of this Agreement or the Loan made by Lender to a level below that which Lender or Lender's holding company could have achieved but for such Change in Law (taking into consideration Lender's policies and the policies of Lender's holding company with respect to capital adequacy), then Borrower will pay to Lender, from time to time, in each case within thirty (30) days following written demand from Lender, such additional amount or amounts as will compensate Lender or Lender's holding company for any such reduction suffered.

(c) Certificate of Amounts Due. A certificate of Lender setting forth the amount or amounts necessary to compensate Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to Borrower and shall be conclusive absent manifest error. Borrower shall pay Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) Delay in Demand For Compensation. Failure or delay on the part of Lender to demand compensation pursuant to this Section shall not constitute a waiver of Lender's right to demand such compensation; provided that Borrower shall not be required to compensate Lender pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) Lender Determinations. Determinations made by Lender under this Section 3.07 shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of Lender under agreements having provisions similar to this Section 3.07 after consideration of such factors as Lender then reasonably determines to be relevant.

3.08 Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Borrowing other than on the last day of an Interest Period applicable thereto (including as a result of a Default), (b) the conversion of any Eurodollar Borrowing other than on the last day of the Interest Period applicable thereto, or (c) the failure to borrow, convert, continue or prepay any Eurodollar Borrowing on the date specified in any notice delivered pursuant hereto, then, in any such event, Borrower shall compensate Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Borrowing, such loss, cost or expense to Lender shall be deemed to include an amount reasonably determined by Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Borrowing had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Borrowing, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Borrowing), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of Lender setting forth any amount or amounts that Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

***[Remainder of Page Intentionally Left Blank]***

By its signature below, Borrower waives any right under California Civil Code Section 2954.10 or otherwise to prepay any Eurodollar Borrowing, in whole or in part, without payment of the amounts described above. Borrower acknowledges that prepayment of any Eurodollar Borrowing may result in Lender's incurring additional losses, costs, expenses and liabilities, including lost revenues and lost profits. Borrower therefore agrees to pay any and all such amounts if any portion of the principal amount of any Eurodollar Borrowing, whether voluntarily or by reason of acceleration, including acceleration upon any transfer or conveyance of any right, title or interest in the Property giving Lender the right to accelerate the maturity of the Loan as provided in the Deeds of Trust. Borrower agrees that Lender's willingness to offer Eurodollar Borrowings to Borrower is sufficient and independent consideration, given individual weight by Lender, for this waiver.

Borrower understands that Lender would not offer Eurodollar Borrowings to Borrower absent this waiver.

3233 MISSION OAKS BLVD LLC,
a Delaware limited liability company

By: /s/ Michael D. Sherman
Name: MICHAEL D. SHERMAN
Title: GENERAL COUNSEL

3.09 Taxes.

(a) No Deduction For Taxes. Any and all payments by or on account of any obligation of Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions and (iii) Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law. Borrower shall not be obligated to pay any of the Indemnified Taxes or Other Taxes otherwise provided for in this Section 3.09 if Lender is a non U.S. entity and (i) has not filed with the Department of the Treasury of the United States of America either form W-8BEN or form W8ECI, or (ii) has failed to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of America of such non-U.S. entity, if such compliance is required by statue or regulation of the United States of America as a precondition to relief or exemption from the Indemnified Taxes or Other Taxes.

(b) Other Taxes. In addition, Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Legal Requirements.

(c) Borrower Indemnity. Borrower shall indemnify Lender, within thirty (30) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by Lender, on or with respect to any payment by or on account of any obligation of Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by Lender shall be conclusive absent manifest error.

(d) Evidence of Payment. At Lender's request from time to time, Borrower shall deliver to Lender the original or a certified copy of a receipt issued by each applicable Governmental Authority evidencing payment of Indemnified Taxes or Other Taxes, and a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Lender.

(e) Tax Refunds. If Lender determines, in its sole discretion, that it has received refund of any Taxes or Other Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to this Section 3.09, it shall pay over such refund to Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section 3.09 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that Borrower, upon the request of Lender, agrees to repay the amount paid over to Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Lender in the event Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to Borrower or any other Person.

3.10 Payments Generally; Late Fee.

(a) Payments Generally. Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Sections 3.07, 3.08, or 3.09, or otherwise) prior to 11:00 a.m., Los Angeles, California time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of Lender be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to Lender at its offices at Chicago, Illinois except that payments pursuant to Sections 3.07, 3.08, 3.09 and 9.03 hereof shall be made directly to the Persons entitled thereto. Lender shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in U.S. dollars.

(b) Application of Insufficient Funds. If at any time insufficient funds are received by and available to Lender to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of fees, indemnities and expense reimbursements then due hereunder, (ii) second, towards payment of interest then due hereunder, (iii) third, towards payment of principal then due hereunder, and (iv) towards payment of Swap Obligations then due. Notwithstanding the foregoing, Lender shall have the right to apply repayments and proceeds of collateral to the Obligations in any order, in its sole discretion.

(c) Late Fee. If any payment (other than the final payment of the Loan due at maturity) is not received by Lender within ten (10) days after its due date (whether as stated, by acceleration, or otherwise), Lender may assess and Borrower agrees to pay a late fee equal to the lesser of five percent (5%) of the past due amount or $1,500.00. Borrower shall pay the late payment fee upon demand by Lender. Such late fee is in addition to any other rights and remedies of Lender hereunder.

3.11 Electronic Notices. Interest Election Requests and notices of prepayments under Sections 3.01 and 3.03 may be made by electronic communication (including email and internet or intranet websites) pursuant to procedures approved by Lender. Such approval may be limited to particular notices or communications. Unless Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the "receipt" by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor. Any party hereto may change its address or telecopier number or email address for notices and other communications hereunder by notice to the other parties hereto.

3.12 Extension Options.

(a) First Extension Option. At the written request of Borrower made at least sixty (60) but not more than one hundred twenty (120) days prior to the Initial Maturity Date, the Maturity Date shall be extended to the one-year anniversary of the Initial Maturity Date (the ***"First Extended Maturity Date"***) provided that the following conditions are satisfied:

(i) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the Initial Maturity Date, the Combined Debt Service Coverage Ratio is not less than 1.60:1.00;

(ii) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the Initial Maturity Date, the Combined Debt Yield Ratio is not less than twelve percent (12%);

(iii) Borrower has delivered to Lender evidence acceptable to Lender (which evidence shall be a new Appraisal obtained by Lender) that, as of the Initial Maturity Date, the Combined Loan-to-Value Ratio does not exceed sixty-five percent (65%);

(iv) On or before the Initial Maturity Date, Lender shall have received an extension fee in an amount equal to 0.25% of the outstanding principal balance of the Loan;

(v) No Default or Unmatured Default shall have occurred and be continuing on the Initial Maturity Date;

(vi) All representations and warranties made hereunder or under any of the other Loan Documents shall be true and correct in all material respects as of the Initial Maturity Date, except to the extent such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct as of such specified date;

(vii) Lender has received reasonably satisfactory documentation evidencing the extension executed by the Borrower and consented to by each Guarantor; and

(viii) If requested by Lender, Lender shall have received a CLTA 110.5 (or equivalent) endorsement to the Title Policy.

(b) Second Extension Option. At the written request of Borrower made at least sixty (60) but not more than one hundred twenty (120) days prior to the First Extended Date, the Maturity Date shall be extended to the one-year anniversary of the First Extended Maturity Date (the "***Second Extended Maturity Date***") provided that the following conditions are satisfied:

(i) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the First Extended Maturity Date, the Combined Debt Service Coverage Ratio is not less than 1.60:1.00;

(ii) Borrower has demonstrated to the reasonable satisfaction of Lender that, as of the First Extended Maturity Date, the Combined Debt Yield Ratio is not less than twelve percent (12%);

(iii) Borrower has delivered to Lender evidence acceptable to Lender (which evidence shall be a new Appraisal obtained by Lender) that, as of the First Extended Maturity Date, the Combined Loan-to-Value Ratio does not exceed sixty-five percent (65%);

(iv) On or before the First Extended Maturity Date, Lender shall have received an extension fee in an amount equal to 0.25% of the outstanding principal balance of the Loan;

(v) No Default or Unmatured Default shall have occurred and be continuing on the First Extended Maturity Date;

(vi) All representations and warranties made hereunder or under any of the other Loan Documents shall be true and correct in all material respects as of the First Extended Maturity Date, except to the extent such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct as of such specified date;

(vii) Lender has received reasonably satisfactory documentation evidencing the extension executed by the Borrower and consented to by the Guarantor; and

(viii) If requested by Lender, Lender shall have received a CLTA 110.5 (or equivalent) endorsement to each Title Policy.

(c) Amortization Payments during Extension Terms. In the event the maturity of the Loan is extended pursuant to this Section 3.12, until the date the Loan is fully and finally repaid and Lender's commitment to lend under this Agreement is terminated (i) during the first extension period, Borrower shall make monthly principal payments to Lender on each Interest Payment Date, each in an amount equal to an amount that would amortize the principal balance of the Loan outstanding on the Initial Maturity Date in thirty (30) years at a rate of interest equal to the greatest of (A) a fixed rate of 6.50% per annum, (B) the rate of interest on U.S. Treasury Notes having a maturity of 10 years plus 2.50% per annum, or (C) the Adjusted LIBO Rate (applicable to a one-month interest period), plus 2.50% per annum, and (ii) if applicable, during the second extension period, Borrower shall make monthly principal payments to Lender on each Interest Payment Date, each in an amount equal to an amount that would amortize the principal balance of the Loan outstanding on the First Extended Maturity Date in thirty (30) years at a rate of interest equal to the greatest of (A) a fixed rate of 6.50% per annum, (B) the rate of interest on U.S. Treasury Notes having a maturity of 10 years plus 2.50% per annum, or (C) the Adjusted LIBO Rate (applicable to a one-month interest period), plus 2.50% per annum.

## ARTICLE IV
## COVENANTS

4.01 Liens, Taxes, and Governmental Claims.

(a) Liens. Borrower agrees to pay, satisfy and obtain the release of all other claims and Liens affecting or purporting to affect the title to, or which may be or appear to be Liens on, the Property or any part thereof (other than the Permitted Encumbrances), and all costs, charges, interest and penalties on account thereof, including without limitation the claims of all Persons supplying labor or materials to the Property, and to give Lender, upon demand, evidence reasonably satisfactory to Lender of the payment, satisfaction or release thereof. Notwithstanding the foregoing, nothing herein contained shall require Borrower to pay any claims or Liens which Borrower in good faith disputes and which Borrower, at its own expense, is currently and diligently contesting, provided that Borrower complies with the provisions of Section 4.01(c) hereof.

(b) Taxes. Borrower agrees to pay or cause to be paid, prior to the date they would become delinquent if not paid, any and all taxes, assessments and governmental charges whatsoever levied upon or assessed or charged against the Property, including all water and sewer taxes, assessments and other charges, fines, impositions and rents, if any. If requested by Lender, Borrower shall give to Lender a receipt or receipts, or certified copies thereof, evidencing every such payment by Borrower, not later than forty-five (45) days after such payment is made. Notwithstanding the foregoing, nothing herein contained shall require Borrower to pay any taxes, assessments or governmental charges which Borrower in good faith disputes and which Borrower, at its own expense, is currently and diligently contesting, provided that applicable law allows non-payment thereof during the pendency of such contest, and provided further that Borrower complies with the provisions of Section 4.01(c) hereof.

