MEETING DATE:	**08/25/2014**
AGENDA ITEM:	**JOINT CITY COUNCIL-SUCCESSOR AGENCY AGENDA ITEM: Approval of an Implementation Agreement between and among the City and the Successor Agency and Lowe Enterprises Real Estate Group in order to convey the real property located at 8829, 8831, 8839, 8841, 8843 Exposition Boulevard; 8801, 8803 Washington Boulevard; 8824, 8825, 8828, 8830-8834, 8836, 8838 8840, 8842, 8846 National Boulevard; 8900-8906, 8910-8912, 8914 -8918, 8920, 8926, 8930, 8936 Venice Boulevard to develop a high quality transit oriented development.**

ATTACHMENTS

IMPLEMENTATION AGREEMENT

by and among

THE CITY OF CULVER CITY,
a municipal corporation and charter city of the State of California

and

THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a successor agency under California Health & Safety Code Section 34173,

and

LOWE ENTERPRISES REAL ESTATE GROUP,
a California corporation

(Washington National)

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ATTACHMENTS

IMPLEMENTATION AGREEMENT

(Washington National)

This Implementation Agreement ("**Implementation Agreement**") is entered into by and among THE CITY OF CULVER CITY, a municipal corporation and charter city of the State of California ("**City**"), THE SUCCESSOR AGENCY OF THE CULVER CITY REDEVELOPMENT AGENCY, a successor agency under California Health & Safety Code Section 34173 ("**Successor Agency**"), and LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation ("**Developer**"). This Implementation Agreement is dated, for reference purposes, as of the date the last of the City and the Successor Agency executes this Implementation Agreement ("**Effective Date**"). The City, the Successor Agency and Developer agree as follows:

RECITALS

The following recitals are a substantive part of this Implementation Agreement. All capitalized terms set forth in the recitals shall have the meanings ascribed to such terms in Section 101 hereof.

A. On January 31, 2012, following a publicly issued request for proposals, Developer was selected to negotiate an agreement with the City regarding the acquisition and development of the Site. Thereafter, the City and Developer entered into that certain Commitment Letter Agreement dated January 31, 2012 (the "***Original Agreement***"), a public record on file in the office of the City Clerk. All terms not otherwise defined herein have the meaning used in the Original Agreement.

B. The Original Agreement provides that Developer shall acquire the Site and thereafter develop and construct the Project - a high quality, transit oriented, place making development on the Site. The Site is composed of the Agency Parcels, the City Parcels, and the Easement Area located on LACMTA Parcel owned by the Los Angeles County Metropolitan Transportation Authority ("***LACMTA***"), all as hereinafter described and defined.

C. With the exception of a portion of the City Parcels, the Site is located within the geographical area of the Culver City Redevelopment Project, Component Area 3 ("***Project Area***"). The Project complies with and furthers the goals and objectives of the Redevelopment Plan for the Project Area approved and adopted by the City Council of the City on November 23, 1998 by Ordinance No. 98-014, as amended on November 23, 1998 by Ordinance No. 98-015, and as further amended on January 12, 2004 ("***Redevelopment Plan***").

D. On or about June 28, 2011, ABIX 26 (as amended from time to time, the "**Dissolution Law")** became effective and was added to the laws of the State of California, providing for the dissolution and winding down of redevelopment agencies throughout the State, including the Culver City Redevelopment Agency (the "**Former Agency")**. On January 9, 2012, pursuant to the Dissolution Law, the City elected to serve as the Successor Agency, and the Successor Agency, as a separate public entity from the City, administers the dissolution and winding down of the Former Agency. On February 1, 2012, pursuant to the Dissolution Law, the

Former Agency was dissolved by operation of law, and upon dissolution, all assets, properties and contracts of the Former Agency, including the MOU and the Agency Parcels, were transferred by operation of law to the Successor Agency pursuant to the terms of Health & Safety Code Section 34175(b) and the Successor Agency was thenceforth obligated pursuant to the terms of Health & Safety Code Section 34177 to make payments due for enforceable obligations and to perform obligations required pursuant to enforceable obligations, including but not limited to the MOU.

E. On or about March 14, 2011, prior to either the adoption or effectiveness of the Dissolution Law, the Agency Parcels were conveyed to the City. On or about October 10, 2012, in recognition of the passage and effectiveness of the Dissolution Law, and in accordance with the terms and provisions of the Dissolution Law, the Agency Parcels were conveyed to the Successor Agency with the same legal effect as if title to the Agency Parcels were held by the Former Agency on January 31, 2012.

