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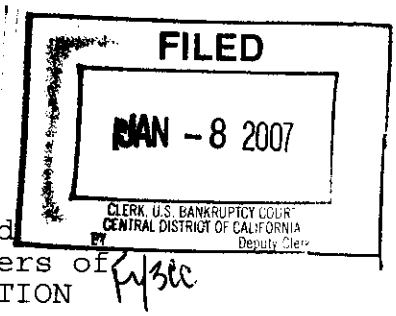

GARY E. KLAUSNER (State Bar No. 69077),
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NATHAN A. SCHULTZ (State Bar No. 223539), Members of
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Reorganization Counsel for
Debtor and Debtor In Possession

Debtor's Mailing Address:
3405 W. Imperial Highway, Suite 304
Inglewood, California 90303

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re	Case No. LA 05-22627-TD
	Chapter 11
WATTSHealth Foundation, Inc. dba UHP Healthcare, a California not-for-profit corporation,	**DECLARATION OF BRADLEY A. LANG IN SUPPORT OF MOTION PURSUANT TO 11 U.S.C. § 363 FOR ORDER (1) AUTHORIZING THE SALE OF THE DEBTOR'S FORMER HEADQUARTERS LOCATED AT 3405 W. IMPERIAL HIGHWAY TO TODAY'S FRESH START, INC. ("TFS") PURSUANT TO THE ASSET PURCHASE AGREEMENT DATED DECEMBER 20, 2006, FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS, (2) FINDING THAT TFS IS A GOOD FAITH PURCHASER, AND (3) GRANTING CERTAIN RELATED RELIEF**
Debtor.	
Tax I.D. No. 95-2623688	**HEARING**
	Date: January 31, 2006 Time: 10:30 a.m.
	Place: Roybal Federal Bldg. Courtroom 1345 255 E. Temple Street Los Angeles, CA 90012

DECLARATION OF BRADLEY A. LANG

I, Bradley A. Lang, declare as follows

1. I am over 18 years of age, and I have personal knowledge of each of the facts stated in this declaration ("Declaration"), except for those facts stated on information and belief and, as to those facts, I am informed and believe them to be true.

2. I submit this Declaration in support of the Debtor's "Motion Pursuant To 11 U.S.C. § 363 For Order (1) Authorizing The Sale Of The Debtor's Former Headquarters Located At 3405 W. Imperial Highway To Today's Fresh Start, Inc. ("TFS") Pursuant To The Asset Purchase Agreement Dated December 20, 2006, Free And Clear Of All Liens, Claims, Encumbrances And Interests, (2) Finding That TFS Is A Good Faith Purchaser, And (3) Granting Certain Related Relief" (the "Motion"). Capitalized terms used, but not defined, herein have the meaning ascribed to such terms in the Motion.

3. I am the Chief Restructuring Officer of WATTSHealth Foundation, Inc. dba UHP Healthcare, the debtor and debtor in possession in this chapter 11 case (the "Debtor").

4. On May 31, 2005 (the "Petition Date"), the Debtor commenced this chapter 11 case by filing a voluntary petition under chapter 11 of the Bankruptcy Code. As permitted by Bankruptcy Code sections 1107(a) and 1108, the Debtor is continuing to operate its business as a debtor in possession.

5. The Debtor entered into an Asset Purchase Agreement with Care 1st Health Plan ("Care 1st") as of April 10, 2006, pursuant to which the Debtor sold all four of its health plan lines

of business to Care 1st (the "Care 1st Sale"). The Court approved the Care 1st Sale on June 7, 2006. The Care 1st Sale closed on August 31, 2006.

6. As of the Petition Date, the Debtor's health plan operations, including over 150 employees, were housed in a headquarters building occupying over 60,000 square feet located at 3405 W. Imperial Highway, Inglewood, California (the "Headquarters Building"). The Debtor has continued to occupy the Headquarters Building throughout the pendency of this case. The Debtor is the fee owner of the Headquarters Building, and the real property upon which it is located (as defined in the APA, the "Property").

7. Following the Care 1st Sale, the Debtor no longer needs a building of this size to house its remaining staff. Moreover, it is my understanding that the Property has significant sale value, particularly to a party who would occupy the premises for its own use.

8. Among the offers received by the Debtor for the Property, I believe that Today's Fresh Start, Inc. ("TFS") made the highest and best offer to purchase the Property. It is my understanding that TFS is a non-profit enterprise that operates several charter schools in the Los Angeles area. I also understand that TFS has a multi-million dollar grant from the State of California to open a new K through 12 charter school, and has been attempting for several months to find a suitable property to utilize this grant. TFS is not an insider of the Debtor.

9. The Debtor determined in late November that TFS had made the highest and best offer for the Property. This

determination was based on the $6.35 million purchase price[1] offered by TFS, which exceeded any other offer received by the Debtor, the availability of funds for TFS to close the transaction, and the likelihood that TFS will proceed to closing at the agreed price.

10. The Debtor and TFS negotiated an Asset Purchase Agreement dated December 20, 2006 (the "APA"), a true and correct copy of which is attached hereto as Exhibit "1". The APA negotiations proceed at arms length over several weeks in December 2006. I believe that the APA strikes a reasonable balance between the Debtor's interest in completing the sale of the headquarters property in a timely fashion for a fair and reasonable price, and TFS' need to satisfy the requirements of its grant, including obtaining the approval of certain governmental bodies/agencies and confirming the appraised value of the property.

11. I believe that the sale of the Property to TFS pursuant to the APA will maximize the value of the Property for the benefit of the Debtor's estate. In addition, I believe that the proposed use of the Property by TFS as a non-profit charter school is consistent with the Debtor's charitable mission to its community. For these reasons, I believe that the consummation of the sale transaction as contemplated by the APA is in the best interests of the Debtor's estate.

[1] The purchase price potentially is subject to a downward adjustment based upon the appraised value of the Property.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief. Executed on January 5, 2007, at ~~Inglewood~~ Palos Verdes Estates, California.

Bradley A. Lang

406944v1

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of December 20, 2006 by and between WATTSHealth Foundation, Inc. dba UHP Healthcare, a California not-for-profit corporation ("Seller"), and Today's Fresh Start, Inc., a California not-for-profit corporation ("Purchaser").

RECITALS

WHEREAS, on May 31, 2005 (the "Petition Date"), Seller filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (as defined below) in the United States Bankruptcy Court for the Central District of California (Los Angeles Division) (the "Bankruptcy Court"), Case No. 05-22627-TD (the "Bankruptcy Case"). Since the Petition Date, Seller has remained in possession of its property and has continued to operate its business pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

WHEREAS, Purchaser desires to purchase, and Seller desires to sell, the Property (as hereinafter defined), which formerly was used as the Seller's headquarters of operation, upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and in reliance upon the representations and warranties contained herein, the parties hereto covenant and agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

As used in this Agreement, the following terms shall have the following designated meanings:

"Agreement" has the meaning set forth in the introductory paragraph hereof.

"Appraisal" means an MAI certified appraisal of the Property to be obtained by Seller, at Seller's expense, from the Appraiser.

"Appraisal Value" means the aggregate value for the Land and the Improvements set forth in the Appraisal.

"Appraiser" shall mean Curtis-Rosenthal, Inc. (David M. Rosenthal).

"Approval Deadline" means the date that is 90 days after the later of (a) the date the Bankruptcy Court enters the Sale Order, and (b) the date Seller delivers to Purchaser the Appraisal; provided, however, that Purchaser, in its sole discretion, may obtain one sixty (60) day extension of the Approval Deadline by providing a Non-Refundable Deposit Notice to Seller on or before the later of the dates set forth in the preceding clauses (a) and (b).