(c) Contest. Borrower shall not be required to pay any taxes, claims, governmental charges, or Liens being contested in accordance with the provisions of Section 4.01(a) or (b) hereof, as the case may be, so long as (i) Borrower diligently prosecutes such dispute or contest to a prompt determination in a manner not prejudicial to Lender and promptly pays all amounts ultimately determined to be owing, and (ii) Borrower provides security for the payment of such tax, assessment or governmental charge, or claim, or Lien (together with interest and penalties relating thereto) in an amount and in form and substance reasonably satisfactory to Lender. If Borrower shall fail to pay any such amounts ultimately determined to be owing or to proceed diligently to prosecute such dispute or contest as provided herein, then, upon the expiration of ten (10) days after written notice to Borrower by Lender of Lender's reasonable determination thereof, in addition to any other right or remedy of Lender, Lender may, but shall not be obligated to, discharge the same, and the cost thereof shall be reimbursed by Borrower to Lender. The payment by Lender of any delinquent tax, assessment or governmental charge, or any claim, or Lien which Lender in good faith believes might be prior hereto, shall be conclusive between the parties as to the legality and amount so paid, and Lender shall be subrogated to all rights, equities and Liens discharged by any such expenditure to the fullest extent permitted by law.

4.02 Leases.

(a) Affirmative Covenants. Borrower shall (i) duly and punctually observe, perform and discharge in all material respects the obligations, terms, covenants, conditions and warranties of Borrower as landlord under the Leases, (ii) give prompt notice to Lender of any failure on the part of Borrower to observe, perform and discharge the same or of any written claim made by any Lessee under a Material Lease (as defined below) of any such failure by Borrower, (iii) enforce the performance of each and every material obligation, term, covenant, condition and agreement in the Leases to be performed by any Lessee or any guarantor (including, without limitation, the tenant's obligation to pay rent as and when due), (iv) appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with the Leases or the obligations, duties or liabilities of Borrower and any Lessee thereunder, do so in the name and on behalf of Lender upon request by Lender, but at the expense of Borrower, and pay all costs and expenses of Lender, including reasonable attorneys' fees and disbursements, in any action or proceeding in which Lender shall appear, (v) at the request of Lender, use commercially reasonable efforts to cause each Lessee under a Lease to execute and deliver to Lender a subordination, non-disturbance and attornment agreement in

form and substance reasonably acceptable to Lender promptly upon the execution of such Lease, (vi) at the request of Lender, in confirmation of the assignment and transfer contemplated by the applicable Deed of Trust, execute and deliver to Lender assignments and transfers of all future Leases upon the same terms and conditions as contained in such Deed of Trust, and (vii) make, execute and deliver to Lender upon demand and at any time or times, any and all assignments and other documents and instruments which Lender may reasonably deem advisable to carry out the true purposes and intent of the assignment set forth in the applicable Deed of Trust. Lender shall cooperate in good faith with any request made in connection with a Lease approved or deemed approved by Lender in accordance with the terms of this Agreement for the execution and delivery by Lender of a subordination, non-disturbance and attornment agreement prepared on Lender's then-current standard form subordination, non-disturbance and attornment agreement with only such changes thereto as Lender may approve in its sole and absolute discretion.

(b) Negative Covenants. Unless Borrower first obtains the written consent of Lender (which consent shall not be unreasonably withheld), Borrower shall not (i) cancel, terminate or consent to any surrender of any Lease covering in excess of 25,000 rentable square feet of any Improvements (such Lease being referred to herein as a "***Material Lease***") unless such Lease is immediately replaced with a Lease with comparable or better terms or unless compelled to do under court order, (ii) materially and adversely modify or alter the terms of any Material Lease unless, after giving effect to any such modification or alteration, such Material Lease satisfies the requirements for "deemed" approval as set forth below, (iii) waive or release any Lessee or any guarantors under a Material Lease from any material obligations or conditions to be performed by such Lessee or guarantors, (iv) enter into any Lease of all or any portion of the Property unless such Lease is "deemed" approved by Lender as set forth below, (v) renew or extend the term of any Material Lease, except as required under the terms of such Material Lease or unless such Material Lease, as so renewed or extended, satisfies the requirements for "deemed" approval by Lender as set forth below, (vi) except as required under the terms of a Material Lease, consent to any subletting of the premises under any Material Lease, to any assignment of any such Material Lease by the Lessee thereunder, or to any assignment of or further subletting of any sublease of any such Material Lease unless, after giving effect to such sublease or assignment, such Master Lease (and any and all subleases thereof) satisfies the requirements for "deemed" approval by Lender set forth below, (vii) receive or collect any rents from any Lessee for a period of more than one month in advance, (viii) further pledge, transfer, mortgage or otherwise encumber or assign future payments of rents, or (ix) waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Lessee under any Lease of and from any material obligations, covenants, conditions and agreements to be kept, observed and performed by such Lessee, including the obligation to pay rents thereunder, in the manner and at the time and place specified therein. Borrower may deliver to Lender a negotiated term sheet or letter of intent with respect to any proposed new Lease or any proposed amendment to any existing Lease and request that Lender provide Borrower with Lender's preliminary, non-binding approval or disapproval of any such proposed terms (in each case, a "***Preliminary Response***"). Lender shall review any such request promptly and shall use commercially reasonable efforts to respond to such request within five (5) Business Days. Borrower expressly acknowledges, however, that any such Preliminary Response provided by Lender shall be non-binding and shall not constitute, or be deemed to constitute, an approval by Lender of any such terms or any such proposed Lease or

amendment. Lender's failure to disapprove any matter as to which Lender's prior approval is required under this Section 4.02(b) within a seven (7) Business Day period after Lender shall have received a written request for approval specifically referencing this Section 4.02(b) and all documents and materials reasonably requested by Lender in connection with any such matter (including, without limitation, complete copies of any proposed Lease or amendment to any Lease, and any and all financial statements and materials of any proposed tenant, subtenant and any lease guarantor to the extent available to Borrower) shall be deemed to constitute Lender's approval thereof.

(c) "Deemed" Approval of Leases. Lender shall be "deemed" to have approved any Lease that: (i) is on the Standard Form Lease with no material deviations except as approved by Lender; (ii) is entered into in the ordinary course of business with a bona fide unrelated third party tenant, and Borrower, acting in good faith and exercising due diligence, has determined that the tenant is financially capable of performing its obligations under the Lease; (iii) is received by Lender, together with any guaranty(ies) and, if requested by Lender, all financial information received by Borrower regarding the tenant and any guarantor(s), within fifteen (15) days after execution; (iv) reflects an arm's length transaction; (v) contains no option or right of first refusal to purchase all or any portion of the Property or any present or future interest therein; (vi) requires the tenant to execute and deliver to Lender an estoppel certificate in form and substance acceptable to Lender within ten (10) Business Days after notice from Lender; (vii) does not cover in excess of 75,000 rentable square feet of the applicable Improvements; and (viii) is subject to a subordination, non-disturbance and attornment agreement in form and substance satisfactory to Lender; provided, however, that no proposed Lease or proposed amendment to any existing Lease shall be "deemed" approved by Lender if, after giving effect to such proposed Lease or amendment, the Property and the Other Property shall not satisfy (A) if the effective date of such proposed Lease or amendment is during the initial term of the Loan, a Pro Forma Debt Yield Ratio of at least eleven percent (11%) and a Pro Forma Debt Coverage Ratio of at least 1.50:1.00, or (B) if the effective date of such proposed Lease or amendment is during any extended maturity period in effect pursuant to Section 3.12 above, a Pro Forma Debt Yield Ratio of at least twelve percent (12%) and a Pro Forma Debt Coverage Ratio of at least 1.60:1.00. Prior to execution, Borrower shall provide to Lender via nationally recognized overnight courier a written request for approval (which request shall specifically reference this Section of this Agreement) of each Lease that does not meet the foregoing requirements for "deemed" approval by Lender, which request shall be accompanied by a correct and complete copy of the applicable Lease, including any exhibits, and any guaranty(ies) thereof. Borrower shall pay all reasonable costs incurred by Lender in reviewing and approving Leases and any guaranties thereof, and also in negotiating subordination agreements and subordination, nondisturbance and attornment agreements with tenants, including reasonable attorneys' fees and costs. Notwithstanding the foregoing, no Lease shall be deemed approved by Lender as provided above unless and until Lender shall have received and approved the Standard Form Lease (which approval shall not be unreasonably withheld, conditioned or delayed).

(d) Technicolor Lease. Lender hereby confirms that it has approved the Technicolor Lease, as in effect on the date hereof.

4.03 Operations of Borrower.

(a) Without limitation of any other provisions of this Agreement or any other Loan Document, Borrower hereby represents, warrants, covenants and agrees that it has not and shall not:

(i) engage in any business or activity other than the acquisition, development, ownership, leasing, operation and maintenance of the Property, and activities incidental thereto;

(ii) acquire or own any material asset other than the Property, the Improvements, and such incidental personal property as may be necessary for the construction and operation of the Improvements;

(iii) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case the prior written consent of Lender, other than such transfers, dispositions and changes expressly permitted under the terms of the Loan Documents;

(iv) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization or formation, or to comply in all material respects with the provisions of Borrower's organizational documents (which organizational documents shall not be terminated without the prior written consent of Lender);

(v) own any subsidiary or make any investment in or acquire the obligations or securities of any other Person without the prior written consent of Lender;

(vi) commingle its assets with the assets of any of its partner(s), members, shareholders, Affiliates, or of any other Person or transfer any assets to any such Person other than distributions on account of equity interests in the Borrower permitted hereunder and properly accounted for;

(vii) incur any Indebtedness other than Permitted Indebtedness;

(viii) allow any Person to pay its debts and liabilities or fail to pay its debts and liabilities solely from its own assets;

(ix) fail to maintain its records, books of account and bank accounts separate and apart from those of the shareholders, partners, members, principals and Affiliates of Borrower, the affiliates of a shareholder, partner or member of Borrower, and any other Person or fail to prepare and maintain its own financial statements in accordance with GAAP and susceptible to audit, or if such financial statements are consolidated, fail to cause such financial statements to contain footnotes disclosing that the Property is actually owned by Borrower;

(x) enter into any contract or agreement with any shareholder, partner, member, principal or Affiliate of Borrower, any Guarantor or any shareholder, partner, member, principal or Affiliate thereof, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any shareholder, partner, member, principal or Affiliate of Borrower or Guarantor, or any shareholder, partner, member, principal or Affiliate thereof (excluding any contribution or reimbursement agreement among any of Borrower, Affiliate Borrower and any Guarantor in connection with the Loan);

(xi) seek dissolution or winding up, in whole or in part;

(xii) fail to correct any known misunderstandings regarding the separate identity of Borrower;

(xiii) hold itself out to be responsible or pledge its assets or credit worthiness for the Indebtedness of another Person (except pursuant to the Secured Guaranty and the Secured Guaranty Deed of Trust);

(xiv) allow any Person to hold itself out to be responsible or pledge its assets or credit worthiness for the Indebtedness of Borrower, except, (A) in the case of any Guarantor, pursuant to the Loan Documents, and (b) in the case of 3001 Mission Oaks and 3175 Mission Oaks, pursuant to a guaranty agreement in favor of Lender covering Indebtedness of Borrower owed to Lender and any collateral provided to Lender as security for any such guaranty obligations;

(xv) make any loans or advances to any third party, including any shareholder, partner, member, principal or Affiliate of Borrower, or any shareholder, partner, member, principal or Affiliate thereof; provided, however, dividends, distributions and payments made by Borrower in compliance with Section 4.06 below are expressly excluded from this clause (xv);

(xvi) fail to file its own tax returns (except to the extent that Borrower is treated as a "disregarded entity" for tax purposes and it not required to file tax returns under applicable Legal Requirements) or to use separate contracts, purchase orders, stationery, invoices and checks;

(xvii) fail to allocate fairly and reasonably among Borrower and any third party (including, without limitation, any Guarantor) any overhead for common employees, shared office space or other overhead and administrative expenses;

(xviii) file a voluntary petition or otherwise initiate proceedings seeking liquidation, reorganization or other relief under any Federal, state or foreign Debtor Relief Laws, for Borrower or any general partner, manager or managing member of Borrower, or consent to the institution of, or fail to contest in a timely and appropriate manner, and proceeding or petition under Debtor Relief Laws against Borrower or any general partner, manager or managing member of Borrower, or file a petition seeking or consenting to reorganization or relief of Borrower or seek or consent to the appointment

of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of Borrower or any general partner, manager or managing member of Borrower or of all or any substantial part of the properties and assets of Borrower or any general partner, manager or managing member of Borrower, or make any general assignment for the benefit of creditors of Borrower or any general partner, manager or managing member of Borrower, or admit in writing the inability of Borrower or any general partner, manager or managing member of Borrower to pay its debts generally as they become due or declare or effect a moratorium on Borrower or any general partner, manager or managing member of Borrower debt or take any action in furtherance of any such action; or

(xix) conceal assets from any creditor, or enter into any transaction with the intent to hinder, delay or defraud creditors of Borrower or the creditors of any other Person.