F. LACMTA is a public entity created by the State Legislature pursuant to PUC sections 130050.2 *et. seq*, for many purposes including, but not limited to, the design, construction, and operation of rail and bus transit systems and other transportation facilities in Los Angeles County, including the Los Angeles – Exposition light rail transit project from Metro Rail station at 7th and Flower Streets in the City of Los Angeles to the Downtown area of the City of Santa Monica ("***EXPO Light Rail Project***").

G. Phase 1 of the EXPO Light Rail Project is an approximately 9 mile light rail line extending southward from Downtown Los Angeles to Exposition Park, and then westward along Exposition Boulevard to Venice Boulevard/Robertson Boulevard, and traversing through and ending at the aerial Culver City Station located on the LACMTA Parcel. Phase 2 of the EXPO Light Rail Project is an approximately 6.6 mile light rail line extending westward from the Culver Station and ending at the Downtown Santa Monica Station in Santa Monica, California.

H. The Exposition Metro Line Construction Authority ("***Authority***") is a public entity created by the California State Legislature pursuant to Public Utilities Code ("***PUC***") section 132600 for the purpose of awarding and overseeing final design and construction contracts for the completion of the EXPO Light Rail Project, including the EXPO Light Rail Project Culver City Station and ancillary improvements located within the LACMTA Parcel as illustrated on Attachment No. 1-A.

I. LACMTA, Authority, City and the Former Agency have heretofore entered into that certain Memorandum of Understanding executed as of January 18, 2011 ("***MOU***"), a public record on file in the office of the City Clerk, which established mutual obligations of the parties pertaining to the EXPO Station and the Project and requires the undertaking of certain expenditures and related commitments to implement and carry out the Expo Light Rail Project and the Project which is the subject of this Implementation Agreement.

J. In accordance with and as required by the MOU, LACMTA has heretofore granted the City an option pursuant to that certain Option Agreement for Perpetual Easement dated September 29, 2011 ("***Option Agreement***") by and among LACMTA, the Former Agency and the City, recorded on October 3, 2011 in the Official Records of Los Angeles County, California (the "Official Records") as Instrument No. 20111337175, a public record on file in the office of the City Clerk, to acquire an easement over the Easement Area to develop and construct a portion of the Project, including, among other things: (i) the Isolation Wall, (ii) the Ancillary Uses (as defined therein), and (iii) the Parking Garage, pursuant to a Perpetual Easement Agreement to be executed by the City and LACMTA substantially in the form attached as Exhibit F thereto ("***Perpetual Easement Agreement***"), and pursuant to a Reciprocal Easement Agreement to be entered into between LACMTA and the City consistent with the provisions of the Option Agreement and the Perpetual Easement Agreement.

K. In consideration of the grant of the option by LACMTA over the Easement Area, the City and Former Agency (i) granted to LACMTA certain parking rights in the Agency Parcels, subject to the rights to relocate such parking to the Ince Parking Structure in Culver City, pursuant to that certain License Agreement for Use, Operation, Maintenance and Repair of Temporary Parking Spaces dated September 29, 2011 ("***Parking License Agreement***"), a public document on file in the office of the City Clerk; and (ii) granted to Authority a construction license to construct a temporary parking lot on the Agency Parcels pursuant to that certain License Agreement for Construction of Temporary Parking Spaces dated September 28, 2011 ("***Construction License Agreement***"), a public record on file in the office of the City Clerk. Authority has constructed the Temporary Parking Spaces on the Agency Parcels and is using the Temporary Parking Spaces in accordance with the Construction License Agreement and the Parking License Agreement.

L. The Option Agreement and the executed agreements and agreements contemplated therein to be executed are intended to satisfy the legal parking requirements for the EXPO Station and the Project, respectively. Phase 1 of the EXPO Light Rail Project requires 600 parking spaces for the EXPO Station, which are currently located on the Agency Parcels pursuant to the Parking License Agreement, and which are then to be located within the Parking Garage. Said agreements provide that upon completion of Phase 2 of the EXPO Light Rail Project, the parking required to service the EXPO Station will be reduced to 300 parking spaces. The residual parking no longer required for the EXPO Station provides additional parking to service increased office and residential development of the Project. In order to effectuate the Project in compliance with such agreements and the Original Agreement, the City and the Successor Agency shall at the Closing (i) assign their respective rights, interests and obligations in and to the Parking License Agreement and the Construction License Agreement to Developer (provided that Successor Agency shall retain any applicable obligations thereunder with respect to relocation and maintenance of EXPO Station parking to the Ince Parking Structure, and at the Closing Developer shall assume such obligations; and (ii) execute and assign their respective rights, interests and obligations in and to the Reciprocal Easement Agreement and the Perpetual Easement Agreement to Developer, and at the Closing Developer shall assume such obligations; such assignments and assumptions to be effectuated at the Closing pursuant to a Transfer of Easement Area Documents substantially in the form of the "Transfer of Easement Area Documents" attached hereto and labeled Attachment No. 5-C.