"Authorized Officer" of any Person means the chief executive officer, the president or any vice president or secretary of such Person who has been authorized by requisite action to act on behalf of such Person.

"Bankruptcy Case" has the meaning set forth in the recitals hereof.

"Bankruptcy Code" means Title 11 and applicable portions of Titles 18 and 28 of the United States Code, as amended from time to time.

"Bankruptcy Court" has the meaning set forth in the recitals hereof.

"Bill of Sale" has the meaning set forth in Section 3.2 hereof.

"Building" means the building located on the Land as of the Execution Date.

"Business Day" means any day other than a Saturday or Sunday or any day on which banks in California are not open for business.

"Closing" has the meaning set forth in Section 3.1 hereof.

"Closing Date" means the date of the Closing, which shall occur no more than thirty (30) days after the first date on which each and every condition set forth in Articles IV and V hereof has been satisfied or waived.

"Deed" has the meaning set forth in Section 3.2 hereof.

"Deposit" has the meaning set forth in Section 2.3 hereof.

"Escrow" means the escrow for the consummation of the transaction contemplated by this Agreement to be held with the Escrow Agent.

"Escrow Agent" means First American.

"Escrow Agreement" means the agreement to be executed between the Seller and the Purchaser pursuant to which the Escrow Agent shall hold and disburse the Deposit.

"Execution Date" means the date first written above.

"Improvements" means the Building, and any other structures, fixtures and improvements on the Land.

"Land" means the real property more particularly described on Exhibit A attached hereto, together with all and singular the rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent streets, alleys, easements and rights-of-way.

"Liens" has the meaning set forth in Section 6.4 hereof.

"Non-Refundable Deposit Notice" shall mean a written notice from Purchaser to Seller confirming Purchaser's agreement that, if Purchaser fails to proceed to Closing for any reason other than Seller's breach of this Agreement, then Seller shall be entitled to retain the Deposit in addition to any other remedy available to Seller.

"Person" means any natural person, corporation, general partnership, limited partnership, limited liability partnership, limited liability company, trust, union, association, court, agency, government, tribunal, instrumentality, or other entity or authority.

"Personal Property" means the tangible personal property located upon the Land or within the Improvements on the Closing Date.

"Permitted Exceptions" means, collectively: (i) liens and exceptions for taxes and other governmental charges and assessments (including special assessments) that are not due and payable as of the Closing Date, (ii) liens, title exceptions or imperfections of title caused by or resulting from the acts of Purchaser or any of its affiliates, employees, officers, directors, agents, contractors, invitees or licensees, (iii) such other exceptions or reservations shown on a Preliminary Report issued by Title Company which are approved by Purchaser in accordance with the procedures set forth in Section 5.6 of this Agreement, or (iv) encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the Property and that do not detract from the value of or impair the use of the Property for its intended purpose.

"Preliminary Report" means a Preliminary Title Report issued by Title Company and dated no earlier than the Execution Date.

"Property" means, collectively, the Land, the Improvements, the Property Agreements, the Documents, and the Personal Property.

"Property Agreements" means any declarations, agreements or instruments affecting or in any way connected with or to the Land and/or the Improvements.

"Purchase Price" has the meaning set forth in Section 2.4 hereof.

"Purchaser Survey" means a survey prepared to ALTA standards at Purchaser's option, direction and expense.

"Sale Hearing" means the hearing of the Bankruptcy Court related to the approval of the proposed sale of the Property to the Purchaser by Seller.

"Sale Motion" means the motion to be filed with the Bankruptcy Court seeking approval of the sale of the Property to Purchaser.

"Sale Order" means the order to be entered by the Bankruptcy Court pursuant to Sections 363 of the Bankruptcy Code authorizing the sale of the Property to Purchaser free and clear of any encumbrance or lien except the Permitted Exceptions.

"Seller Survey" means a survey prepared to ALTA standards at Seller's direction.

"Title Company" means First American.

"Title Policy" means a standard California Land Title Association policy of title insurance (or ALTA extended, if elected by Purchaser pursuant to Section 9.2) with liability in the amount of the Purchase Price, showing title to the Land and Improvements vested in (or as designated by) Purchaser, subject only to the Permitted Exceptions.

"Underlying Documents" means copies of all recorded exceptions to title listed in the Preliminary Report.

ARTICLE II

THE TRANSACTION

2.1 Purchase and Sale of Property. On the terms and subject to the conditions contained in this Agreement and the Sale Order, on the Closing Date, Purchaser shall purchase from Seller, and Seller shall sell, convey, assign, transfer and deliver to Purchaser, free and clear of all Liens, other than Permitted Exceptions, all of Seller's right, title and interest in and to the Property.

2.2 No Assumption of Liabilities. Purchaser's obligations relating to Seller shall be solely as set forth in this Agreement.

2.3 Deposit. Within one (1) Business Day following the Execution Date, Purchaser shall provide Seller with a good faith deposit in the amount of One Hundred Thousand Dollars ($100,000.00) (the "Deposit"), which Deposit shall be payable via cashier's check or wire transfer made to the order of the Escrow Agent, in its capacity as Escrow Agent. The Deposit shall be held by the Escrow Agent in an interest bearing account and in accordance with the Escrow Agreement (which Escrow Agreement shall be executed by the parties concurrently with this Agreement). Upon Closing, the Deposit shall be retained by Seller and credited against the Purchase Price (defined below). If the Closing does not occur, then the Deposit shall be (a) retained by Seller, solely in the event that the Purchaser has provided to Seller a Non-Refundable Deposit Notice and Purchaser fails to proceed to Closing for any reason other than Seller's breach of this Agreement, or (b) refunded to Purchaser. The interest on the Deposit shall accrue for the benefit of the party entitled to the Deposit pursuant to the two preceding sentences.

2.4 Purchase Price. Subject to the termination rights set forth in Section 12.1 of this Agreement, the aggregate purchase price for the Property shall be Six Million Three Hundred Fifty Thousand Dollars ($6,350,000.00) (the "Purchase Price"); provided, however, that if the Appraisal Value is less than Six Million Three Hundred Fifty Thousand Dollars ($6,350,000.00), then the Purchase Price shall be the Appraisal Value. At Closing, Purchaser shall make a wire transfer of funds to the Seller in the amount of (a) the Purchase Price, less (b) the amount of the Deposit and any interest accrued thereon, plus or minus (c) any pro-rations as calculated pursuant to Section 12.9 hereof.

ARTICLE III

THE CLOSING

3.1 Time and Place of Closing. The consummation of the transactions provided for in this Agreement (the "Closing") shall take place on the Closing Date through the Escrow, subject to satisfaction of all of the conditions to Closing set forth in Articles IV and V.

3.2 Deliveries by Seller. At the Closing, Seller shall deliver to Purchaser the following:

(a) A grant deed conveying to Purchaser fee title to the Land and all Improvements, in a form (i) substantially similar to the form attached hereto as Exhibit B, and (ii) reasonably acceptable to Title Company to enable Title Company to issue the Title Policy (the "Deed"); and

(b) A bill of sale (the "Bill of Sale"), conveying to Purchaser all of Seller's right, title, and interest in and to the Personal Property.

3.3 Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Seller the Purchase Price, as set forth in Article II hereof.