The foregoing provisions of this Section 4.03 shall not operate to prohibit Borrower from entering into Swap Agreements otherwise permitted under this Agreement.

4.04 Appraisals.

Lender shall have the right to order new Appraisals of the Property and each Other Property from time to time. Each Appraisal is subject to review and approval by Lender. Borrower agrees within ten (10) days after receipt of written demand to pay to Lender (or to cause any applicable Affiliate Borrower to pay to Lender) the cost and expense for each such Appraisal and a reasonable fee for Lender's review of each Appraisal; provided, however, that Borrower shall only be required to pay (or to cause any applicable Affiliate Borrower to pay) such cost and expense with respect to only one Appraisal of the Property and the Other Property during the initial term of the Loan (or the initial term of the Other Loans, as the case may be), unless any such additional Appraisal(s) is(are) (a) ordered after the occurrence of a Default, (b) ordered in connection with a requested extension of the maturity of the Loan, or (c) required by any Legal Requirement.

4.05 Operating and Reserve Accounts.

Borrower shall maintain all operating and reserve accounts for the Property with Lender, and such accounts shall be, and are hereby, pledged to Lender to secure the Obligations.

4.06 Prohibited Distributions.

If a Default or Unmatured Default has occurred and is continuing, Borrower shall not make any dividend or distribution to its members, or make any other payment to Persons holding a direct or indirect ownership interest in Borrower or engage in any transaction that has a substantially similar effect.

4.07 Borrower's Right to Contest Legal Requirements.

Notwithstanding any provision of this Agreement or any of the other Loan Documents to the contrary, no Default or Unmatured Default shall occur hereunder as a result of the failure of Borrower or the Property or Improvements to comply with any Legal Requirement, including, without limitation, Environmental Laws, so long as the following conditions are satisfied:

(a) Borrower is contesting the applicability of such Legal Requirement to Borrower or the Property or Improvements in good faith and has so notified Lender;

(b) Borrower has properly commenced and is diligently pursuing such contest;

(c) the contest will not materially impair the ability to ultimately comply with the contested Legal Requirement should the contest not be successful and the conduct of the contest will not materially impair Borrower's ability to complete any tenant improvements prior to the date required under any applicable Lease;

(d) Borrower demonstrates to Lender's reasonable satisfaction that Borrower has the financial capability to undertake and pay for such contest and any corrective or remedial action then or thereafter likely to be necessary;

(e) Lender is not at risk for any material liability due to Borrower's noncompliance with such Legal Requirement; and

(f) Borrower's non-compliance with such Legal Requirement will not result in a Lien or charge on the Property or the Improvements, the enforcement of which is not stayed by such contest or bonded or insured over to the reasonable satisfaction of Lender.

4.08 Government Regulation.

Borrower shall not (a) be or become subject at any time to any law, regulation, or list of any Governmental Authority (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits Lender from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower, or (b) fail to provide documentary and other evidence of Borrower's identity as may be reasonably requested by Lender at any time to enable Lender to verify Borrower's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

4.09 Financial Information and Other Deliveries.

(a) Borrower.

(i) Within forty-five (45) days after the end of each of Borrower's fiscal quarters, Borrower shall deliver to Lender an operating statement (showing actual to budgeted results), and a lease status report (including a rent roll) for the Property and the Improvements, each dated as of the last day of such quarter.

(ii) Within forty-five (45) days after the end of each of Borrower's fiscal quarters, Borrower shall deliver to Lender a balance sheet and statement of operations for Borrower, each dated as of the last day of such fiscal quarter, in form and substance reasonably satisfactory to Lender and certified by a Member of Borrower.

(iii) Within ninety (90) days after the end of each of Borrower's fiscal years, Borrower shall deliver to Lender a balance sheet, statement of operations and statement of cash flows for Borrower, each dated as of the last day of such fiscal year, in form and substance reasonably satisfactory to Lender and certified by a Member of Borrower.

(iv) Within ninety (90) days after each Test Date (as defined in Section 4.13 below) a compliance certificate evidencing Borrower's satisfaction of the Minimum Required Debt Yield (as defined in Section 4.13 below).

(v) Borrower shall promptly deliver to Lender written notice of (A) the occurrence of any Default or Unmatured Default or the occurrence of an event which would make any representation or warranty contained herein untrue or misleading in any material respect as of the date of such event, and (B) the occurrence of any monetary or material non-monetary default under any Material Lease.

(vi) Borrower shall deliver to Lender such other information and materials with respect to Borrower, the Property, each Other Property, any Guarantor, and/or compliance with the terms of this Agreement, as Lender may reasonably request; provided, however, this Section 4.09(a)(vi) shall not apply to any Dune Guarantor's limited partnership agreement; provided further, however, that nothing in this Section 4.09(a)(vi) shall limit the terms and provisions of Section 9.09 below (including, without limitation, Section (5) below).

(b) Guarantor.

(i) With respect to each Guarantor, within ninety (90) days after the end of each of such Guarantor's fiscal quarters, Borrower shall deliver to Lender a balance sheet and statement of operations for such Guarantor, each dated as of the last day of such fiscal quarter, in form and substance reasonably satisfactory to Lender and certified by the chief financial officer of such Guarantor.

(ii) With respect to each Guarantor, within one hundred twenty (120) days after the end of each of such Guarantor's fiscal years, Borrower shall deliver to Lender a balance sheet, statement of operations and statement of cash flows for such Guarantor, each dated as of the last day of such fiscal year, in form and substance satisfactory to Lender and certified by the chief financial officer of such Guarantor, together with a compliance certificate evidencing such Guarantor's compliance with the financial covenants set forth in Section 3.2 of the Guaranty that are applicable to such Guarantor.

(iii) Lender hereby acknowledges that the balance sheet, statement of operations and statement of cash flow with respect to each Guarantor previously delivered to Lender in connection with the making of the Loan are in a form satisfactory to Lender for purposes of any deliveries required under this Section 4.09(b).

4.10 Hazardous Substances.

Borrower warrants, represents and covenants as follows:

(a) Environmental Reports: Compliance with Environmental Laws. Borrower has caused the preparation of the Environmental Reports, and except as disclosed in the Environmental Reports, to the actual knowledge of Borrower, neither Borrower nor the Property is in violation of any Environmental Laws.

(b) No Liens, Notices or Actions. Except as disclosed in the Environmental Reports, neither Borrower nor the Property is subject to any private or governmental Lien or judicial or administrative notice or action pending, or to Borrower's actual knowledge, threatened, relating to Hazardous Substances or the environmental condition of the Property.

(c) No Hazardous Substances; Compliance with Environmental Laws. Except as disclosed in the Environmental Reports, Borrower has no actual knowledge of (i) any Hazardous Substances (other than De Minimis Amounts) which are located on or which have been stored, processed or disposed of on or released or discharged from (including ground water contamination) the Property, and (ii) the existence any above or underground storage tanks on the Property. Borrower shall not allow any Hazardous Substances (other than De Minimis Amounts) to be stored, located, discharged, possessed, managed, processed or otherwise handled on the Property and shall comply with all Environmental Laws affecting the Property, respectively.

(d) Notice. Borrower shall immediately notify Lender should Borrower become aware of (i) any Hazardous Substance (other than De Minimis Amounts) or other environmental problem or liability with respect to the Property or (ii) any Lien, action, or notice of the nature described in Section 4.10(b) above.

4.11 ERISA.

(a) Plan Assets; Compliance; No Material Liability. Borrower hereby covenants and agrees that (i) Borrower shall not use any Plan Assets to repay or secure the Obligations, (ii) no assets of Borrower or Guarantor are or will be Plan Assets, (iii) each Employee Benefit Plan will be in material compliance with all applicable requirements of ERISA and the Code except to the extent any defects can be remedied without material liability to Borrower under Revenue Procedure 2008-50 or any similar procedure, and (iv) Borrower will not have any material liability under Title IV of ERISA or Section 412 of the Code with respect to any Employee Benefit Plan.

(b) Transfer of Interests. In addition to the prohibitions set forth in this Agreement and the other Loan Documents, and not in limitation thereof, Borrower hereby covenants and agrees that Borrower shall not assign, sell, pledge, encumber, transfer, hypothecate or otherwise dispose of its interests or rights (direct or indirect) in any Loan Document or any portion of the Property or attempt to do any of the foregoing or suffer any of the foregoing, or permit any party with a direct or indirect interest or right in any Loan Document or any portion of the Property to do any of the foregoing, if such action would cause this Agreement, any of the other Loan Documents, or the Obligations or the exercise of any of Lender's rights in connection therewith, to constitute a prohibited transaction under ERISA or the Code (unless Borrower furnishes to Lender a legal opinion satisfactory to Lender that the transaction is exempt from the prohibited transaction provisions of ERISA and the Code) or would otherwise result in the Property, or assets of Borrower or Guarantor being Plan Assets.

(c) Indemnity. Borrower hereby agrees to indemnify Lender, its Affiliates, and their respective directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not Lender or any Affiliate is a party thereto, but excluding indirect, consequential, special or punitive damages) which any of them may actually pay or incur by reason of the investigation, defense and settlement of claims and in obtaining any prohibited transaction exemption under ERISA or the Code necessary in Lender's judgment by reason of the inaccuracy of the representations and warranties set forth in Section 5.01(i) hereof or a breach of the provisions set forth in this Section 4.11. The obligations of the Borrower under this Section 4.11 shall survive the termination of this Agreement.

4.12 Inspections.

Lender, through its officers, agents and employees, shall, subject to the rights of tenants, have the right at all reasonable times, on reasonable prior notice and at Lender's sole risk (a) to enter upon the Property and inspect the Improvements located thereon and the construction of the Capital Improvement Work; and (b) to examine, books, records, accounting data and other documents pertaining to the Property. Borrower will cooperate with Lender and Lender's representatives and consultants with respect to any such inspection.