M. Pursuant to H&S Code Section 34191.5(b) of the Dissolution Act, on July 18, 2013, the Successor Agency prepared and submitted to the California Department of Finance (the "**DOF**") for approval its initial Long Range Property Management Plan, as approved by its Oversight Board, that addressed the disposition and use of certain real properties of the Former Agency, including the disposition of the Agency Parcels to Developer pursuant to the Original Agreement. On March 13, 2014, the Successor Agency prepared and submitted to the DOF for approval certain revisions to its initial Long Range Property Management Plan, as approved by its Oversight Board. The DOF, by letter dated March 18, 2014, issued its determination on the Successor Agency's Long Range Property Management Plan (comprised solely of the July 18, 2013 initial submittal as revised by the March 13, 2014 revision) ("LRPMP"), approving the Successor Agency's use and disposition of all the properties listed in the LRPMP, including the Agency Parcels. The DOF-approved LRPMP provides for the Successor Agency's sale and transfer of the Agency Parcels to Developer (together with the City's conveyance to Developer of the City Parcels) pursuant to the Original Agreement.

N. The purpose of this Implementation Agreement is to effectuate the Original Agreement and the Successor Agency's approved Long Range Property Management Plan by clarifying certain obligations of the Parties, including (i) to provide for a Project scope of development; (ii) to provide for a Project schedule of performance; (iii) to clarify certain terms and conditions for payment of the City Purchase Price by Developer to the City for the City Parcels and for payment of the Agency Parcels Purchase Price by Developer to the Successor Agency for the Agency Parcels; (iv) to provide for certain assignment of rights associated with the heretofore referenced agreements in Recitals H and I related to parking and uses of the Site and (v) for such other clarifications to the Original Agreement as mutually agreeable to the City, the Successor Agency and Developer as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the City, the Successor Agency and Developer hereby agree as follows:

100. DEFINITIONS

101. Definitions

The following terms as used in the Agreement shall have the meanings given unless expressly provided to the contrary:

"Act" means the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*

"Affiliate" shall mean (i) any Person directly or indirectly controlling, controlled by or under common control with another Person, (ii) any Person owning or controlling 50% or more of the outstanding voting securities of such other Person, (iii) any officer, director or partner of such Person, or (iv) if such other Person is an officer, director or partner, any company for which such Person acts in any such capacity. The term "control" as used in the immediately preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled Person, or the power to control election of the board of directors.

"Agency Parcels" means those certain parcels of real property owned by the Successor Agency, as depicted on the "Washington National Site Map" attached hereto, labeled "Attachment No. 1-A" and incorporated herein by this reference, and as described in the "Legal Description – Agency Parcels" attached hereto, labeled "Attachment No. 2-A" and incorporated herein by this reference.

"Agency Parcels Purchase Price" means the purchase price to be paid by Developer to the Successor Agency for the Agency Parcels, in the amount of Eight Million Two Hundred Thousand Dollars ($8,200,000).

"Agreement" means the Original Agreement as implemented by this Implementation Agreement, including all exhibits attached to this Implementation Agreement, which exhibits are incorporated herein by this reference, all other documents incorporated herein by reference, and all other documents referenced in this Implementation Agreement for execution by the Parties upon the Closing.

"ALTA Policy" is defined in Section 307.

"Anti-Terrorism Laws" shall mean all laws relating to terrorism or money laundering, including, without limitation, the Executive Order and the Bank Secrecy Act, as amended by the USA Patriot Act.

"Art in Public Places Program" means the Art in Public Places Program duly adopted by the City Council of the City and set forth and described in Sections 15.06.100 through 15.06.175 of the Culver City Municipal Code.

"Assignment of Construction Contract" means an assignment signed by Developer and delivered to and for the benefit of the City, substantially in the form attached to the Agreement as Attachment No. 8. The City acknowledges that such assignment will be subordinate to the lien of any deed of trust, mortgage, collateral assignment and/or assignment delivered by Developer to the provider of any Construction Loan approved by the City pursuant to its approval of Developer's Evidence of Financing as provided herein.

"Assignment of Plans, Reports and Data" means an assignment signed by Developer and delivered to and for the benefit of the City, substantially in the form attached to the Agreement as Attachment No. 9. The City acknowledges that such assignment will be subordinate to the lien of any deed of trust, mortgage, collateral assignment and/or assignment delivered by Developer to the provider of any Construction Loan approved by the City pursuant to its approval of Developer's Evidence of Financing as provided herein.

*"**Bank Secrecy Act**"* means the Currency and Foreign Transactions Reporting Act of 1970, Pub. L. No. 91-508, 84 Stat. 1305 (1970), as amended from time to time.