3.4 Possession. Seller shall deliver possession of, and Purchaser shall have the right to take possession of the Property, upon Closing. Except as otherwise expressly stated in this Agreement, Purchaser agrees to accept the Property in a "WHERE-IS, AS-IS" condition as of the Closing Date, reasonable wear and tear and casualty and condemnation excepted. Without limitation of the foregoing, (a) Seller and its agents, employees and other representatives have not and do not make any representations or warranties, express or implied, to Purchaser regarding the fair market value, physical condition or environmental condition of the Property, and (b) Purchaser acknowledges, represents and warrants to Seller that Purchaser has not been induced to execute this Agreement by any act, statement or representation of Seller or its agents, employees or other representatives not expressly set forth in this Agreement.

3.5 Closing Costs. Seller shall pay for (a) the preparation of the Deed and Bill of Sale, and other closing documents deemed necessary by Seller, and (b) the title insurance premiums and examination or search fees. Escrow fees shall be split evenly among Seller and Purchaser. Seller shall be responsible for the cost of the Title Policy, provided, however, that Purchaser shall be responsible for any cost in excess of Title Company's standard CLTA policy, in the event Purchaser chooses to obtain ALTA extended coverage or any other supplemental endorsements. Unless otherwise allocated pursuant to this Agreement, any other costs associated with the Closing and the transactions contemplated by this Agreement shall be allocated to the incurring party. For avoidance of doubt, Purchaser shall be responsible for the costs of any consultants or other Persons employed by Purchaser to provide advice or conduct inspections, including, without limitation, inspections of air conditioning systems, electric systems, sprinkler systems, plumbing, and architectural structural, geological and toxicological matters.

ARTICLE IV

CONDITIONS TO SELLER'S OBLIGATIONS

Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction at or prior to the Closing Date of each of the following conditions.

4.1 Representations, Warranties and Covenants. All representations and warranties of Purchaser contained in this Agreement shall be true and correct at and as of the Closing Date, as if such representations and warranties were made at and as of the Closing Date and Purchaser shall have performed all agreements and covenants required by this Agreement to be performed by it prior to or at the Closing Date.

4.2 No Injunction. No injunction, stay or restraining order shall be in effect prohibiting the consummation of the transactions contemplated by this Agreement.

4.3 Payment of Purchase Price. Purchaser shall have delivered the Purchaser Price, pursuant to Article II hereof, at Closing.

4.4 Bankruptcy Court Approval. The Bankruptcy Court shall have entered the Sale Order.

4.5 Department of Managed Health Care Approval. The California Department of Health Care (the "DMHC") shall have approved the sale of the Property.

4.6 Each of the preceding conditions shall be satisfied and (except for Sections 4.2, 4.4. and 4.5), may be waived by Seller, but only if such waiver is set forth in a writing executed by Seller, which may be done without further order of the Bankruptcy Court and without notice to any other Person. If any of the preceding conditions shall not be satisfied, and is not waived by Seller, Seller may terminate this Agreement and, provided that Purchaser is not in default hereunder, neither party shall have any further liability to the other except for the disbursement of the Deposit in accordance with the Escrow Agreement.

ARTICLE V

CONDITIONS TO PURCHASER'S OBLIGATIONS

Purchaser's obligation to consummate and close the transactions contemplated by this Agreement is subject to the satisfaction at or prior to the Closing Date (or earlier if a date is specifically referenced in a subsection of this Article V) of each of the following conditions:

5.1 Representations, Warranties and Covenants. All representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as if such representations and warranties were made at and as of the Closing Date and Seller shall have performed all agreements and covenants required by this Agreement to be performed by it prior to or at the Closing Date in all material respects.

5.2 No Injunction. No injunction, stay or restraining order shall be in effect prohibiting the consummation of the transactions contemplated by this Agreement.

5.3 MAI Appraisal. The Appraisal shall confirm that the value of the Land and Improvements is not less than the Purchase Price.

5.4 Bankruptcy Court Approval. The Bankruptcy Court shall have entered the Sale Order.

5.5 Other Approvals. The Purchaser's proposed use of the Property as a charter school shall have been approved, to the extent necessary (including, without limitation, the approval of any inspections reports required by any of the following agencies or municipalities) by (a) the California School Finance Authority, (b) the California State Allocation Board, (c) the California Department of General Services, (d) the California Department of Education, (e) the California Toxic Substances Control, (f) the California Environmental Protection Agency, (g) the Inglewood Unified School District, (h) the City of Inglewood, (i) the Los Angeles County Office of Education, and (j) any other government approvals necessary in connection with Purchaser's intended use of the Property as a charter school, including, without limitation, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation, parking, and environmental matters.

5.6 Title Contingency.

(a) Preliminary Report. Purchaser shall have fifteen (15) days from the receipt of the Preliminary Report and the Underlying Documents to provide notice to Seller of any exception to title disapproved by Purchaser (a "Disapproval Notice"). In the event that, at or before the Closing, Seller fails to remove or otherwise address to Purchaser's reasonable satisfaction any exception to title set forth in a timely Disapproval Notice, the Title Contingency set forth in this Section will be deemed unsatisfied, and Purchaser may terminate this Agreement as set forth in Section 12.1, below. Notwithstanding anything to the contrary herein, the inclusion in a timely Disapproval Notice of any exception to title of which the Property shall be sold free and clear pursuant to the Sale Order, to the satisfaction of the Title Company, shall not entitle the Purchaser to terminate this Agreement.

(b) Title Policy. The Title Company shall have committed to issue the Title Policy.

5.7 Survey.

(a) Neither (i) the Seller Survey, nor (ii) the Purchaser Survey, if any, shall disclose any encroachments, overlaps, boundary line disputes, or any other matters that detract from the value, or impair the use, of the Property for its intended purpose, to be determined in Purchaser's reasonable discretion.

(b) Notwithstanding anything to the contrary contained in this Agreement or otherwise, (i) the condition set forth in Section 5.7(a) shall be deemed satisfied if Purchaser has not provided written notice to the contrary (a "Survey Notice") to Seller on or

before sixty (60) days after the Execution Date; and (ii) if Purchaser timely provides a Survey Notice regarding a matter set forth therein that is not resolved on or before the Approval Deadline, then as of the Approval Deadline, either (A) Purchaser shall waive in writing the condition set forth in Section 5.7(a), or (B) this Agreement shall be deemed to have been terminated pursuant to Section 12.1(a)(1).

5.8 Physical Inspection. Purchaser shall have satisfied itself with regard to the physical aspects and size of the Property by or before the Approval Deadline.

5.9 Hazardous Substance Conditions. Purchaser shall have satisfied itself with regard to the environmental aspects of the Property by or before the Approval Deadline.

5.10 Soil Inspection. Purchaser shall have satisfied itself with regard to the condition of the soils on the Property by or before the Approval Deadline.

5.11 Failure of Condition / Waiver. Each of the preceding conditions shall be satisfied and may be waived by Purchaser, but only if such waiver is set forth in a writing executed by Purchaser or Purchaser closes the transaction with respect to such Property. If one of the preceding conditions shall not be satisfied and is not waived by Purchaser (or deemed waived by Purchaser's closing the transaction), Purchaser may terminate this Agreement and neither party shall have any further liability to the other, except for the disbursement of the Deposit, with interest, if any, and any other sums or documents deposited by Purchaser into Escrow in accordance with the Escrow Agreement.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser as follows:

6.1 Due Incorporation, Etc. Seller is a not-for-profit corporation validly existing and in good standing under the laws of California and, subject to any required approval of the Bankruptcy Court and the DMHC, has the corporate power and authority and all necessary governmental approvals to consummate the transactions contemplated by this Agreement.