4.13 Debt Yield.

(a) Borrower will not permit the Combined Debt Yield Ratio to be less than eleven percent (11%) (the ***"Minimum Required Debt Yield"***), which shall be tested as of the end of the twelfth (12th) month following the closing of the Loan and as of the end of each twelve-month period thereafter (each a ***"Test Date"***). If, as of any Test Date, the Combined Debt Yield Ratio is less than eleven percent (11%), then for the twelve (12) month period following such Test Date (each an ***"Excess Cash Flow Collection Period"***), Borrower shall deposit all Excess Cash Flow generated by the Property during each month into a restricted account maintained with Lender (the ***"Borrower's Funds Account"***), which deposits shall be made within twenty (20) days after the end of each such month. If, as of the last day of any Excess Cash Flow Collection Period, the Combined Debt Yield Ratio is less than eleven percent (11%), then, within twenty (20) days after the end of such Excess Cash Flow Collection Period, Borrower shall pay to Lender (each such payment, a ***"Remargin Payment"***) for application to the Obligations an amount demanded by Lender up to the lesser of (i) the amount required to fully repay the Obligations, and (ii) the amount required to cause the Minimum Required Debt Yield to be satisfied as of the last day of such Excess Cash Flow Collection Period (provided,

however, that the amount then demanded by Lender from Borrower and each Affiliate Borrower under Section 4.13 of each Other Loan Agreement, shall not, in the aggregate, exceed the amount required to cause the Minimum Required Debt Yield to be satisfied as of the last day of such Excess Cash Flow Collection Period). At Borrower's request in connection with any required Remargin Payment, Lender shall apply the amount then on deposit in the Borrower's Funds Account to any such required Remargin Payment; provided, however, if the amount then on deposit in the Borrower's Funds Account is not sufficient to pay in full the required Remargin Payment, Borrower shall pay the deficiency to Lender from other sources as and when due under this Section 4.13. Notwithstanding the foregoing, if the Minimum Required Debt Yield is not satisfied as of any Test Date, then Lender shall retest as of the end of each three-month period during the Excess Cash Flow Collection Period (each a ***"Retest Date"***) whether the Minimum Required Debt Yield is then satisfied. If, as of any such Retest Date, the Minimum Required Debt Yield is then satisfied, Borrower shall have no further obligation to deposit Excess Cash Flow into the Borrower's Funds Account during such Excess Cash Flow Collection Period and all amounts then on deposit in the Borrower's Funds Account shall be promptly released to Borrower. Notwithstanding the foregoing, all amounts then deposit in the Borrower's Funds Account shall be promptly released to Borrower upon full and final payment of the Obligations.

(b) The Borrower's Funds Account shall be an interest bearing account, with all accrued interest to become part of the funds on deposit in such Borrower's Funds Account. Borrower agrees that it shall include all interest and earnings on any such deposit as its income (and, if Borrower is a partnership or other pass-through entity, the income of its partners, members or beneficiaries, as the case may be), and shall be the owner of all funds on deposit in the Borrower's Funds Account for federal and applicable state and local tax purposes. Lender shall have the exclusive right to control all funds in the Borrower's Funds Account, but Lender shall have no fiduciary duty with respect to such funds. Borrower grants to Lender a security interest in any Borrower's Funds Account established and all funds now or hereafter deposited into any such account, and any proceeds thereof, as security for the Obligations. Such security interest shall be governed by the Uniform Commercial Code of the State of California, and Lender shall have available to it all of the rights and remedies available to a secured party thereunder. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of a Default, Lender may apply all or any portion of the funds on deposit in any Borrower's Funds Account (including accrued interest thereon) to the payment of the Obligations. The Borrower's Funds Account may be established and held in such name or names as Lender shall deem appropriate, including in the name of Lender. Borrower hereby constitutes and appoints Lender and any officer or agent of Lender its true and lawful attorneys-in-fact with full power of substitution to open any Borrower's Funds Account and to do any and every act that Borrower might do on its own behalf to fulfill the terms of this Section 4.13. To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. It is understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

4.14 Capital Improvement Work.

(a) Expected Completion Date. Borrower shall cause Capital Improvement Work to be performed in a good and workmanlike manner with diligence and continuity and in accordance with all applicable Legal Requirements. Borrower shall cause the Capital Improvement Work to be Completed on or before the Estimated Completion Date or, subject to the satisfaction of the requirement set forth in Section 4.14(b) below, the Final Completion Date. Borrower shall not commence any Capital Improvement Work in any material respect unless and until the Plans and Specifications are in final form (subject to changes thereto made in accordance with Section 4.14(d) below).

(b) Final Completion Date; Revised Capital Improvement Budget. If the Capital Improvement Work is not Completed on or before the Estimated Completion Date, then (i) Borrower shall deliver to Lender on or before the Estimated Completion Date an updated Capital Improvement Budget, which Capital Improvement Budget shall (A) be current as of the Estimated Completion Date, (B) include a certification of all budgeted costs and expenses paid through the date of such updated Capital Improvement Budget, together with such evidence of payments and conditional and final lien waivers as Lender may reasonably request with respect to all completed work, and (C) be subject in all respects to Lender's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) Borrower shall deposit into a restricted account maintained with Lender (the ***"Capital Improvements Reserve Account"***) on or before the Estimated Completion Date an amount sufficient to pay all costs and expenses required to cause the Capital Improvement Work to be Completed, as set forth in the updated Capital Improvement Budget delivered to and approved by Lender pursuant to and in accordance with clause (i) of this Section 4.14(b).

(c) Capital Improvements Reserve Account.

(i) The Capital Improvements Reserve Account shall be an interest bearing account, with all accrued interest to become part of the funds on deposit in such Capital Improvements Reserve Account. Borrower agrees that it shall include all interest and earnings on any such deposit as its income (and, if Borrower is a partnership or other pass-through entity, the income of its partners, members or beneficiaries, as the case may be), and shall be the owner of all funds on deposit in the Capital Improvements Reserve Account for federal and applicable state and local tax purposes. Lender shall have the exclusive right to control all funds in the Capital Improvements Reserve Account, but Lender shall have no fiduciary duty with respect to such funds. Borrower grants to Lender a security interest in any Capital Improvements Reserve Account established and all funds now or hereafter deposited into any such account, and any proceeds thereof, as security for the Obligations. Such security interest shall be governed by the Uniform Commercial Code of the State of California, and Lender shall have available to it all of the rights and remedies available to a secured party thereunder. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of a Default, Lender may apply all or any portion of the funds on deposit in any Capital Improvements Reserve Account (including accrued interest thereon) to the payment of the Obligations. The Capital Improvements Reserve Account may be established and held in such name or names as Lender shall deem appropriate, including in the name of Lender. Borrower hereby constitutes and appoints Lender and any officer or agent of Lender its true and lawful attorneys-in-fact with full power of substitution to open any Capital Improvements Reserve Account and to do any and every act that Borrower might do on its own behalf to fulfill the terms of this Section 4.14.

To the extent permitted by law, Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. It is understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

(ii) Borrower may from time to time request disbursements of the funds on deposit in the Capital Improvements Reserve Account to fund or reimburse costs and expenses incurred in connection with the performance of the Capital Improvement Work in accordance with this Agreement. As conditions precedent to each disbursement of funds from the Capital Improvements Reserve Account pursuant to this Section 4.14(c)(ii), Lender shall have received and approved the following:

(A) A draw request in form and detail reasonably satisfactory to Lender.

(B) Evidence reasonably satisfactory to Lender that no Default or Unmatured Default exists.

(C) Evidence reasonably satisfactory to Lender that each contract for labor, materials, services and/or other work included in a draw request has been duly executed and delivered by all parties thereto and is effective, and a true and complete copy of a fully executed copy of each such contract as Lender may have requested.

(D) Evidence reasonably satisfactory to Lender that no mechanic's, materialman's or other similar lien or other encumbrance has been filed and remains in effect against the Property (other than Permitted Encumbrances), no stop notices have been served on Lender that have not been bonded by Borrower in a manner and amount reasonably satisfactory to Lender, and releases or waivers of mechanic's liens and receipted bills showing payment of all amounts due to all parties who have furnished materials or services or performed labor of any kind in connection with the Property.

(E) Evidence reasonably satisfactory to Lender that the Improvements have not been damaged without being repaired and are not the subject of any pending or threatened condemnation or adverse zoning proceeding.

(F) With respect to any advance to pay a contractor, original applications for payments in form reasonably approved by Lender, containing a breakdown by trade and/or other categories reasonably acceptable to Lender, executed and certified by such contractor and accompanied by invoices.

(G) Copies of notarized partial lien waiver forms executed by each contractor and each appropriate subcontractor, supplier and materialman, including such partial lien waivers from all parties sending statutory notices to contractors, notices to owners, or notices of nonpayment, specifying in such partial lien waivers the amount paid in consideration of such partial releases.

(H) Such other information, documents and materials as may be reasonably required by Lender.

(d) Changes to Plans and Specifications. Borrower shall not make any material change in the plans and specifications for the Capital Improvement Work delivered to Lender prior to the date hereof without the prior written approval of Lender, which approval shall not be unreasonably withheld, conditioned or delayed. A material change for purposes hereof shall be any change (whether such change increases or decreases the total cost of the Improvements), which (i) involves a cost of more than (A) for any single item, Fifty Thousand Dollars ($50,000) or (B) for all such items (without netting cost increases against cost savings), Five Hundred Thousand Dollars ($500,000), (ii) impairs the structural integrity or the configuration of the Improvements, (iii) substantially changes the architectural appearance of the Improvements or (iv) results in a violation of any applicable Legal Requirement. Changes shall be submitted to Lender for approval on a form acceptable to Lender which shall be accompanied by a copy of the plans and specifications applicable to the changes. All changes in the Plans and Specifications must, prior to being effective, be duly approved by any applicable bond sureties (if required in order to maintain the effectiveness of the bonds), and all Governmental Authorities (to the extent such Governmental Authority's approval is required under applicable Legal Requirements).

(e) Inspecting Professional. In furtherance of Lender's rights hereunder, Lender may, at its option, subject to the rights of tenants, require monthly inspections of the Property by the Inspecting Professional during the construction of the Capital Improvement Work; provided, however, except in the case of emergency, Lender (or the Inspecting Professional) shall give Borrower at least one (1) Business Days' notice prior to each such inspection. Without limitation of the provisions of Section 4.12 hereof, Borrower shall provide the Inspecting Professional with copies of any testing reports received by Borrower with respect to the Property promptly upon Borrower's receipt thereof.

(f) Exculpation. It is expressly understood and agreed that Lender is under no duty to supervise or to inspect the work of construction, and that any such inspection by or on behalf of Lender is for the sole purpose of protecting the interests of Lender with respect to the Property. Failure to inspect the work or any part thereof shall not constitute a waiver of any of Lender's rights hereunder. Inspection not followed by notice of Default shall not constitute a waiver of any Default then existing; nor shall it constitute an acknowledgment that there has been or will be compliance with the applicable plans and specifications or applicable legal requirements or that the construction is free from defective materials or workmanship. It is further understood and agreed that any consents or approvals of Lender hereunder are for the sole purpose of protecting the interests of Lender under the Loan Documents and Borrower shall have no right to rely on such approvals for Borrower's purposes.

4.15 Intentionally Omitted.

4.16 Management of the Property.

Borrower at all times shall provide for the competent and responsible management and operation of the Property. At all times, Borrower shall cause the Property to be managed by an Approved Manager. All management contracts affecting the Property shall

permit Lender, any court-appointed receiver, and any Person acquiring title to the Property pursuant to a judicial or non-judicial foreclosure of the Deed of Trust (or the Secured Guaranty Deed of Trust), or any deed in lieu thereof, to terminate such management agreement upon thirty (30) days' written notice without penalty or charge. All management contracts must be approved in writing by Lender prior to the execution of the same, which approval shall not be unreasonably withheld, conditioned or delayed.

4.17 Post-Closing Obligations.

Borrower shall deliver to Lender within thirty (30) days after the date hereof a subordination, non-disturbance and attornment agreement executed by Borrower, as landlord, and Technicolor, as tenant, in favor of Lender with respect to the Technicolor Lease, which subordination, non-disturbance and attornment agreement shall be in form and substance reasonably acceptable to Lender (including, without limitation, express acknowledgment by Technicolor that neither Lender nor any foreclosure purchaser shall be liable for any tenant improvement or allowance obligations under the Technicolor Lease).

## ARTICLE V
## REPRESENTATIONS AND WARRANTIES

5.01 Representations and Warranties.

As a material inducement to Lender to enter into this Agreement, Borrower hereby represents and warrants, as follows:

(a) Existence; Power and Authority. Borrower is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to transact business as a foreign limited liability company under the laws of the State of California, with requisite power and authority to (i) incur the Obligations, and (ii) execute, deliver and perform this Agreement and the other Loan Documents to which it is a party.