"CEQA" means the California Environmental Quality Act, California Public Resources Code Section 21000 et seq., the CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387) as hereinafter modified or amended.

"Change of Control" means the issuance or transfer of ownership interests in Developer to any Person, when, as a result of such issuance or transfer, either (i) a new Person or entity becomes the direct or indirect owner of more than fifty percent (50%) of the ownership interests of Developer, or (ii) a Person holding more than fifty percent (50%) of Developer no longer holds an ownership interest in Developer of more than fifty percent (50%). "Change of Control" shall exclude a Permitted Transfer.

"City" means The City of Culver City, a municipal corporation and a charter city of the State of California, having its offices at 9770 Culver Boulevard, Culver City, California 90232-0507, and any assignee of, or successor to, the rights, powers, and responsibilities of the City.

"City Documents" means, collectively, the Agreement, Right of Entry, Assignment of Plans, Reports and Data, Assignment of Construction Contract, Assignment of Agreements, Parking License Agreement, Construction License Agreement, Reciprocal Easement Agreement, Perpetual Easement Agreement, Transfer of Easement Area Document, LACMTA Private Use Lease Assignment(s), City Parking License, Participation Agreement, Relocation Agreement, the City Grant Deed, and any and all other agreements, amendments or modifications entered into by and between the City and Developer to effect the purposes of the foregoing.

"City's Conditions Precedent to Closing" is defined in Section 303.1.

"City Grant Deed" means the grant deed by which City will convey the City Parcels to Developer, substantially in the form attached to the Agreement as Attachment No. 5-B.

"City Manager" means the City Manager of the City or designee.

"City of Los Angeles" means the City of Los Angeles, California, a California municipal corporation.

"City of Los Angeles Art Development Fee" means the Art Development Fees program set forth and described in Sections 91.107.4.6.1 through 91.107.4.6._ of the City of Los Angeles Municipal Code.

"City Parcels" means those certain parcels of real property owned by the City, as depicted on the Washington National Site Map (Attachment No. 1-A) and as described in the "Legal Description – City Parcels" attached hereto, labeled "Attachment No. 2-B" and incorporated herein by this reference.

"City Parcels Purchase Price" means the purchase price to be paid by Developer to the City for the City Parcels, in the amount of Fifteen Million Six Hundred Thousand Dollars ($15,600,000), subject to the City Parcels Purchase Price Credits and the City Parcels Participation Payments.

"City Parcels Purchase Price Credits" means the credits to be applied against the City Parcels Purchase Price at Close of Escrow in favor of Developer in the amounts set forth in Section 301.2.

"City Parcels Participation Payments" means the payments by Developer to City of additional consideration for the performance by the City of its obligations set forth herein and in related documents referred to herein, as set forth in the Participation Agreement.

"Closing" or ***"Close of Escrow"*** is defined in Section 302.6.

"Completion" shall mean, with regard to development of the Project, the satisfaction of each of the following events: (i) the City shall have determined that development of the Project has been completed in accordance with the Agreement, the Scope of Development and the Plans approved by the City, (ii) certificates of occupancy shall have been issued with respect to the Improvements, (iii) the time for Developer's contractor, suppliers and subcontractors to file a claim pursuant to Civil Code Sections 3115-3117 has expired or Developer has delivered to the City unconditional lien releases for its contractor, suppliers and subcontractors, and any mechanic's liens that have been recorded or stop notices that have been delivered have been paid, settled or otherwise extinguished, discharged, released, waived, bonded around or insured against, provided that a notice of completion pursuant to Civil Code Section 3117 has been duly recorded in the Official Records.

"Consent to Assignment" means a consent, executed by the General Contractor, substantially in the form of Exhibit "B" attached to the Assignment of Construction Contract.

"Construction Contract" is defined in Section 314(c).

"Construction Loan" is defined in Section 314(b).

"Construction Lender" means the Institutional Lender making the Construction Loan to Developer for Developer to Develop and Cause Construction of the Improvements and to fund other costs of development of the Site.

"Days" shall mean calendar days and the statement of any time period herein shall be calendar days and not working days, unless otherwise specified.

"Default" means the failure of a Party to perform any action or covenant required by the Agreement within the time periods provided therein following notice and opportunity to cure, as set forth in Section 701.

"Develop and Cause Construction" means, with respect to any component of the Project, that Developer shall develop and cause a qualified and licensed contractor to construct such component. As used in the immediately preceding sentence, "cause" shall include without limitation Developer taking all necessary steps and signing all necessary documents to effectuate such construction activities to be performed by duly licensed construction contractors or to otherwise be done in compliance with all applicable contractor licensing requirements of the State of California. The Parties acknowledge that while Developer may be a licensed general contractor, they do not intend, and nothing in the Agreement shall be interpreted to mean, that Developer is acting as a general contractor.