6.2 Authorization, No Conflicts, Etc. Subject to the entry and effectiveness of the Sale Order and approval of the DMHC, (a) Seller has the corporate power and authority to enter into this Agreement and to carry out its obligations hereunder, (b) the execution, delivery and performance of this Agreement by Seller and the consummation by the Seller of the transactions contemplated thereby have been duly authorized by all requisite corporate action and (c) this Agreement has been duly and validly executed and delivered by Seller and (assuming this Agreement constitutes a valid and binding obligation of the Purchaser) constitutes a valid and binding agreement of Seller, enforceable against Seller in accordance with its terms.

6.3 Consents and Approvals. No consent, approval or authorization of, or declaration, filing, or registration with, any United States federal or state governmental or regulatory authority is required to be made or obtained by Seller in connection with the execution, delivery and performance of this Agreement and the consummation of the

transactions contemplated hereby, except for (a) consents, approvals, or authorizations of, or declarations or filings with, the Bankruptcy Court, (b) approval by the DMHC, and (c) consents, approvals, authorizations, declarations, filings or registrations, which, if not obtained, would not, individually or in the aggregate, have a material adverse effect on the transactions contemplated by this Agreement.

6.4 Property. Subject to entry of the Sale Order by the Bankruptcy Court, Seller has good and marketable fee simple title to the Property, free and clear of all liens, security interests and encumbrances (collectively "Liens"), other than (a) Liens that will be released at or before Closing, and (b) Permitted Exceptions.

6.5 Appraiser. Appraiser is not an "affiliate" of Seller or C&W as "affiliate" is defined in Section 101(2) of the Bankruptcy Code.

Except with respect to any warranty expressed or implied in the Deed, no representation or warranty of Seller in this Agreement or in any instrument delivered pursuant to this Agreement shall survive beyond the Closing Date. Notwithstanding anything to the contrary contained in this Agreement (including, without limitation, in Article XII hereof), in the event any of the foregoing representations or warranties is found to be inaccurate or untrue, Purchaser agrees and acknowledges that its sole and exclusive remedy shall be to terminate this Agreement by delivering written notice to Seller prior to the Closing, and this Agreement shall thereupon terminate and become void and of no further force and effect. In the event Purchaser terminates this Agreement as provided above, Escrow Agent shall disburse to Purchaser the Deposit, with interest, if any, and any other sums or documents deposited into escrow by Purchaser and Purchaser shall be entitled to no other remedy.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller as follows:

7.1 Financial Ability. Subject to the provisions of Section 5.5 hereof, Purchaser has the financial resources to consummate the transactions contemplated herein and pay the Purchase Price.

7.2 Due Incorporation, Etc. Purchaser is a not-for-profit corporation validly existing and in good standing under the laws of California and has the corporate power and authority and all necessary governmental approvals to consummate the transactions contemplated by this Agreement.

7.3 Authorization, No Conflicts, Etc. Purchaser has the requisite power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery and performance of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated thereby have been duly authorized by all requisite company action. This Agreement has been duly and validly executed and delivered by Purchaser and (assuming this Agreement constitutes a valid and binding obligation of the Seller) constitutes a

valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms.

7.4 Consents and Approvals. No consent, approval or authorization of, or declaration, filing, or registration with, any United States federal or state governmental or regulatory authority is required to be made or obtained by Purchaser in connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, except for consents, approvals, or authorizations of, or declarations or filings with, the Bankruptcy Court, and except as required by Section 5.5 hereof.

Except as otherwise expressly provided in this Agreement, no representations or warranties of Purchaser in this Agreement or in any instrument delivered pursuant to this Agreement shall survive beyond the Closing Date.

ARTICLE VIII

SELLER COVENANTS

8.1 Affirmative Covenants Pending Closing. Except as expressly set forth below, during the period from the Execution Date through the Closing Date, Seller covenants and agrees that it shall, unless otherwise agreed with Purchaser:

(a) Maintain the Property in the same condition as it is as of the Execution Date, subject only to ordinary wear and tear and casualty and condemnation, provided, however, that Seller shall have no obligation to maintain or repair the Personal Property; and

(b) Allow Purchaser's representatives reasonable access to the Property to the extent necessary to obtain the approvals set forth in Article V hereof.

8.2 Negative Covenants Pending Closing. Except as expressly permitted herein, Seller shall not, without the written consent of Purchaser (which consent shall not be unreasonably withheld or delayed):

(a) Encumber, sublease or otherwise grant any rights with respect to the Property, except in the ordinary courser of business for agreements that will not encumber the Property beyond the Closing Date.

(b) Enter into any contracts or agreements affecting the Property which cannot be terminated on less than thirty (30) days notice.

8.3 Seller Delivery of Documents. Within fifteen (15) days after the Execution Date or as soon thereafter as is practicable, Seller shall undertake a reasonable investigation of books, records, and files within its possession or control, and cooperate with Purchaser to provide for Purchaser's inspection (either through Seller's delivery or provision to Purchaser of reasonable access) of legible copies of the following documents, to the extent in Seller's possession or under Seller's reasonable control (the "Documents"):

(a) any lease or other use agreement affecting the Property;

(b) complete, as-built plans for any Improvements on the Land;

(c) utility expense statements for year to date 2006 and calendar year 2005, including, without limitation, expense statement for gas, electrical, water, sewage, and landscaping;

(d) maintenance records for elevators, pumps, fans for the subterranean garage, air conditioning / heating systems, fire alarm and fire sprinkler safety systems and electrical systems for the twelve months preceding the Execution Date;

(e) any rental, finance, or similar agreement affecting the Personal Property;

(f) any fire, premises, or officers and directors liability or other insurance policies affecting the Property;

(g) any contract, warranty, or government agency documentation (approvals or otherwise) relating to roofing, air conditioning, trash removal, security systems, fire and safety systems, earthquake retro-fitting documentation;

(h) any documentation relating to parking at the Property, including, without limitation, any permits (conditional use or otherwise) obtained in connection with parking at the Property; and

(i) all documents setting forth any extraordinary maintenance or defect issues with the building which have arisen within the five (5) years preceding the Execution Date.

8.4 Seller Survey. Within fifteen (15) days of the Execution Date, Seller shall provide Purchaser with a copy of the Seller Survey.

8.5 Preliminary Report and Underlying Documents. Within fifteen (15) days after the Execution Date, Seller shall provide Purchaser with a copy of the Preliminary Report, together with a copy of the Underlying Documents.

8.6 Appraisal. Within two (2) days of the Seller's receipt of a completed Appraisal, Seller shall provide an accurate and complete copy thereof to Purchaser.

8.7 Consents and Further Actions. Subject to the terms and conditions herein provided, Seller covenants and agrees to use commercially reasonable efforts (which shall not include the expenditure of any amounts which are not customarily required) to take, or cause to be taken, all action, or do, or cause to be done, all things, necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including all closing conditions to be satisfied.

ARTICLE IX

PURCHASER COVENANTS

9.1 Affirmative Covenants Pending Closing. Purchaser covenants and agrees that, from the Execution Date through the Closing Date, it shall:

(a) Use its reasonable best efforts to obtain, on or before the Approval Deadline, the approvals set forth in Section 5.5 of this Agreement; and

(b) Upon Seller's request, provide Seller with complete copies of all inspection results, reports and findings.

9.2 Supplemental Title Coverage. Within forty-five (45) days after Purchaser's receipt of the Preliminary Report and the Underlying Documents, Purchaser shall notify Seller and the Title Company of the extent to which, if any, Purchaser requires the Title Policy to include coverage in excess of Title Company's standard CLTA policy.