(b) Authorization; No Conflict. Borrower's execution and delivery to Lender of this Agreement and the other Loan Documents and the full and complete performance of the provisions thereof (i) are authorized by Borrower's organizational documents; (ii) have been duly authorized by all requisite member actions; (iii) do not require the approval or consent of any Governmental Authority having jurisdiction over Borrower or the Property; and (iv) will not result in any breach of, or constitute a default under, or result in the creation of any Lien, (other than those contained in any of the Loan Documents) upon any property or assets of Borrower under any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument or agreement to which Borrower is a party or by which Borrower or the Property is bound.

(c) Title. Borrower is the sole legal and beneficial owner of the fee simple interest in the Property free and clear of all Liens other than the Permitted Encumbrances.

(d) Financial Statements. Any and all balance sheets, statements of income or loss, and financial statements heretofore furnished to Lender with respect to Borrower and Guarantor are true and correct in all material respects as of the dates thereof, and fully and accurately present the financial condition of the subjects thereof as of the dates thereof, and no material adverse change has occurred in the financial condition reflected therein since the dates of the most recent thereof. Neither Borrower nor Guarantor has any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments which are reasonably likely to result in a material adverse effect on the Property or the ownership or operation of the Improvements as contemplated by the Loan Documents or on the financial condition of Borrower or Guarantor or their respective abilities to perform their obligations under the Loan Documents (except (i) as may otherwise be disclosed in the financial statements of Borrower and Guarantor delivered to Lender prior to the date hereof or from time to time hereafter pursuant to Section 4.09 above, or (ii) in the case of Borrower, as otherwise disclosed to Lender in writing on or before the date hereof).

(e) Litigation. There are no actions, suits or other legal proceedings pending, or to the actual knowledge of Borrower, threatened in writing, against or affecting Borrower, the Property, or any Guarantor which (i) if adversely determined would materially and adversely affect the ability of Borrower or any Guarantor to perform its respective obligations under the Loan Documents or would have a material adverse effect on the use or value of the Property, or (ii) challenge the validity or enforceability of the Loan Documents or the priority of the Lien and security interest created thereby.

(f) Legal Compliance. Except as may otherwise be disclosed in the Physical Condition Report, neither the zoning nor any other right to construct, use or operate any Improvements is to any extent dependent upon or related to any real estate other than the Property on which such Improvements are located. Except as may otherwise be disclosed in the Physical Condition Report, all approvals, licenses and permits required from Governmental Authorities under applicable Legal Requirements in connection with the current phase of construction of the Improvements have been obtained and Borrower has no actual knowledge of any information suggesting that approvals, licenses and permits for future phases of construction will not be received in a timely manner.

(g) Services and Utilities. Except as may otherwise be disclosed in the Physical Condition Report, all streets, easements, utilities and related services necessary for the operation of the Improvements for their intended purpose are available to the Property.

(h) Enforceability. Each Loan Document executed by Borrower constitutes a legal and binding obligation of, and is valid and enforceable against, Borrower in accordance with the terms thereof (subject to Debtor Relief Laws and general equitable principles) and is not subject to any right of rescission, set-off, counterclaim or defense.

(i) ERISA. Borrower is not an “employee benefit plan” as defined in Section 3(3) of ERISA or a “plan” as defined in Section 4975(e)(1) of the Code. Each Employee Benefit Plan is in material compliance with all applicable requirements under ERISA and the Code, and, to the extent that such Employee Benefit Plan is also intended to be “qualified” within the meaning of Section 401(a) of the Code, it is in material compliance with the applicable requirements under the Code, except to the extent that any defects can be

remedied without material liability to Borrower under Revenue Procedure 2008-50 or any similar procedure. None of the Employee Benefit Plans is subject to the requirements of Section 412 of the Code, Part 3 of Title I of ERISA or Title IV of ERISA or is a "multiemployer plan" as defined in Section 3(37) of ERISA. Borrower has no material liability under Title IV of ERISA or Section 412 of the Code with respect to any Employee Benefit Plan.

(j) Legal Parcel; Separate Tax Parcel. The Property is taxed separately and does not include any other property, and for all purposes the Property may be mortgaged, conveyed and otherwise dealt with as a separate legal parcel.

(k) Leases and Rents. Borrower has good and marketable title to the Leases and rents free and clear of all claims, and Liens and encumbrances other than the Permitted Encumbrances. To the actual knowledge of Borrower, the Leases are valid and unmodified and are in full force and effect and Borrower is not in default of any of the material terms or provisions of the Leases. The rents now due or to become due for any periods subsequent to the date hereof have not been collected and payment thereof has not been anticipated for a period of more than one month in advance, waived or released, discounted, set off or otherwise discharged or compromised. Borrower has not received any funds or deposits from any Lessee for which credit has not already been made on account of accrued rents other than security deposits required by the Leases.

5.02 Nature of Representations and Warranties.

All representations and warranties made in this Agreement or any other Loan Document or in any certificate or other document delivered to Lender pursuant to or in connection with this Agreement shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

## ARTICLE VI
## INSURANCE AND CONDEMNATION

6.01 Insurance and Casualty.

(a) Required Insurance Coverage. Borrower, at its expense, shall maintain and deliver to Lender policies of insurance providing the following:

(i) Commercial General Liability Insurance with limits of not less than $1,000,000.00 per occurrence combined single limit and $2,000,000.00 in the aggregate for the policy period, or in whatever higher amounts as may be required by Lender from time to time by notice to Borrower, and extended to cover: (a) Contractual Liability assumed by Borrower with defense provided in addition to policy limits for indemnities of the named insured, (b) if any of the work is subcontracted, Independent Contractors Liability providing coverage in connection with such portion of the work which may be subcontracted, (c) Broad Form Property Damage Liability, (d) Products & Completed Operations for coverage, such coverage to apply for two years following completion of construction, (e) waiver of subrogation against all parties named additional insured, (f) severability of interest provision, and (g) Personal Injury & Advertisers Liability.

(ii) Automobile Liability including coverage on owned, hired and non-owned automobiles and other vehicles, if used in connection with the performance of the work, with Bodily Injury and Property Damage limits of not less than $1,000,000.00 per occurrence combined single limit, with a waiver of subrogation against all parties named as additional insured.

(iii) Umbrella/Excess Liability in excess of Commercial General Liability, Automobile Liability and Employers' Liability coverages which is at least as broad as these underlying policies with a limit of liability of $10,000,000.00.

(iv) All-Risk Property (Special Cause of Loss) Insurance on the Improvements in an amount not less than the full insurable value on a replacement cost basis of the insured Improvements and personal property related thereto. During any construction period, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" with no coinsurance requirement and shall contain a provision granting the insured permission to occupy prior to completion. Such policy shall not contain an exclusion for terrorist losses. However, if such an exclusion exists in the All-Risk policy, a separate Terrorism policy covering Certified Acts of Terrorism must be evidenced to Lender in an amount equal to the full replacement cost of the Improvements. This policy must also list Lender as mortgagee and loss payee.

(v) Workers' Compensation and Employer's Liability Insurance in accordance with the applicable laws of the state in which the work is to be performed or of the state in which Borrower is obligated to pay compensation to employees engaged in the performance of the work. The policy limit under the Employer's Liability Insurance section shall not be less than $1,000,000.00 for any one accident.

(vi) If all or any portion of the Property lies within a "special flood hazard area" as designated on maps prepared by the Department of Housing and Urban Development, a National Flood Insurance Association standard flood insurance policy covering the Property, plus insurance from a private insurance carrier if necessary, for the duration of the Loan in the amount of the full insurable value of the Improvements located on the Property, or the amount of the Loan, whichever is less.

(vii) Rent loss or business interruption insurance against loss of income (including, but not limited to, rent, cost reimbursements and all other amounts payable by tenants under Leases or otherwise derived by Borrower from the operation of the Property) arising out of damage to or destruction of the Property and Improvements by fire or other peril insured against under each policy. The amount of the policy shall be in the amount equal to one year's projected rentals or gross revenue.

(viii) Such other insurance as Lender may reasonably require, which may include, without limitation, errors and omissions insurance with respect to the contractors, architects and engineers, and earthquake insurance; provided, however, that Lender shall not require Borrower to maintain earthquake insurance unless a so called "PML" report with respect to the Property reflects a probable maximum loss of twenty percent (20%) or more in the event of an earthquake or other seismic casualty.

(b) Policy Requirements. All insurance policies shall (i) be issued by an insurance company licensed to do business in the state where the Property is located having a rating of "A-" VIII or better by A.M. Best Co., in Best's Rating Guide, (ii) name "JPMorgan Chase Bank, N.A., any and all subsidiaries and their successors and/or assigns as their interests may appear" as additional insureds on all liability insurance and as mortgagee and loss payee on all All-Risk Property, flood insurance and rent loss or business interruption insurance, (iii) be endorsed to show that Borrower's insurance shall be primary and all insurance carried by Lender is strictly excess and secondary and shall not contribute with Borrower's insurance, (iv) provide that Lender is to receive thirty (30) days written notice prior to non-renewal or cancellation, (v) be evidenced by a certificate of insurance to be provided to Lender, (vi) include either policy or binder numbers on the ACORD form, and (vii) be in form and amounts reasonably acceptable to Lender.

(c) Evidence of Insurance; Payment of Premiums. Borrower shall deliver to Lender, at least five (5) days before the expiration of an existing policy, evidence reasonably acceptable to Lender of the continuation of the coverage of the expiring policy. If Lender has not received satisfactory evidence of such continuation of coverage in the time frame herein specified, Lender shall have the right, but not the obligation, to purchase such insurance for Lender's interest only. Any amounts so disbursed by Lender pursuant to this Section shall be repaid by Borrower within ten (10) days after written demand therefor. Nothing contained in this Section shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account on this Section. The payment by Lender of any insurance premium for insurance which Borrower is obligated to provide hereunder but which Lender believes has not been paid, shall be conclusive between the parties as to the legality and amounts so paid. Borrower agrees to pay all premiums on such insurance as they become due, and will not permit any condition to exist on or with respect to the Property which would wholly or partially invalidate any insurance thereon.

(d) Collateral Protection. Unless Borrower provides Lender with evidence reasonably satisfactory to Lender of the insurance coverage required by this Agreement, Lender may purchase insurance at Borrower's expense to protect Lender's interest in the Property. This insurance may, but need not, protect Borrower's interest in the Property. The coverages that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Property. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence reasonably satisfactory to Lender that Borrower has obtained insurance as required by this Agreement. If Lender purchases insurance for the Property, Borrower will be responsible for the actual costs of that insurance, including any charges imposed by Lender in connection with the placement of insurance, until the effective date of the cancellation or expiration of such insurance. The costs of the insurance may, at Lender's discretion, be added to Borrower's total principal obligation owing to Lender, and in any event shall be secured by the liens on the Property created by the Loan Documents. It is understood and agreed that the costs of insurance obtained by Lender may be more than the costs of insurance Borrower may be able to obtain on its own.

(e) No Liability; Assignment. Lender shall not by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any such insurance, incur any liability for the form or legal sufficiency of insurance contracts, solvency of insurers, or payment of losses, and Borrower hereby expressly assumes full responsibility therefor and all liability, if any, thereunder. Borrower hereby absolutely assigns and transfers to Lender all of Borrower's right, title and interest in and to any unearned premiums paid on policies and any claims thereunder and Lender shall have the right, but not the obligation, to assign any then existing claims under the same to any purchaser of the Property at any foreclosure sale; provided, however, that so long as no Default exists and is continuing hereunder, Borrower shall have the right under a license granted hereby, and Lender hereby grants to Borrower a license, to exercise rights under said policies and in and to said premiums subject to the provisions of this Agreement. Said license shall be revoked automatically upon the occurrence and during the continuance of a Default hereunder.