"Developer" means LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation, whose address is 11777 San Vicente Boulevard, Suite 900, Los Angeles, California 90049, Attention: Thomas W. Wulf, Senior Vice President, and any permitted successors, assignees or nominee.

"Developer Equity" shall mean funds provided by Developer for payment of Developer's share of Project Costs not funded by the Construction Loan and shall not include the Construction Loan or any other funds borrowed by Developer.

"Developer's Conditions Precedent to Closing" is defined in Section 303.2.

"Developer's Relocation Obligations Payments" is defined in Section 301.4.

"***Easement Area***" means an area over the northerly 91 feet of the LACMTA Parcel, including surface, air and subterranean portions thereof, as depicted on Attachment No. 1-A and as described on the "Legal Description – Easement Area" attached hereto as "Attachment No. 2-C" and incorporated herein by this reference.

"Effective Date" means the date upon which the Agreement is executed by both the City and the Successor Agency.

"Environmental Law(s)" means, as amended from time to time, (i) Sections 25115, 25117, 25122.7 or 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law)), (ii) Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) Article 9 or Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (vi) Section 311 of the Clean Water Act (33 U.S.C. Sec.1317), (vii) Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sec.6901 et seq. (42 U.S.C. Sec.6903) or (viii) Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sec. 6901 et seq.

"Environmental Reports" means reports or assessments related to the environmental condition of the Site, including, without limitation, the following reports provided to Developer:

Name of publication:	Soil Characterization & Groundwater Well Installation, 8801 Washington Boulevard, Culver City, California
Author of publication:	Alpha Environmental (Alpha)
Date of publication:	December 2, 2002
Name of publication:	2^{nd} Quarter 2004 – Groundwater Sampling, 8801 Washington Boulevard, Culver City, California
Author of publication:	Alpha Environmental (Alpha)
Date of publication:	July 26, 2004
Name of publication:	2^{nd} Quarter 2007 – Groundwater Sampling, 8801 Washington Boulevard, Culver City, California
Author of publication:	Alpha Environmental (Alpha)
Date of publication:	July 2, 2007
Name of publication:	2^{nd} Half Semi Annual 2009 – Groundwater Sampling, 8801 Washington Boulevard, Culver City, California
Author of publication:	Alpha Environmental (Alpha)
Date of publication:	December 18, 2009

Name of publication:	Second Half Semi Annual 2009 – Groundwater Sampling, 8801 Washington Boulevard, Culver City, California
Author of publication:	Alpha Environmental (Alpha)
Date of publication:	December 18, 2009
Name of publication:	First Half Semi Annual 2013 – Groundwater Sampling, 8801 Washington Boulevard, Culver City, California
Author of publication:	Alpha Environmental (Alpha)
Date of publication:	July 8, 2013
Name of publication:	Third Quarter 2007 Groundwater Monitoring Report, Federal Express Facility, 3700 South Robertson Boulevard, Culver City,
Author of publication:	Bureau Veritas North America (BVNA) (available on GeoTracker)
Date of publication:	September 19, 2007

"Escrow" means the escrow for the Closing to be established pursuant to Section 302.1.

"Escrow Agent" means the escrow agent of the Escrow Company for the Closing as set forth in Section 302.1.

"Escrow Company" means First American Title Company acting out of its Los Angeles, California office located at 777 South Figueroa Street; Suite 400, Los Angeles, California 90017 or such other escrow company as may be requested by Developer and approved by the City Manager.

"Escrow Costs" is defined in Section 302.2.

"Event of Default" is defined in Section 701.

"Evidence of Financing" is defined in Section 314.

"Former Agency" shall mean The Culver City Redevelopment Agency, a former public body, corporate and politic.

"General Contractor" is defined in Section 407.

"Governmental Requirements" means all laws, ordinances, statutes, codes, rules, orders, decrees, requirements, resolutions, policy statements and regulations (including, without limitation, those relating to land use, subdivision, zoning, the environment, labor relations, prevailing wage, notification of sale to employees, Hazardous Materials, occupational health and safety, water, earthquake hazard reduction and building and fire codes; and including all Environmental Laws and Labor Laws) of the United States, the State of California, the County of Los Angeles, the City and of any other political subdivision, agency or instrumentality exercising jurisdiction over the City, Developer or the Site.