9.3 Consents and Further Actions. Subject to the terms and conditions herein provided, Purchasers covenants and agrees to use commercially reasonable efforts (which shall not include the expenditure of any amounts which are not customarily required) to take, or cause to be taken, all action, or do, or cause to be done, all things, necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including all closing conditions to be satisfied.

ARTICLE X

Intentionally Deleted

ARTICLE XI

Intentionally Deleted

ARTICLE XII

MISCELLANEOUS

12.1 Termination.

(a) This agreement may be terminated and the transactions contemplated hereby may be abandoned at any time, but not later than the Closing Date:

(i) by mutual written consent of Purchaser and Seller;

(ii) by Seller if Purchaser fails to pay the Deposit within one (1) business day of delivery by Seller to Purchaser of this Agreement executed by the Seller;

(iii) by Seller if the Appraisal Value is less than Six Million Dollars ($6,000,000.00);

(iv) by Purchaser or Seller if the Appraisal Value is less than Five Million Seven Hundred Thousand Dollars ($5,700,000.00); or

(v) by Seller if, on or before the Approval Deadline, as such may be extended in the sole discretion of Purchaser in accordance with this Agreement, the conditions set forth in Section 5.5 of this Agreement have not been satisfied or waived by Purchaser.

(b) In the event of the termination of this Agreement as above provided, except as a result of a default by Purchaser or Seller and except for any willful breach by any party hereto of such party's representations, warranties or covenants, (i) this Agreement shall immediately become void, (ii) subject to the provisions of Section 2.3, the Deposit, any interest accrued thereon, and any other sums or documents deposited into Escrow by Purchaser shall be returned to Purchaser, (iii) no party shall have any further liability hereunder, including any liability for damages and (iv) each party shall bear its own expenses, notwithstanding the termination of this Agreement. In the event that a condition precedent to any obligation set forth herein is not met, nothing contained herein shall be deemed to require any party to terminate this Agreement rather than to waive (without further Bankruptcy Court order or notice to any Person) such condition precedent and proceed with the Closing.

12.2 Casualty and Condemnation.

(a) If the Property suffers damage as the result of a casualty occurring after the Execution Date but prior to the Closing, then Seller shall pay or assign to Purchaser at Closing all proceeds of insurance payable to Seller by reason of such damage, if any; provided, however, if the cost to repair or rebuild any such damage is greater than or equal to Five Thousand Dollars ($5,000.00) and such damage is not covered by insurance, then Seller shall immediately notify Purchaser of such damage and repair or cure such damage prior to Closing; provided further, however, in the event any such damage is material (i) Purchaser shall have the right to terminate this Agreement by delivering written notice to Seller, prior to Closing, with such termination being effective as of the date of such notice (in which event Seller shall have no obligation to pay or assign any proceeds to Purchaser), and (ii) if Purchaser exercises its termination right as set forth in the preceding clause (i), then, provided Purchaser is not in default of the terms and conditions of this Agreement, Purchaser shall receive a refund of the Deposit and any interest accrued thereon. This Section 12.2(a) shall contain Purchaser's sole remedy in the event of any casualty. For the purposes of this Section 12.2(a), damage shall be material if the cost to repair or rebuild such damage exceeds Twenty Five Thousand Dollars ($25,000.00),

which determination either shall be made by mutual agreement of Purchaser and Seller, or, if no such agreement can be reached, by the Bankruptcy Court.

(b) If condemnation proceedings are commenced against the Property, Seller shall immediately notify Purchaser of such event and, at the option of Purchaser, either (i) all condemnation awards payable to Seller by reason of such condemnation shall be paid or assigned to Purchaser at Closing, or (ii) this Agreement will terminate in accordance with Section 12.1(b). This Section 12.2(b) shall contain Purchaser's sole remedy in the event of any condemnation.

12.3 Assignment.

(a) This Agreement will inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto and their respective successors and assigns, except as provided in subsections (b) and (c) below.

(b) Purchaser may not assign any of its rights, duties or obligations hereunder, in whole or in part, without Seller's written consent, which consent shall be deemed to have been given in the event that such assignment shall not have changed the intended use of the Property as a not-for-profit charter school; provided that, notwithstanding any such assignment, Purchaser shall continue to be obligated and liable for all of Purchaser's obligations and liabilities under this Agreement.

12.4 Removal of Personal Property. Notwithstanding anything to the contrary contained in this Agreement, Seller shall have the right, but not the obligation, to sell, dismantle, or otherwise remove any and all tangible personal property located upon the Land or within the Improvements prior to the Closing Date. All personal property which Seller elects not to remove, including any personal property dismantled and/or abandoned by Seller, shall be transferred to Purchaser at Closing pursuant to the Bill of Sale. Seller shall have no obligation to repair or maintain any such Personal Property and Purchaser agrees to accept any and all such Personal Property remaining on the Property in its "WHERE-IS, AS-IS" condition on the Closing Date. Notwithstanding anything to the contrary in this Agreement, Seller shall not be liable to Purchaser for any failure to transfer any Personal Property, whether in good or working condition or otherwise. All personal property remaining at the Property at Closing shall become the property of Purchaser, free and clear of any lien, financing, or other agreement relating to such property entered into by Seller or any affiliate or agent of Seller, whether or not such property is listed in the Bill of Sale.

12.5 Zoning. Seller makes no representation as to the current and/or future zoning designation on the Property, as issued by the proper government authority, and/or any changes to the zoning designation that may occur as a result of the demolition, dismantling, or other removal or destruction of the Building on the Property.

12.6 Disclaimer and Non-Reliance on Environmental Reports. Any environmental report(s) or other information relating to the Property that have been provided or communicated to the Purchaser by Seller or any third-party engaged to prepare such reports on behalf of the Seller ("Environmental Reports") have been provided solely for informational

purposes, and the Purchaser acknowledges and agrees that such Environmental Reports and the information contained therein were prepared for Seller for its exclusive use and reliance and that such Environmental Reports are not intended to be relied upon by Purchaser. Such Environmental Reports, if any, have been provided to Purchaser for use only as background information and Purchaser hereby acknowledges that Seller disclaims and does not represent, warrant or agree that the Environmental Reports and the information therein are accurate, correct, or may be relied upon to form decisions by Purchaser or any third party as to the nature or extent of any environmental or other condition on or about the Property. Purchaser further acknowledges that it will have, prior to expiration of the Approval Deadline, the opportunity engage a qualified environmental professional to perform a current environmental due diligence study of the Property for the benefit and use of Purchaser and acknowledges that under certain state and federal law provisions and that any failure to do so may result in the loss of bona fide purchaser status under the Comprehensive Environmental Response, Compensation and Liability Act or other similar state or federal laws. Purchaser acknowledges that the receipt of any Environmental Reports shall not alter the Purchaser's obligations under Section 3.4 to accept possession of the Property in "WHERE-IS, AS-IS" condition. Purchaser hereby agrees to release and hold harmless Seller from and against any claims, demands or legal actions of any nature whatsoever arising from Purchaser's receipt or use of any Environmental Reports or any information contained therein or lack thereof.

12.7 Environmental Remediation. Purchaser acknowledges and agrees that Purchaser shall have reviewed and/or shall have the opportunity to review all publicly available information and environmental reports regarding the Property prior to expiration of the Approval Deadline. In the event that there is ongoing environmental remediation at the Property at the time of Closing, and provided Seller has notified Purchaser, in writing, prior to the expiration of the Approval Deadline, of any such remediation, or pending remediation which shall commence after Closing, Purchaser agrees to the following terms:

(a) Notwithstanding anything to the contrary contained herein, including, without limitation, Section 2.2 hereof, Purchaser expressly assumes all liabilities and obligations regarding the performance of such ongoing or pending environmental remediation at the Closing, if any. Purchaser will take such actions as are necessary to effect such assumption with the applicable governmental authorities.