(f) No Separate Insurance. Borrower shall not carry any separate insurance on the Property concurrent in kind or form with any insurance required hereunder or contributing in the event of loss without Lender's prior written consent, and any such policy shall have attached a standard non-contributing mortgagee clause, with loss payable to Lender, and shall otherwise meet all other requirements set forth herein.

(g) Casualty Loss.

(i) If all or any part of the Property shall be damaged or destroyed by fire or other casualty, Borrower shall give immediate written notice to the insurance carrier and Lender. With respect to any such casualty loss for which Borrower has an insurance claim with a value in excess of $500,000. Borrower hereby authorizes and empowers Lender, at Lender's option and in Lender's sole discretion as attorney-in-fact for Borrower, to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds; provided, however, that the foregoing authorization and empowerment of Lender to act as attorney-in-fact for Borrower shall not become effective until the occurrence and during the continuance of a Default or until such time as Borrower fails to diligently pursue the collection of such insurance proceeds in Lender's reasonable opinion. The foregoing appointment is irrevocable, or coupled with an interest, and continuing so long as any Obligations remain outstanding, and such rights, powers and privileges shall be exclusive in Lender, its successors and assigns.

(ii) As sole loss payee on all policies of casualty insurance, Lender shall receive all insurance proceeds from any casualty loss, and shall hold the same in an interest-bearing account pending disposition in accordance with this Section. Borrower authorizes Lender to deduct from such insurance proceeds received by Lender all of Lender's costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with the collection thereof (the remainder of such insurance proceeds being referred to herein as ***"Net Casualty Proceeds"***); provided, however, that, notwithstanding the foregoing, so long as no Default or Unmatured Default shall have occurred and be continuing, Borrower shall have the exclusive right to receive the proceeds of all insurance for loss of or damage to the Property in cases in which such claim is valued at less than $500,000.

(iii) Lender shall cause the Net Casualty Proceeds from any casualty loss affecting a Property to be disbursed for the cost of reconstruction of the Property if all of the following conditions are satisfied within ninety (90) days after the applicable casualty loss: (a) Borrower satisfies Lender (in Lender's reasonable judgment) that the reconstruction can be completed within a reasonable period of time after such casualty loss (but in no event later than the Maturity Date) and that after giving effect to such reconstruction the affected Property will be restored to substantially the same condition immediately prior to the casualty loss; (b) Borrower satisfies Lender (in Lender's reasonable judgment) that the Net Casualty Proceeds are sufficient to pay all costs of reconstruction, and if insufficient, Borrower deposits with Lender additional funds to make up such insufficiency; (c) Borrower delivers to Lender all plans and specifications and construction contracts for the work of reconstruction and such plans and specifications and construction contracts are in form and content reasonably acceptable to Lender and with a contractor acceptable to Lender; and (d) Borrower delivers to Lender satisfactory evidence (in Lender's reasonable judgment) that upon completion of the reconstruction, Leases approved or deemed approved by Lender in accordance with the terms of this Agreement demising in the aggregate no less than the lesser of (i) the net rentable square feet in the Improvements covered by Leases in effect immediately prior to the casualty loss, and (ii) seventy-five percent (75%) of the net rentable square feet in the Improvements located on the portion of the Property affected by the casualty, will remain in full force and effect. The disbursement of Net Casualty Proceeds pursuant to this clause (iii) shall be in accordance with customary disbursement procedures and shall not be available after the occurrence and during the continuance of a Default. Any Net Casualty Proceeds not required to reconstruct the Property shall be delivered to Borrower after expiration of the lien period for the work of reconstruction (or, at Borrower's option, after delivery of title insurance to Lender, over such liens where the lien period has not so expired). Upon the occurrence and during the continuance of a Default or in the event Borrower is unable to satisfy the conditions set forth in subclauses (a) through (d) hereof by the required date, Lender, shall have the right (but not the obligation) to apply all Net Casualty Proceeds held by it to the payment of the Obligations. If the maturity of the Loan is extended in accordance with Section 3.12 above and any Net Casualty Proceeds are applied to the payment of the Obligations during any such extension period, then the amortization payments thereafter required to be made by Borrower pursuant to Section 3.12(c) shall be recalculated by Lender to reflect such paydown of the Loan Amount. Borrower shall have the obligation to promptly and diligently complete the work of reconstruction necessitated by any casualty loss and restore the affected Property to the equivalent of its condition immediately prior to such casualty provided the applicable Net Casualty Proceeds are made available to Borrower for such purpose.

6.02 Condemnation and Other Awards.

Immediately upon receiving written notice of the institution or threatened institution of any proceeding for the condemnation of all or any portion of the Property, Borrower shall notify Lender of such fact. Borrower shall then file or defend its rights thereunder and prosecute the same with due diligence to its final disposition; provided, however, that Borrower shall not enter into any settlement of such proceeding without the prior

approval of Lender (which approval shall not be unreasonably withheld, conditioned or delayed). Lender shall be entitled, at its option, to appear in any such proceeding in its own name, and upon the occurrence and during the continuation of a Default or if Borrower fails to diligently prosecute such proceeding (in Lender's reasonable judgment), (a) Lender shall be entitled, at its option, to appear in and prosecute any such proceeding or to make any compromise or settlement in connection with such condemnation on behalf of Borrower, and (b) Borrower hereby irrevocably constitutes and appoints Lender as its attorney-in-fact, and such appointment is coupled with an interest, to commence, appear in and prosecute such action or proceeding or to make such compromise or settlement in connection with any such condemnation on its behalf. The foregoing appointment is irrevocable and continuing so long as the Obligations remain outstanding, and such rights, powers and privileges shall be exclusive in Lender, its successors and assigns. If all or any material portion of the Property is taken or materially diminished in value in connection with such condemnation, or if a consent settlement is entered, by or under threat of such proceeding, the award or settlement payable to Borrower by virtue of its interest in the Property, shall be, and by these presents is, assigned, transferred and set over unto Lender; provided, however, that, so long as no Default or Unmatured Default shall have occurred and be continuing, Borrower shall have the exclusive right to receive the award or settlement payable to Borrower in connection with any such condemnation in cases in which such award or settlement is valued at less than $500,000. Any such award or settlement received by Lender shall be first applied to reimburse Lender for all out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred in connection with the collection of such award or settlement. The balance of such award or settlement (the ***"Net Condemnation Proceeds"***) shall be paid to Lender for application in the manner set forth in Section 6.01(g) as if such award or settlement constituted insurance proceeds from a casualty loss; provided, however, that Lender shall have no obligation to make Net Condemnation Proceeds available for construction or reconstruction of the Property unless Lender has reasonably determined that the Property as so constructed or reconstructed after giving effect to the condemnation would have a value that is not materially less than its value would have been had there been no such condemnation. Borrower shall have the obligation to promptly and diligently complete the work of reconstruction necessitated by any condemnation and restore the affected Property to the equivalent of its condition immediately prior to such condemnation provided the applicable Net Condemnation Proceeds are made available to Borrower for such purpose; provided, however, that Borrower shall not be obligated to complete the work of reconstruction necessitated by any condemnation and restore the affected Property to the equivalent of its condition immediately prior to such condemnation unless Lender shall make available to Borrower all Net Condemnation Proceeds received by Lender in connection with such condemnation. If the maturity of the Loan is extended in accordance with Section 3.12 above and any Net Condemnation Proceeds are applied to the payment of the Obligations during any such extension period, then the amortization payments thereafter required to be made by Borrower pursuant to Section 3.12(c) shall be recalculated by Lender to reflect such paydown of the Loan Amount.

ARTICLE VII
DEFAULTS

7.01 Defaults.

Any of the following events, after passage of the applicable cure period set forth below, shall constitute a ***"Default"*** hereunder:

(a) Failure to Make Payment. The failure by Borrower to pay in full any principal of the Loan when due (including, without limitation, any Remargin Payment required under Section 4.13(a) above); the failure by Borrower to pay in full any interest on the Loan or any fees or any other amounts due under the Loan Documents (other than principal) when due and such failure continues unremedied for a period of ten (10) days after the due date thereof; or the failure by Borrower to make any other payment or deposit required hereunder or under any of the other Loan Documents within the period set forth in Loan Documents, or if no period is set forth in the Loan Documents, then within ten (10) Business Days after demand therefor;

(b) Involuntary Proceeding. An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Guarantor or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Guarantor or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(c) Voluntary Proceedings. Borrower or any Guarantor shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (b) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Guarantor or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing.

(d) Assignment for Benefit of Creditors. The execution by Borrower or Guarantor of an assignment for the benefit of creditors;

(e) Unable to Pay Debts. The admission in writing by Borrower or Guarantor that it is unable to pay its debts as they mature or that it is generally not paying its debts as they mature;

(f) Liquidation of Borrower or Guarantor. The liquidation, termination or dissolution of Borrower or Guarantor;

(g) Transfer or Encumbrance of Interest in Property or Borrower.

(i) Property. Except for any sales, exchanges, conveyances and transfers at the closing of which the Loan is fully repaid, the sale, lease (except as permitted under this Agreement), exchange, conveyance, transfer, mortgage, assignment, pledge or encumbrance, either voluntarily or involuntarily, or the agreement to do so, of any right, title or interest of Borrower in and to all or any portion of the Property, which occurrence is not rendered ineffective within ten (10) days after occurrence; provided, however, that Borrower shall be permitted to replace defective, obsolete or worn out personal property, and Borrower shall be permitted to grant and/or record Permitted Encumbrances; and

(ii) Borrower. Except for any sales, exchanges, conveyances and transfers at the closing of which the Loan is fully repaid and any required release price under the Secured Guaranty is fully paid, the sale, exchange, conveyance, transfer, mortgage, assignment, pledge or encumbrance, either voluntarily or involuntarily, or the agreement to do so, of any direct or indirect ownership interest in Borrower or any portion thereof (collectively, a ***"Transfer"***); provided, however, Borrower shall not be in Default hereunder (and any such Transfer to a Person that is not a Prohibited Person shall be expressly permitted) if, after giving effect to any of the foregoing, Guarantor (or any one or more of them) shall collectively hold, directly or indirectly, at least 51% of the ownership interests in Borrower;

(h) Levy; Attachment; Seizure. The levy, attachment or seizure pursuant to court order of (i) any right, title or interest of Borrower in and to all or any portion of the Property or (ii) any direct or indirect ownership interests in Borrower, if such order is not vacated and the proceeding in which it was entered is not dismissed within thirty (30) days of the entry of such order;

(i) Failure of Representations. Any representation or warranty contained herein or in any of the other Loan Documents, or in any certificate or other document executed by Borrower or any Guarantor and delivered to Lender pursuant to or in connection with this Agreement, is not true and correct in all material respects, or omits to state a material fact necessary to make such representation not misleading, in each case, as of the date made or deemed made;

(j) Claims; Liens; Encumbrances; Stop Notices. Unless Borrower is contesting the same in accordance with the provisions of Section 4.01(c) hereof, the filing of any claim of lien or encumbrance (other than Permitted Encumbrances) against all or any portion of the Property that is not released or insured over with a title insurance endorsement (obtained at Borrower's cost and expense) within thirty (30) days after notice thereof from Lender to Borrower; or the service on Lender or any disburser of funds of a notice or demand to withhold funds, which is not nullified within thirty (30) days after the date of such service;

(k) Permits; Utilities; Insurance. (i) The neglect, failure or refusal of Borrower to keep in full force and effect any material permit, license, consent or approval required for the construction or operation of any Improvements that is not fully reinstated within thirty (30) days after the lapse of effectiveness of such material permit, license, consent or approval; or (ii) the curtailment in availability to the Property of utilities or other public services

necessary for the full occupancy and utilization of the Improvements located thereon that is not restored to full availability within thirty (30) days after such curtailment of availability; or (iii) the failure by Borrower to maintain any insurance required under Section 6.01 hereof or under any other Loan Document that is not cured within five (5) days after Lender gives Borrower notice of such lapse;