"Hazardous Materials" means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, asbestos; polychlorinated biphenyls (whether or not highly chlorinated); radon gas; radioactive materials; explosives; chemicals known to cause cancer or reproductive toxicity; hazardous waste, toxic substances or related materials; petroleum and petroleum product, including, but not limited to, gasoline and diesel fuel; those substances defined as a "Hazardous Substance", as defined by Section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq., or as "Hazardous Waste" as defined by Section 6903 of the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*; an "Extremely Hazardous Waste," a "Hazardous Waste" or a "Restricted Hazardous Waste", as defined by The Hazardous Waste Control Law under Section 25115, 25117 or 25122.7 of the California Health and Safety Code, or is listed or identified pursuant to Section 25140 of the California Health and Safety Code; a "Hazardous Material", "Hazardous Substance," "Hazardous Waste" or "Toxic Air Contaminant" as defined by the California Hazardous Substance Account Act, laws pertaining to the underground storage of hazardous substances, hazardous materials release response plans, or the California Clean Air Act under Sections 25316, 25281, 25501, 25501.1 or 39655 of the California Health and Safety Code; "Oil" or a "Hazardous Substance" listed or identified pursuant to 311 of the Federal Water Pollution Control Act, 33 U.S.C. 1321; a "Hazardous Waste," "Extremely Hazardous Waste," or an "Acutely Hazardous Waste" listed or defined pursuant to Chapter 11 of Title 22 of the California Code of Regulations Sections 66261.1-66261.126; chemicals listed by the State of California under Proposition 65 Safe Drinking Water and Toxic Enforcement Act of 1986 as a chemical known by the State to cause cancer or reproductive toxicity pursuant to Section 25249.8 of the California Health and Safety Code; a material which due to its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, materially damages or threatens to materially damage, health, safety, or the environment, or is required by any law or public agency to be remediated, including remediation which such law or government agency requires in order for the property to be put to the purpose proposed by the Agreement; any material whose presence would require remediation pursuant to the guidelines set forth in the California Leaking Underground Fuel Tank Field Manual, whether or not the presence of such material resulted from a leaking underground fuel tank; pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. 136 *et seq.*; asbestos, PCBs, and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. 2601 *et seq.*; any radioactive material including, without limitation, any "source material," "special nuclear material," "by-product material," "low-level wastes," "high-level radioactive waste," "spent nuclear fuel" or "transuranic waste" and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act, 42 U.S.C. 2011 *et seq.*, the Nuclear Waste Policy Act, 42 U.S.C. 10101 *et seq.*, or pursuant to the California Radiation Control Law, California Health and Safety Code, Sections 25800 *et seq.*; hazardous substances regulated under the Occupational Safety and Health Act, 29 U.S.C. 651 *et seq.*, or the California Occupational Safety and Health Act, California Labor Code, Sections 6300 *et seq.*; and/or regulated under the Clean Air Act, 42 U.S.C. 7401 *et seq.* or pursuant to the California Clean Air Act, Sections 3900 *et seq.* of the California Health and Safety Code; or any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any Governmental Requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to human health or the environment.

"Hazardous Materials Activity" means any actual, proposed or threatened storage, holding, existence or suspected existence, release or suspected release, emission, discharge, generation, processing, abatement, removal, disposition, treatment, handling or transportation of any Hazardous Materials from, under, into, on, above, or across the Site or surrounding property or any other use of or operation on the Site or the surrounding property that creates a risk of Hazardous Materials contamination of the Site in violation of Environmental Laws.

"Improvements" means the improvements that Developer will Develop and Cause Construction upon the Site in accordance with the Agreement, as more particularly described in the Agreement and the Scope of Development (Attachment No. 3), including without limitation the On and Off Site Infrastructure Improvements. The Improvements will include a multi-level high quality transit oriented development consistent with the Scope of Development, the Agreement and the Project Entitlements.

"In-Lieu Public Art Fee" means the fee to be paid by Developer to the City on or before the Closing toward the installation of public art within the City in accordance with the Art in Public Places Program, as required in Section 903.

"Ince Parking Structure" means that certain City-owned parking facility located at 9099 Washington Boulevard, Culver City.

"Institutional Lender" means any of the following institutions having assets or deposits in the aggregate of not less than Fifty Million Dollars ($50,000,000): a California chartered bank; a bank created and operated under and pursuant to the laws of the United States of America; an "incorporated admitted insurer" (as that term is used in Section 1100.1 of the California Insurance Code); a "foreign (other state) bank" (as that term is defined in Section 1700(1) of the California Financial Code); a federal savings and loan association (Cal. Fin. Code Section 8600); a commercial finance lender (within the meaning of Sections 2600 et seq. of the California Financial Code); a "foreign (other nation) bank" provided it is licensed to maintain an office in California, is licensed or otherwise authorized by another state to maintain an agency or branch office in that state, or maintains a federal agency or federal branch in any state (Section 1716 of the California Financial Code); a bank holding company or a subsidiary of a bank holding company which is not a bank (Section 3707 of the California Financial Code); a trust company, savings and loan association, insurance company, investment banker; college or university; pension or retirement fund or system, either governmental or private, or any pension or retirement fund or system of which any of the foregoing shall be trustee, provided the same be organized under the laws of the United States or of any state thereof; a Real Estate Investment Trust, as defined in Section 856 of the Internal Revenue Code of 1986, as amended, provided such trust is listed on either the American Stock Exchange or the New York Stock Exchange; a private equity fund or sovereign wealth fund; or an investment fund, limited liability company or partnership with investors who themselves are Institutional Investors and who hold at least a 50% capital interest in such fund, limited liability company or partnership. A wholly owned subsidiary of an Institutional Lender may be utilized by such Institutional Lender as the direct lender for the Project as part of the City approved Evidence of Financing.