(b) Purchaser agrees to indemnify, defend and hold harmless Seller from and against any and all claims, demands, losses, liabilities, judgments, settlements, damages, penalties, consequential damages, exemplary damages, fines, encumbrances, liens, remediation, abatement, costs and expenses of investigation in defense of any claim, action or suit, demand or administrative proceeding (including reasonable attorneys' fees) arising directly or indirectly from the failure of Purchaser to continue and complete the environmental remediation program, if any.

The provisions of this Section 12.7 shall survive the Closing, to the extent that Purchaser has actual knowledge of such ongoing or pending environmental remediation as disclosed by Seller or disclosed to Purchaser through its investigation of the Property prior to the expiration of the Approval Deadline, and provided Purchaser agrees to assume such remediation as provided in Section 12.7(a) above prior to Closing.

12.8 Default and Remedies. Subject to the remedy limitations expressly set forth elsewhere in this Agreement, in the event of a default hereunder by Seller, Purchaser may (a) cancel this Agreement by written notice to Seller and receive a refund of the Deposit, including any interest accrued thereon, or (b) proceed with whatever steps Purchaser deems necessary in order to enforce its rights and remedies under this Agreement, at law or in equity including, without limitation, the right to seek specific performance or recover monetary damages for the breach of this Agreement. In the event of a default hereunder by Purchaser, Seller may (i) cancel this Agreement by written notice to Purchaser or (ii) proceed with whatever steps Seller deems necessary in order to enforce its rights and remedies under this Agreement, at law or in equity including, without limitation, the right to seek specific performance or recover monetary damages for the breach of this Agreement. Subject to the remedy limitations contained in this Agreement, no remedy herein or otherwise conferred upon Seller or Purchaser shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity or by statute.

12.9 Taxes, Recording Charges, Escrow Fee, Pro-rations. All real estate taxes, utilities and any other amounts relating to the Property (based upon the most recent ascertainable bills if current bills and/or information are not available) that are customarily prorated in real estate transactions similar to the transactions contemplated by this Agreement (the "Pro-ration Amounts") shall be pro-rated as follows (i) the portion of a Pro-ration Amount, if any, that relates to periods prior to the Closing shall be the responsibility of Seller (a "Seller Amount"), and (ii) the portion of a Pro-ration Amount, if any, which relates to periods from and after the Closing shall be the responsibility of Purchaser (a "Purchaser Amount"). At Closing, any and all Seller Amounts shall be netted against any and all Purchaser Amounts and applied to the Purchase Price, such that (i) if the aggregate amount of any and all Seller Amounts is greater than the aggregate amount of any and all Purchaser Amounts, then an amount equal to the difference between such Seller Amounts and such Purchaser Amounts shall be subtracted from the Purchase Price; and (ii) if the aggregate amount of any and all Seller Amounts is less than the aggregate amount of any and all Purchaser Amounts, then an amount equal to the difference between such Seller Amounts and such Purchaser Amounts shall be added to the Purchase Price. All such pro-rations shall be final, and any such pro-rated taxes and fees shall be paid to and/or filed with the applicable third party payee, and any expense thereof shall be borne by, the Purchaser. All transfer, documentary or deed stamps or taxes and title insurance premiums or search fees incurred in connection with the or other fees or costs arising out of the sale of the Property or otherwise incurred in connection with this Agreement or the consummation of the transactions contemplated hereby and all charges for or in connection with the recording of any document or instrument contemplated hereby shall be the responsibility of Seller.

12.10 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed, by certified or registered mail, return receipt requested, first class postage prepaid, or by Federal Express or some other reputable overnight carrier, to the parties at the following addresses:

If to Seller, addressed to:

WATTSHealth Foundation, Inc.
3405 W. Imperial Highway
Inglewood, CA 90303
Email: blang@alvarezandmarsal.com
Attention: Bradley A. Lang

With copies (which shall not
constitute notice hereunder) to:

Stutman, Treister & Glatt Professional Corporation
1901 Avenue of the Stars
12th Floor
Los Angeles, CA 90067
Fax Number: (310) 228-5788
Email: nschultz@stutman.com
Attention: Nathan A. Schultz, Esq.

If to Purchaser, addressed to:

Today's Fresh Start, Inc.
4514 Crenshaw Blvd.
Los Angeles, California 90043
Phone: (323) 293-9826
Fax Number: (323) 293-9202
Email: drjeanetteparker@aol.com
Attention: Dr. Jeanette E. Parker, President

With copies (which shall not
constitute notice hereunder) to:

Doll Amir & Eley LLP
1888 Century Park Ease, Suite 1106
Phone: 310-557-9100
Fax Number: 310-557-9101
Email: dasmith@dollamir.com
Attention: D. Alexander Smith, Esq.

or to such other place and with such other copies as any party may designate by written notice to this other party.

12.11 Expenses. Except as otherwise expressly provided in this Agreement, each party hereto shall pay its own expenses, including attorneys' and accountants' fees, in connection with this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby.

12.12 Further Documents and Assurances. The parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for the Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents reasonably required by Escrow Agent or the Title Company.

12.13 Brokerage Commissions and Fees.

(a) Purchaser warrants and represents that (i) Purchaser has not engaged any other real estate broker(s), other than Century 21 – The Service Company [Lafayette Funches, Jr.] ("Century 21"), in connection with the transactions contemplated by this Agreement, and (b) other than as set forth in Section 12.13(b), any commission owing to Century 21 in connection with the purchase of the Property by Purchaser shall be paid by Purchaser. Purchaser agrees that, subject to Section 12.13(b), should any claim be made for commissions or fees by any broker(s) claiming through Purchaser against Seller, Purchaser shall indemnify and hold Seller free and harmless from and against any and all loss, liability and expenses in connection therewith. Seller warrants and represents that (i) it has not engaged any real estate broker(s), other than Cushman & Wakefield of California, Inc. ("C&W"), in connection with the transactions contemplated by this Agreement, and (ii) any commission owing to C&W in connection with the sale of the Property by Seller shall be paid by Seller. Seller agrees that, should any claim be made for commissions or fees by any broker(s) claiming through Seller against Purchaser, Seller shall indemnify and hold the Purchaser free and harmless from and against any and all loss, liability and expenses in connection therewith. Notwithstanding anything contained herein to the contrary, the provisions of this Section 12.12(a) shall survive Closing.

(b) Seller agrees to allocate at Closing a portion of the Purchase Price to fund a commission payable to Century 21 (the "Century 21 Commission"), the amount of which Century 21 Commission shall be equal to one half of one percent (.5%) of the Purchase Price.

12.14 Entire Agreement. This Agreement supersedes all prior discussions and agreements between the parties with respect to the subject matter hereof and this Agreement, including the schedules and exhibits hereto, and other documents to be delivered in connection herewith (together with such confidentiality letter), contains the sole and entire agreement between the parties hereto with respect to the subject matter hereof.

12.15 Waiver. Excepting only Sections 4.2, 4.4 and 4.5 hereof, any term or condition of this Agreement may be waived at any time by the party which is entitled to the benefit thereof. To be effective, each such waiver shall be in writing, shall specifically refer to this Agreement and the term or condition being waived, and shall be executed by an Authorized Officer of such party. A waiver on one occasion shall not be deemed to be a waiver of the same or any other breach on a future occasion. A waiver permitted under this Agreement shall be effective without an order of the Bankruptcy Court, or notice to the Bankruptcy Court or any Person, in relation to such waiver.