(l) Cessation of Loan Documents to be Effective. The cessation, for any reason, of any Loan Document to be in full force and effect in all material respects; the failure of any Lien intended to be created by the Loan Documents to exist or to be valid and perfected; the cessation of any such Lien, for any reason, to have the priority contemplated by this Agreement or the other Loan Documents, subject to Borrower's right to contest any other Lien in accordance with the terms of this Agreement; or the revocation by Guarantor of the Guaranty or any other Loan Document executed by Guarantor;

(m) ERISA. Any breach of the provisions of Section 4.11 hereof;

(n) Prohibited Distributions. Any breach of the provisions of Section 4.06 hereof shall occur which is not cured by Borrower within five (5) Business Days after such breach;

(o) Operations of Borrower. Any breach of the provisions of Section 4.03 hereof shall occur which is not cured by Borrower within twenty (20) days after Lender gives Borrower notice thereof;

(p) Judgments. Any judgment or order for the payment of money in excess of $100,000.00 is rendered against Borrower, and either (a) enforcement proceedings have been commenced by a creditor upon such judgment, or (b) there is a period of fifteen (15) days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect;

(q) Swap Agreements. The occurrence or existence of any default, event of default or other similar condition or event (however described) with respect to any Swap Agreement to which Borrower is a party, whether or not Lender or an Affiliate of Lender is a party thereto, which is not cured within any applicable notice and grace or cure period;

(r) Guarantor Financial Covenants. Guarantor fails to comply with the financial covenants set forth in Section 3.2 of the Guaranty;

(s) Other Loan Documents. The existence of any default, event of default or other similar condition or event (however defined) under any Other Loan Document, which is not cured within any applicable notice and grace or cure period;

(t) Post-Closing Obligations. Borrower fails to satisfy its obligations under Section 4.17 as and when required thereunder;

(u) Management of the Property. Any breach of the provisions of Section 4.16 hereof shall occur which is not cured by Borrower within fifteen (15) days after Lender gives Borrower notice thereof; or

(v) Failure to Perform Covenants. The failure of Borrower to fully perform any and all covenants and agreements hereunder or under any of the other Loan Documents, and, with respect to covenants and agreements other than those specifically referenced in this Section 7.01, or for which another cure period is provided, such failure is not cured by Borrower within thirty (30) days after Lender gives notice to Borrower thereof, unless (i) such failure, by its nature, is not capable of being cured within such period, (ii) within fifteen (15) days after delivery of such notice, Borrower commences to cure such failure and thereafter diligently prosecutes the cure thereof, and (iii) Borrower causes such failure to be cured no later than ninety (90) days after the date of such notice from Lender.

## ARTICLE VIII
## ACCELERATION AND REMEDIES

8.01 Acceleration.

If any Default described in Sections 7.01(b) or 7.01(c) hereof occurs with respect to Borrower, the obligations, if any, of the Lender to make any additional advance of the Loan hereunder shall automatically terminate and the Obligations (other than Swap Obligations included therein) shall immediately become due and payable without any election or action on the part of Lender. If any other Default occurs and is continuing, Lender may declare the Obligations (other than Swap Obligations included therein) to be due and payable, or both, whereupon the Obligations (other than Swap Obligations included therein) shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which Borrower hereby expressly waives. Lender has the rights and remedies with respect to the Swap Obligations as provided in the Swap Agreements.

8.02 Right to Perform Work.

Upon the occurrence and during the continuance of a Default hereunder, Lender shall have the right, in person or by agent, in addition to all other rights and remedies available to Lender under this Agreement, the other Loan Documents, to the fullest extent permitted by law, to take possession of the Property and perform any and all work and labor necessary to complete the Improvements or any tenant improvements in accordance with the applicable plans and specifications (with such modifications as shall be deemed appropriate by Lender), and employ watchmen to protect the Property from injury. All reasonable sums so expended by Lender shall be deemed to have been paid to Borrower and constitute Obligations. Effective upon the occurrence and during the continuance of a Default, Borrower hereby constitutes and appoints Lender its true and lawful attorney-in-fact, with full power of substitution, to so complete the Improvements or any tenant improvements in the name of Borrower. Borrower hereby empowers said attorney to: (a) make such additions, changes and corrections in any applicable plans and specifications as Lender deems appropriate; (b) employ such contractors, subcontractors, agents, architects and inspectors as shall be required for said purposes; (c) pay, settle or compromise all existing bills and claims which may be liens against the Property, or as may be necessary or desirable for such completion of any Improvements or tenant improvements or for clearance of title; (d) execute all applications and certificates in the name of Borrower which may be required by any of the contract documents; (e) prosecute and defend all actions or proceedings in connection with the Property or the construction of the

Improvements and take such action and require such performance as it deems necessary under any bond or guaranty of completion; and (g) do any and every act which Borrower might do on its own behalf. It is further understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked.

8.03 Curing of Defaults.

Upon the occurrence and during the continuance of a Default hereunder, without waiving any right of acceleration or foreclosure under the Loan Documents which Lender may have by reason of such Default or any other right Lender may have against Borrower because of said Default, Lender shall have the right (but not the obligation) to take such actions and make such payments as shall be necessary to cure such Default, including, without limitation, the making of Borrowings. All amounts so expended shall constitute Obligations and shall be payable by Borrower on demand by Lender.

## ARTICLE IX
## MISCELLANEOUS

9.01 Notices.

(a) Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, or mailed by certified or registered mail, as follows:

To Lender:

JPMorgan Chase Bank, N.A.
2029 Century Park West, Suite 3800
Los Angeles, California 90067
Attention: Faina Birger
Email: faina.birger@jpmorgan.com

To Borrower:

3233 MISSION OAKS BLVD LLC
c/o Dune Real Estate Partners LP
623 Fifth Avenue, 30th Floor
New York, New York 1002
Attention: Michael Sherman
Facsimile No.: (212) 301-8357
Email: michael.sherman@drep.com

and

c/o Rexford Industrial
11620 Wilshire Boulevard, Suite 300
Los Angeles, California 90025
Attention: Michael S. Frankel
Facsimile No.: (310) 966-1690
Email: mfrankel@rexfordindustrial.com

With a Copy to:

Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Ronald B. Emanuel, Esq.
Facsimile No.: (212) 541-1434
Email: rbemanuel@bryancave.com

and

Greenberg Glusker Fields Claman &
Machtinger LLP
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067
Attn: Kenneth S. Fields, Esq.
Facsimile No.: (310) 201-2376
Email: kfields@greenbergglusker.com

(b) Electronic Notices. Lender or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Changes in Address. Any party hereto may change its address for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

9.02 Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of Lender hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 9.02(b) hereof, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of any advance of the Loan shall not be construed as a waiver of any Default or Unmatured Default, regardless of whether Lender may have had notice or knowledge of such Default or Unmatured Default at the time.

(b) Waivers and Amendments. No provision of this Agreement or any other Loan Document may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Lender.

9.03 Expenses; Indemnity; Damage Waiver.

(a) Expenses. Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by Lender and its Affiliates, including appraisal fees, inspection fees, title and escrow charges and the reasonable fees, charges and disbursements of counsel for Lender, the preparation and administration of this Agreement, the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by Lender, including the fees, charges and disbursements of any counsel for Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loan made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Loan.

(b) Borrower Indemnity. Borrower shall indemnify Lender, and each Related Party of any of the foregoing Persons (each such Person being called an ***"Indemnitee"***) against, and hold each Indemnitee harmless from, any and all actual losses, claims, damages, judgments, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, but excluding indirect, consequential, special or punitive damages (collectively, ***"Losses"***), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) the Loan or the use of the proceeds therefrom, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Losses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. The foregoing indemnity set forth in this Section 9.03(b) shall not apply to any Losses, which are the subject of the Environmental Indemnity Agreement, it being the intention of the parties hereto that Borrower's liability for environmental matters be governed exclusively by the Environmental Indemnity Agreement and not by this Agreement.

(c) DAMAGE WAIVER. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST ANY INDEMNITEE, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS, THE LOAN OR THE USE OF THE PROCEEDS THEREOF. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LENDER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST

BORROWER, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS, THE LOAN OR THE USE OF THE PROCEEDS THEREOF.

(d) Payment of Amounts Due. All amounts due under this Section shall be payable not later than ten (10) days after written demand therefor.

9.04 Successors and Assigns.

(a) Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower or Guarantor may assign or otherwise transfer any of its rights or obligations under the Loan Documents without the prior written consent of Lender, in Lender's sole discretion (and any attempted assignment or transfer by Borrower or Guarantor without such consent shall be null and void). Nothing in the Loan Documents, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in Section 9.04(c) hereof) and, to the extent expressly contemplated hereby, the Related Parties of Lender) any legal or equitable right, remedy or claim under or by reason of any of the Loan Documents.

(b) Assignment by Lender.

(i) Subject to the conditions set forth in Section 9.04(b)(ii) below, Lender may, at Lender's sole cost and expense, assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loan at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of Borrower, provided that no consent of Borrower shall be required for an assignment to an Affiliate of Lender or an Approved Fund or, if a Default has occurred and is continuing, any other assignee.

(ii) Subject to Lender's notification to Borrower of an assignment (and, if required, Borrower's consent thereto), assignee shall be a party hereto and, to the extent of the interest assigned, have the rights and obligations of a Lender under this Agreement, and Lender shall, to the extent of the interest assigned, be released from its obligations under this Agreement (and, in the case of an assignment covering all of Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.07, 3.08, 3.09, 4.11(c) and 9.03 hereof). Borrower hereby agrees to execute any amendment and/or any other document that may be reasonably necessary to effectuate such an assignment, including an amendment to this Agreement to provide for multiple lenders and an administrative agent to act on behalf of such lenders.

(c) Participations.

(i) Lender may, without the consent of Borrower, sell participations to one or more banks or other entities (a ***"Participant"***) in all or a portion of Lender's rights and obligations under this Agreement (including all or a portion of the Loan owing to it); provided that (a) Lender's obligations under this Agreement shall remain unchanged, (b) Lender shall remain solely responsible to Borrower for the performance of such obligations, and (c) Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which Lender sells such a participation shall provide that Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement. Subject to Section 9.04(c)(ii) hereof, Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.07, 3.08 and 3.09 (solely with respect to the participation sold to such Participant) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 9.04(b) hereof.

(ii) A Participant shall not be entitled to receive any greater payment under Section 3.07 or 3.08 hereof than Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with Borrower's prior written consent.

(iii) Notwithstanding anything to the contrary contained in this Section 9.04, without the prior written consent of Borrower in each case, Lender shall not have the right to split the Loan into two or more separate loans, including, without limitation, any mezzanine loans (it being acknowledged, however, that neither the assignment of all, but not less than all of Lender's interest in the Loan in accordance with Section 9.04(b) above, nor the sale of one or more participations in the Loan in accordance with Section 9.04(c) shall be deemed to constitute "splitting" the Loan into two or more separate loans).

(d) Pledges by Lender. Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest (or the enforcement of any rights and remedies thereunder) shall release Lender from any of its obligations hereunder or substitute any such pledgee or assignee for Lender as a party hereto.

9.05 Survival.

All covenants, agreements, representations and warranties made by Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by Lender and shall survive the execution and delivery of this Agreement and the making of the Loan, regardless of any investigation made by Lender or on its behalf and notwithstanding that Lender may have had notice or knowledge of any Default or Unmatured Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect

as long as the principal of or any accrued interest on the Loan or any fee or any other amount payable under this Agreement is outstanding. The provisions of Sections 3.07, 3.08, 3.09, and 9.03 hereof shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loan, or the termination of this Agreement or any provision hereof.

9.06 Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by Lender and when Lender shall have received a counterpart hereof duly executed by Borrower, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page of this Agreement by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

9.07 Severability.

Any provision of this Agreement or any other Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9.08 Governing Law; Jurisdiction; Consent to Service of Process.