"***LACMTA Parcel***" means that certain LACMTA-owned 150-foot-wide parcel located between Venice Boulevard and Washington Boulevard in the City of Culver City, as depicted on Attachment No. 1-A and as described in the "Legal Description – LACMTA Parcel" attached hereto as "Attachment No. 2-D" and incorporated herein by this reference, on which the EXPO Station is located and a portion of the Project is to be constructed.

"***LACMTA Parcel Private Use Lease"*** means the lease or leases entered into between LACMTA and the City pursuant to Paragraph 12 of the Option Agreement to provide for residential purposes and/or commercial uses which exceed 20,000 square feet.

"***LACMTA Parcel Private Use Lease Assignment"*** means the Lease Assignment from City to Developer at Close of Escrow of the LACMTA Parcel Private Use Lease, pursuant to which the City's rights under the LACMTA Parcel Private Use Lease are assigned to Developer, and under which Developer assumes and agrees to perform all of the obligations of City under such lease.

"*Losses and Liabilities*" means and includes all claims, causes of action, liabilities (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or cost of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest or defense costs, and expert witness fees), losses, damages (including, without limitation, penalties, fines and monetary sanctions), injuries, expenses, charges, penalties or costs of whatsoever character, nature and kind, including reasonable attorney's fees and costs incurred by the indemnified party with respect to counsel of its choice, whether to property or to person, whether by direct or derivative action, and whether known or unknown, suspected or unsuspected, latent or patent.

"Maintenance Standards" is defined in Section 502.

"Notice" shall mean a notice in the form prescribed by Section 801.

"Offering Notice" is defined in Section 601.1.

"Official Records" shall mean the Official Records of the Los Angeles County-Registrar/Recorder.

"Outside Closing Date" means August 31, 2017 or such later date as may be agreed to in writing signed by City and Developer.

"***Participation Agreement***" means an instrument substantially in the form attached to the Agreement as Attachment No. 7, providing for the City Parcels Participation Payments.

"Party" means any of Developer, Successor Agency or City, ***"Parties"*** means all of Developer, Successor Agency and City.

"PD Zone Requirements" means the requirements of Planned Development Zone No. 11 for the Washington National Transit Oriented Development Planned Development (PD) Zone No. 11 adopted as an amendment to the Culver City Zoning Map and Zoning Code pursuant to Section 17.200.015 of the Culver City Municipal Code.

"Permitted Transfer" means a Transfer to any Person to whom a Transfer of the Agreement or the Site has been approved by the City in writing not to be unreasonably withheld or delayed or to whom the express provisions of Section 206.3 of the Agreement permit a Transfer to be made without City approval. A Permitted Transfer shall include any transfer of the ownership interests of Developer, or of the ownership interests in any entity which directly or indirectly controls Developer, provided that following such transfer such reorganized Developer (a) retains or succeeds to substantially all of the assets of Developer existing immediately prior to such transaction and (b) any of Robert J. Lowe, Robert J. Lowe Jr., and/or Michael H. Lowe directly or indirectly control such reorganized Developer, and (c) does not otherwise result in a Change of Control and (d) does not involve any Prohibited Person or otherwise result in a violation of Anti-Terrorism Laws.

"Person" shall mean an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company or other entity, domestic or foreign.

"Plans" shall mean any architectural and construction plans and drawings prepared on behalf of Developer for the Project in accordance with the Agreement, including without limitation all such plans and drawings required by the City and the PD Zone Requirements.

"Prohibited Person" shall mean any of the following:

(a) a Person that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order;

(b) a Person 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) a Person with whom Developer or Investor Limited Partner is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(d) a Person who or that commits, threatens, or conspires to commit or supports "terrorism," as defined in the Executive Order; or

(e) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control of the U.S. Treasury Department at its official web site or any replacement website or other replacement official publication of such list.