12.16 Amendment. This Agreement may be modified or amended only in a writing duly executed by or on behalf of each of the parties hereto.

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

12.18 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, rule, or regulation, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof. The remaining provisions of this Agreement shall remain in full force and effect, and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

12.19 Headings, Gender, Etc. The headings used in this Agreement have been inserted for convenience and do not constitute matter to be construed or interpreted in connection with this Agreement. Unless the context of this Agreement otherwise requires, (a) words of any gender shall be deemed to include each other gender, (b) words using the singular or plural number shall also include the plural or singular number, respectively, (c) references to "hereof," herein," "hereby" and similar terms shall refer to this entire Agreement, and (d) each reference to Seller shall be a reference to any of its subsidiaries and predecessors and each representation, warranty, covenant and other agreement made herein with respect to Seller shall be deemed made with respect to all such subsidiaries and predecessors. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent and no rule of strict construction shall be applied against any Person.

12.20 Continuing Jurisdiction. The parties agree that the Bankruptcy Court shall retain jurisdiction over the enforcement of this Agreement including, but not limited to, the performance of the obligations and transactions contemplated hereunder. Any dispute regarding the reasonableness of any action taken or required in connection with this Agreement shall be determined by the Bankruptcy Court.

12.21 Choice of Law. This Agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of California, without regard to conflicts of laws principles thereof.

12.22 No Third Party Beneficiary. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, firm or corporation, other than the parties hereto and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

SIGNATURE PAGE TO FOLLOW

EXECUTION COPY

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed as of the day year first above written.

SELLER

WATTSHealth Foundation, Inc.,
a California not-for-profit corporation

By: _____
Name: Sione Ayers
Its: Chief Administrative Officer

PURCHASER

Today's Fresh Start, Inc.,
a California not-for-profit corporation

By: _____
Name: Dr. Jeanette E. Parker
Its: President

405237v7

EXECUTION COPY

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed as of the day year first above written.

SELLER

WATTSHealth Foundation, Inc.,
a California not-for-profit corporation

By: Sione Ayers
Name: Sione Ayers
Its: Chief Administrative Officer

PURCHASER

Today's Fresh Start, Inc.,
a California not-for-profit corporation

By: _____
Name: Dr. Jeanette E. Parker
Its: President

405237v7~~405237v7~~

EXECUTION COPY

EXHIBIT A

Legal Description

That certain parcel of land situated in the City of Inglewood in the County of Los Angeles and State of California, described as follows:

Assessor Parcel Numbers:

4031-026-024
4031-026-015
4031-026-016
4031-026-017
4031-026-004
4031-026-005 inclusive

Address: 3405 W. Imperial Highway, Inglewood, CA 90303

EXECUTION COPY

EXHIBIT B

Form of Deed

Recording requested by:

Today's Fresh Start, Inc.

and when recorded, please return this deed and tax statements to:

Today's Fresh Start, Inc.
Attention: Dr. Jeanette E. Parker, President
4514 Crenshaw Blvd.
Los Angeles, California 90043

For recorder's use only

California Grant Deed

☐ This transfer is exempt from the documentary transfer tax
☒ The documentary transfer tax is $_____ and is computed on:
☒ the full value of the interest in the property conveyed
☐ the full value less the value of liens of encumbrances remaining at the time of sale

The property is located in an:
☐ unincorporated area.
☒ the city of Inglewood

For valuable consideration, receipt of which is hereby acknowledged,

WATTSHealth Foundation, Inc. dba UHP Healthcare, a California not-for-profit corporation, hereby grant(s) to Today's Fresh Start, Inc., a California not-for-profit corporation, the following real property in the City of Inglewood, County of Los Angeles, state of California:

DESCRIBED AS: LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "1" AND MADE A PART HEREOF.

EXECUTION COPY

Date: _____ _____

Date: _____ _____

Date: _____ _____

State of California _____)
County of _____) ss

On _____ before me,
_____(name and title of the officer),
personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), 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.

Signature _____ (Seal)

EXECUTION COPY

EXHIBIT 1

Legal Description

That certain parcel of land situated in the City of Inglewood in the County of Los Angeles and State of California, described as follows:

Assessor Parcel Numbers:

4031-026-024
4031-026-015
4031-026-016
4031-026-017
4031-026-004
4031-026-005 inclusive

Address: 3405 W. Imperial Highway, Inglewood, CA 90303

DECLARATION OF SERVICE

I am over the age of 18 years and not a party to the within action. I am employed in an office that employs a member of the bar of this court, at whose direction the within service was made. My business address is Stutman, Treister & Glatt , Professional Corporation, 1901 Avenue of the Stars, 12th Floor, Los Angeles, CA 90067-6013.

On January 5, 2007, I served the following pleading:

DECLARATION OF BRADLEY A. LANG IN SUPPORT OF MOTION PURSUANT TO 11 U.S.C. § 363 FOR ORDER (1) AUTHORIZING THE SALE OF THE DEBTOR'S FORMER HEADQUARTERS LOCATED AT 3405 W. IMPERIAL HIGHWAY TO TODAY'S FRESH START, INC. ("TFS") PURSUANT TO THE ASSET PURCHASE AGREEMENT DATED DECEMBER 20, 2006, FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS, (2) FINDING THAT TFS IS A GOOD FAITH PURCHASER, AND (3) GRANTING CERTAIN RELATED RELIEF

on the interested parties in this action by placing true copies thereof, enclosed in sealed envelopes, with first class postage thereon fully prepaid, in the United States mail at Los Angeles, California addressed as follows:

PLEASE SEE ATTACHED SERVICE LIST

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 5, 2007, at Los Angeles, California.

Cheryl R. Woods

Cheryl R. Woods, Declarant

SERVICE LIST RE
WATTSHealth Foundation, Inc.
SALE OF DEBTOR'S FORMER
HEADQUARTERS
Doc. No. 406967
1/05//07

Debtor
WATTSHealth Foundation, Inc.
Attn: Alan D. Bloom, Esq.
3405 W. Imperial Highway, Suite 304
Inglewood, California 90303

Attys for Creditors Committee
Steven Schwartz, Esq.
Richard Diamond, Esq.
Danning Gill Diamond & Kollitz
2029 Century Park East, Suite 300
Los Angeles, CA 90067

Patricia Beary, Esq.
Office of the U.S. Trustee
725 South Figueroa Street, 26th Floor
Los Angeles, CA 90017

Internal Revenue Service
Insolvency I Stop 5022
300 N. Los Angeles Street, Room 4062
Los Angeles, CA 90012-9903

Secured Lender
Mr. Richard Scott
One United Bank
3683 Crenshaw Blvd.
Los Angeles, CA 90016

Secured Lender
Ms. Carole Molyneax
Merrill Lynch
15 West South Temple, Suite 300
Salt Lake City, UT 84101

Ms. Amy Dobberteen
Dept. of Managed Health Care
980 Ninth Street, Suite 500
Sacramento, CA 95814

Ms. Myrtle John
BMC Group
1330 East Franklin Avenue
El Segundo, CA 90245

Member of Creditors Committee
University of So. California Hospital
Attn: Lynn E. Iba
3 Imperial Promenade, Suite 740
Santa Ana, CA 92707

Member Creditors Comm./Sp. Notice
Catholic Healthcare West on behalf of St.
Bernardine Medical Center, et al.
Attn: Suzan Vida Konell, Esq.
251 South Lake Avenue, 7th Floor
Pasadena, CA 91101