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of California.

(b) Consent to Jurisdiction. Lender and Borrower each hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any United States Federal or California State court sitting in any County in the State of California in which the Property is located, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such California State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that Lender may otherwise have to bring any action or proceeding relating to this Agreement against Borrower or its properties in the courts of any jurisdiction.

(c) Waiver of Objection to Venue. Lender and Borrower each hereby irrevocably and unconditionally waive, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 9.08(b) hereof. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

9.09 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE ***"COURT"***) BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CONTROVERSY, DISPUTE OR CLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) (EACH, A ***"CLAIM"***) AND THE WAIVER SET FORTH IN THE PRECEDING PARAGRAPH IS NOT ENFORCEABLE IN SUCH ACTION OR PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

1. WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN PARAGRAPH 2 BELOW, ANY CLAIM WILL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. EXCEPT AS OTHERWISE PROVIDED IN THE LOAN DOCUMENTS, VENUE FOR THE REFERENCE PROCEEDING WILL BE IN THE STATE OR FEDERAL COURT IN THE COUNTY OR DISTRICT WHERE VENUE IS OTHERWISE APPROPRIATE UNDER APPLICABLE LAW.

2. THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING, WITHOUT LIMITATION, SET-OFF), (C) APPOINTMENT OF A RECEIVER AND (D) TEMPORARY, PROVISIONAL OR ANCILLARY REMEDIES (INCLUDING, WITHOUT LIMITATION, WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A)—(D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT.

3. UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN (10) DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY MAY REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B).

4. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS, A COURT REPORTER WILL BE USED AND THE REFEREE WILL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

5. THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA. THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH APPLICABLE STATE AND FEDERAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING, WITHOUT LIMITATION, MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW.

6. THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY.

9.10 Headings.

Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

9.11 Confidentiality.

Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to the Obligations or the enforcement of rights under the Loan Documents or any Swap Agreement, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any Swap Agreement relating to Borrower and its obligations, (g) with the consent of Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to Lender on a nonconfidential basis from a source other than Borrower. For the purposes of this Section, ***"Information"*** means all information received from Borrower relating to Borrower or its business or any Guarantor relating to such Guarantor or its business, other than any such information that is available to Lender on a nonconfidential basis prior to disclosure by Borrower or such Guarantor. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

9.12 Interest Rate Limitation.

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Borrowing, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the ***"Charges"***), shall exceed the maximum lawful rate (the "***Maximum Rate***") which may be contracted for, charged, taken, received or reserved by Lender in accordance with applicable law, the rate of interest payable in respect of such Borrowing hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Borrowing but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to Lender in respect of other Borrowings or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by Lender.

9.13 USA Patriot Act.

Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the ***"Act"***), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information reasonably requested by Lender that will allow Lender to identify Borrower in accordance with the Act.

9.14 Replacement Documentation.

Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of a Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, Borrower will issue, in lieu thereof, a replacement Note or other security document in the same principal amount thereof and otherwise of like tenor. In the event that Borrower issues such replacement Note or other security document, Lender shall indemnify and hold harmless Borrower from any liability incurred by Borrower in connection with the lost, stolen, destroyed or mutilated Note or security document.

9.15 Swap Agreements.

All Swap Agreements, if any, between Borrower and Lender or any Affiliate of Lender are independent agreements governed by the written provisions of said Swap Agreements, which will remain in full force and effect, unaffected by any repayment, prepayment, acceleration, reduction, increase or change in the terms of the Loan Documents, except as otherwise expressly provided in said written Swap Agreements, and any payoff statement from Lender relating to the Loan shall not apply to said Swap Agreements.

[SIGNATURE PAGE FOLLOWS]

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

BORROWER:

3233 MISSION OAKS BLVD LLC,
a Delaware limited liability company

By: /s/ Michael D. Sherman
Name: MICHAEL D. SHERMAN
Title: GENERAL COUNSEL

LENDER:
JPMORGAN CHASE BANK, N.A.,
a national banking association

By: /s/ Faina Birger
Name: Faina Birger
Title: Authorized Officer

**EXHIBIT A**

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

PARCEL B, AS SHOWN AND DESIGNATED ON THAT CERTAIN LOT LINE ADJUSTMENT NO. LD-431A, RECORDED NOVEMBER 5, 1999 AS DOCUMENT NO. 99202212 OF OFFICIAL RECORDS, IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 39, PAGES 94, 95 AND 96 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, THAT PORTION OF THE ABOVE DESCRIBED PARCEL, AS CONVEYED TO THE CITY OF CAMARILLO, BY DEED RECORDED OCTOBER 18, 2000 AS INSTRUMENT NO. 00-163644.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS LYING BELOW A DEPTH OF 500 FEET, WITH NO RIGHTS OF SURFACE ENTRY IN SAID PROPERTY, AS EXCEPTED IN AN INSTRUMENT RECORDED NOVEMBER 2, 1978 IN BOOK 5250, PAGE 787 OF OFFICIAL RECORDS.

**Assessor's Parcel Number:** 160-0-010-730

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR THE CONSTRUCTION, OPERATION, MAINTENANCE, REPAIR AND REPLACEMENT OF A RAILROAD SPUR OR DRILL TRACK OVER A STRIP OF LAND 30 FEET WIDE, THE CENTER LINE OF WHICH IS THE NORTHERLY 1483.87 FEET OF THE 1ST COURSE OF THE ROSE CAMARILLO PETIT LAND AND OF THE 7TH COURSE OF THE AVE CAMARILLO FITZGERALD LAND AND THE ENTIRE 2ND COURSE OF THE ROSE CAMARILLO PETIT LAND AND THE 8TH COURSE OF THE AVE CAMARILLO FITZGERALD LAND, AND THE EASTERLY LINE OF WHICH IS THE CONTINUATION OF THE CURVE CONCENTRIC TO THE 2ND COURSE OF THE ROSE CAMARILLO PETIT LAND AND TO THE 8TH COURSE OF THE AVE CAMARILLO FITZGERALD LAND TO THE INTERSECTION WITH THE NORTHERLY LINE OF SAID LOT 5, MORE PARTICULARLY DESCRIBED IN THAT DEED RECORDED SEPTEMBER 10, 1965 IN BOOK 2859 PAGE 536 OF OFFICIAL RECORDS. EXCEPTING THEREFROM THAT PORTION OF SAID EASEMENT LYING WITHIN THE ABOVE DESCRIBED PARCEL 1.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT FOR THE INSTALLATION, CONSTRUCTION, USE, REPAIR, MAINTENANCE AND REPLACEMENT OF THE UTILITY FACILITIES OVER THAT PORTION OF PARCEL 1 OF PARCEL MAP LD-348 LOCATED IN THE CITY OF CAMARILLO, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS SHOWN ON MAP ON FILE IN BOOK 56 OF PARCEL MAPS, PAGES 32 THROUGH 35 THEREOF, IN THE OFFICE OF THE COUNTY RECORDER OF SAID VENTURA COUNTY, CALIFORNIA.

**EXHIBIT B**

Capital Improvement Budget

| Item | Amount ($) | % |
|---|---|---|
| Site Work | $1,110,400 | 22% |
| General Removals | $ 20,000 | 0% |
| Paving | $ 612,100 | 12% |
| Crane Well | $ 20,000 | 0% |
| Dock Apron | $ 268,800 | 5% |
| Landscaping | $ 85,000 | 2% |
| Trash | $ 25,000 | 0% |
| Furnishings | $ 5,000 | 0% |
| Fire Hydrant Relocation | $ 42,500 | 1% |
| Light Pole Relocation | $ 20,000 | 0% |
| Other | $ 12,000 | 0% |
| Shell Costs | $2,858,843 | 55% |
| Demolition | $ 247,279 | 5% |
| Saw-Cutting | $ 71,500 | 1% |
| Grading & Backfill | $ 48,889 | 1% |
| Concrete | $ 270,873 | 5% |
| Masonry | $ 22,000 | 0% |
| Iron | $ 277,060 | 5% |
| Framing | $ 25,000 | 0% |
| Roofing | $ 107,351 | 2% |
| Insulation | $ 10,000 | 0% |
| Doors/Frames/Hardware | $ 67,000 | 1% |
| Glass | $ 60,000 | 1% |
| Drywall and Plaster | $ 408,000 | 8% |
| Painting | $ 100,200 | 2% |
| Signage | $ 23,500 | 0% |
| Equipment | $ 82,500 | 2% |
| Plumbing | $ 153,500 | 3% |
| Fire Protection | $ 405,418 | 8% |
| Electrical | $ 478,774 | 9% |
| **Warehouse Sitework and Shell** | **$3,969,243** | **77%** |
| GC Fee & General Conditions | $ 416,155 | 8% |
| Soft Costs | $ 344,916 | 7% |
| Contingency | $ 283,819 | 5% |
| CM Fee | $ 150,424 | 3% |
| **Grand Total** | **$5,164,556** | **100%** |

**Exhibit 23.4**

## Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and the use of (i) our report dated May 23, 2013 with respect to the consolidated balance sheet of Rexford Industrial Realty, Inc. as of March 31, 2013; (ii) our report dated March 6, 2013, except for the Combined Balance Sheets, Combined Statements of Operations, Note 2 "Summary of Significant Accounting Policies", Note 3 "Investment in Real Estate", Note 4 "Intangible Assets", Note 6 "Notes Payable" and Note 14 "Subsequent Events" as to which the date is May 23, 2013 with respect to the combined financial statements of Rexford Industrial Realty, Inc. Predecessor as of and for the years ended December 31, 2012 and 2011; and (iii) our report dated May 23, 2013 with respect to the statement of revenues and certain expenses of Glendale Commerce Center for the year ended December 31, 2012, in Amendment No. 2 to the Registration Statement (Form S-11) and related Prospectus of Rexford Industrial Realty, Inc. dated July 9, 2013.

/s/ Ernst & Young LLP

Los Angeles, California
July 9, 2013

LATHAM & WATKINS LLP

355 South Grand Avenue
Los Angeles, California 90071-1560
Tel: +1.213.485.1234 Fax: +1.213.891.8763
www.lw.com

FIRM / AFFILIATE OFFICES

| | |
|---|---|
| Abu Dhabi | Moscow |
| Barcelona | Munich |
| Beijing | New Jersey |
| Boston | New York |
| Brussels | Orange County |
| Chicago | Paris |
| Doha | Riyadh |
| Dubai | Rome |
| Frankfurt | San Diego |
| Hamburg | San Francisco |
| Hong Kong | Shanghai |
| Houston | Silicon Valley |
| London | Singapore |
| Los Angeles | Tokyo |
| Madrid | Washington, D.C. |
| Milan | |

July 9, 2013

**VIA EDGAR AND FEDEX**
Duc Dang
Attorney-Advisor
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Rexford Industrial Realty, Inc.
Amendment No. 2 to
Registration Statement on Form S-11
Filed on July 9, 2013
CIK No. 0001571283

Dear Mr. Dang:

On behalf of Rexford Industrial Realty, Inc. (formerly Rexford Industrial, Inc., and referred to herein as the "Company"), we are today filing Amendment No. 2 ("Amendment No. 2") to the Company's above-referenced Registration Statement on Form S-11 (the "Registration Statement") which we initially publicly filed on May 23, 2013 and last amended on June 10, 2013.

For your convenience, we have enclosed a courtesy package that includes five copies of Amendment No. 2, three of which have been marked to show changes from the prior filing of the Registration Statement.

* * *

LATHAM & WATKINS LLP

If you have any additional questions, please feel free to call the undersigned at (213) 891-8640 to discuss them.

Very truly yours,

/s/ Bradley A. Helms

Bradley A. Helms, Esq.
of LATHAM & WATKINS LLP

cc: Richard Ziman
Howard Schwimmer
Michael S. Frankel
Julian Kleinforfer, Esq.