Attorneys for Catholic Healthcare West
Mike Lurey, Esq.
Samir Parikh, Esq
Latham & Watkins LLP
633 West Fifth Street, Suite 4000
Los Angeles, CA 90071

Member of Creditors Committee
Long Beach Memorial Medical Ctr.
Attn: Lisa R. Scheer, Sr. VP
7677 Center Avenue, Suite 403
Huntington Beach, CA 92647

Member of Creditors Committee
Steve Levine, Corp. Dir. Reimbursement
Centinela Hospital Medical Center
555 E. Hardy Street
Inglewood, CA 90301

Member of Creditors Committee
William D. Hobson, Jr., Pres & CEO
Watts Healthcare Corporation, Inc.
10300 Compton Avenue
Compton, CA 90002

Member of Creditors Committee
Chukah Chidi, CFO
La Vida Medical Group
4161 Redondo Beach Boulevard
Lawndale, CA 90260

Member of Creditors Committee
Ira Meiselman, VP Managed Care
Good Samaritan Hospital
616 S. Witmer Street
Los Angeles, CA 90017

Carolyn Foster, Sr. Staff Analyst
LAC King/Drew Medical Center
313 N. Figueroa Street, Room 527
Los Angeles, CA 90012-2602

Member of Creditors Committee
Development Specialist, Inc.
Attn: Geoffrey Berman
333 S. Grand Ave., Suite 2010
Los Angeles, CA 90071

Request for Special Notice
Pamela Kohlman/Randye Soref
Buchalter, Nemer, A Professional Corporation
1000 Wilshire Boulevard, 15th Floor
Los Angeles, CA 90017

Request for Special Notice
Atys:Anaheim/O.C./L.B. Mem.
Paul R. Glassman/Adam M. Starr
Greenberg Traurig, LLP
2450 Colorado Avenue, Suite 400E
Santa Monica, CA 90404

Request for Special Notice
Attys for LA Care Health Plan
Melinda L. Hayes/ Carl T. Anderson
Paul, Hastings, Janofsky & Walker
515 South Flower Street, 25th Floor
Los Angeles, CA 90071

Request for Special Notice
Augustavia J. Haydel, Gen. Counsel
John L. Rosenthal, Esq.
L.A. Care Health Plan
555 West Fifth Street, 29th Floor
Los Angeles, CA 90013

Request for Special Notice
Attys for County of Los Angeles
Robert E. Ragland/William C. Sias
Office of County Counsel
500 West Temple Street, Room 648
Los Angeles, CA 90012

Request Sp. Ntc/Atys-Cedars Sinai Med
Ctr/Merrill Lynch Bk USA
Lance N. Jurich, Esq.
Loeb & Loeb LLP
10100 Santa Monica Blvd., Suite 2200
Los Angeles, CA 90067-4164

Request for Special Notice
Attys for Watts Healthcare Corp.
Karl E. Block, Esq.
Loeb & Loeb LLP
10100 Santa Monica Blvd., Suite 2200
Los Angeles, CA 90067-4164

Request for Special Notice
Attys for Watts Healthcare Corp.
Kevin B. Kroeker, Esq.
Lord Bissell and Brook LLP
300 South Grand Avenue, Suite 800
Los Angeles, CA 90071

Request for Special Notice
Attorneys for Care 1st Health Plan
Keith C. Owens and Richard F. Seiden
Foley & Lardner LLP
2029 Century Park East, 35th Floor
Los Angeles, CA 90067-3021

Request for Special Notice
Attys for American Express Travel Related Svs
Barbara Hamilton, Esq./Michelle L. Janick, Esq.
Rhonda E. Rosenblum, Esq.
Becket and Lee LLP
PO Box 3001 Dept. AC
Malvern, PA 19355-0701

Request for Special Notice
Atys Prom Hosp East LA dba Sub Med Ctr
Mary H. Rose, Esq.
Proskauer Rose, LLP
2049 Century Park East, Suite 3200
Los Angeles, CA 90067-3206

Request for Special Notice
Atys AHMC Health Ent/Garfield Med Ctr
Maan-Huei Hung, Esq.
1055 Wilshire Blvd., Suite 1708
Los Angeles, CA 90017-2449

Request for Special Notice
West Anaheim VHS LP dba West Anaheim
Medical Center
c/o Greg Ozhekim
Nemecek & Cole
15260 Ventura Blvd., Suite 920
Sherman Oaks, CA 91403

Cástulo de la Roche
AltaMed Health Services Corp.
500 Citadel Drive, Suite 490
Los Angeles, CA 90040

Request for Special Notice
Attorneys for Jeff Baron/Faith Martin/Sandy
Brooks
Law Offices of Jay R. Davis
Jay R. Davis
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Burbank, CA 91505

Request for Special Notice
Attorneys for Alhambra Hospital Medical Center
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316 North Mountain View Avenue
San Bernardino, CA 92401

District Attorney`s
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210 West Temple Street, Suite 18000
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Orange County – Assessor
Assessor General Information
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Santa Ana, CA 92701

Interested Party
Nancy S. Sexton, Esq.
MedImpact Healthcare Systems, Inc.
10680 Treena Street, 5th Floor
San Diego, CA 92131

Request for Special Notice
Clayton Carlos, Director
HealthNet
11971 Foundation Place, Building D
Rancho Cordova, CA 95670

Request for Special Notice
SunGard Availability Services LP
Attn: Maureen A. McGreevey, Esq.
680 E. Swedesford Road
Wayne, PA 19087

Request for Special Notice
The Huntington Beach VHS LP dba Huntington
Beach Hospital
c/o Greg Ozhekim
Nemecek & Cole
15260 Ventura Blvd., Suite 920
Sherman Oaks, CA 91403

Request for Special Notice
Attys for AltaMed Health Services Corp.
Waterman Convalescent Hospital
Arthur Khachatourians
Tyler & Wilson LLP
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Los Angeles, CA 90036

Request for Special Notice
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Request for Special Notice
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Management, Inc.
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Bartlett Hackett Feinberg P.C.
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Interested Party
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Los Angeles, CA 90067

Request for Special Notice
Steven A. Oldham, Esq.
State of Cal. Dept. of Health Services
MS 0010
PO Box 997413
Sacramento, CA 95899-7413

Request for Special Notice
VHS of Orange County, Inc. dba La Palma
Intercommunity Hospital
c/o Greg Ozhekim
Nemecek & Cole
15260 Ventura Blvd., Suite 920
Sherman Oaks, CA 91403

Request for Special Notice
Attys for AltaMed Health Services
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Request for Special Notice
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Request for Special Notice
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225 North Hill Street
Los Angeles, CA 90012

San Bernardino County
Assessor, Appraisals, Real Property
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San Bernardino, CA 92415

San Bernardino County - Treasurer Tax Collector
172 West 3rd Street
San Bernardino, CA 92401

San Diego County Assessor
1600 Pacific Highway, Room 103
San Diego, CA 92101

San Diego County Tax Collector
1600 Pacific Highway - Room 162
San Diego, CA 92101

Centers for Medicare and Medicaid Services
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San Francisco Regional Office
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San Francisco, CA 94105

Department of Health and Human Services
Attn: Ethel Rowe, Clinic Division Coordinator
Centers for Medicare & Medicaid Services
7500 Security Blvd.
Baltimore, MD 21244

California Franchise Tax Board
Sacramento, CA 95827

Franchise Tax Board
PO Box 1468
Sacramento, CA 95812-1468