"Project" means, collectively, the Improvements, as more particularly described in the Agreement including, without limitation, the Scope of Development, and which Developer shall Develop and Cause Construction on the Site in accordance with the Agreement.

"Project Area" means The Culver City Redevelopment Project, Component Area 3, described in Recital paragraph C.

"Project Costs" means all costs which are actually incurred by Developer for the development of the Project, and shall include, without limitation, all of the items of cost as determined for the design, planning, development and construction of the Improvements.

"Project Entitlements" means all discretionary land use entitlement, zoning, and environmental approvals (including CEQA) needed for the development, construction, use, and occupancy of the Project, including, without limitation, (a) the following approvals from the City: (i) approval of a Comprehensive Plan pursuant to the PD Zone Requirements; (ii) a subdivision map; (iii) vacation of the portion of Exposition Boulevard located within the portion of the Agency Parcel located within the City (which may be accomplished through such subdivision map); (iii) Design for Development approval including height variances, if applicable; and (iv) certification or adoption of an environmental review document pursuant to CEQA; (b) the following approvals from the City of Los Angeles: (i) General Plan amendment; (ii) Site Plan Review; (iii) zone change; (iv) vacation of the portion of Exposition Boulevard located within the portion of the Triangle Parcel located within the City of Los Angeles (which may be accomplished through such subdivision map); (v) a subdivision map; (vi) conditional use permits for the sale of alcoholic beverages from Improvements located within the City of Los Angeles; (c) if applicable, the Parking Encroachment permits, as defined in Section 318 of this Agreement; and (d) the resolution of any conflict between development standards and/or conditions of approval issued by the two municipalities involved. For clarity, Project Entitlements do not include building permits or certificates of occupancy for the Improvements.

"Project Entitlement Date" means the date on which all Project Entitlements have been issued, and all applicable appeal periods with respect thereto have expired without appeal having been taken or litigation filed, if any such appeal or litigation has been taken or filed, such appeal or litigation shall have been concluded, dismissed or finally determined in a way which permits Developer to develop the Project in accordance with this Agreement.

"Redevelopment Plan" means the Redevelopment Plan for the Project Area approved and adopted by the City Council of the City on November 23, 1998 by Ordinance No. 98-014, as amended on November 23, 1998 by Ordinance No. 98-015, and as further amended on January 12, 2004, as described in Recital B.

"Release of Construction Covenants" means the document which evidences Developer's satisfactory completion of the construction of the Improvements in accordance with the Agreement, as set forth in Section 413, and to be recorded against the Site, substantially in the form which is attached hereto as Attachment No. 6.

"***Relocation Costs***" shall have the meaning as set forth in Section 301.4 of the Agreement.

"***Relocation Laws***" shall mean all applicable state and local laws providing relocation benefits and assistance, and providing for compensation for the acquisition of property interests, including, without limitation, the California Relocation Assistance Law, Government Code section 7260 et seq. and the implementing regulations thereto in the California Code of Regulations, Title 24, section 6000 et seq. and the local implementing regulations thereto, and all applicable federal relocation laws, including, without limitation, the Uniform Relocation

Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4201-4655, and 49 CFR Part 24, the acquisitions and eminent domain laws in Government Code section 7267 et seq. and Code of Civil Procedure section 1240.000 et seq. and any other applicable federal, state or local enactment, regulation or practice providing for relocation assistance and benefits, and compensation for the acquisition of property interests.

"***Representatives***" means the agents, employees, members, independent contractors, affiliates, principals, shareholders, officers, council members, board members, committee members, and planning and other commissioners, partners, attorneys, accountants, representatives, and staff of the referenced entity and the predecessors, heirs, successors and assigns of all such persons.

"Right of Entry Agreement" means any agreement to be executed by the Parties allowing Developer to access the Site for predevelopment work, substantially in the form entered into by the City and Successor Agency with Developer prior to the execution of this Agreement.

"Schedule of Performance" means that certain Schedule of Performance, attached to the Agreement as Attachment No. 4, setting forth the dates and/or time periods by which certain obligations set forth in the Agreement must be accomplished by both Parties. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between Developer and the City Manager, and the City Manager is authorized to make such revisions as the City Manager deems reasonably necessary.

"Scope of Development" means that certain Scope of Development, attached to the Agreement as Attachment No. 3, describes the details of the Project. The Scope of Development shall be deemed revised, effective upon the Project Entitlement Date, to incorporate the Comprehensive Plan approved by the City pursuant to the PD Requirements.

"Site" consists of the Agency Parcels, the City Parcels and the Easement Area, as illustrated on Attachment No. 1-A and as described respectively in Attachments 2-A, 2-B and 2-C, on which Developer will Develop and Cause Construction of the Improvements pursuant to this Agreement.

"Successor Agency Documents" means, collectively, the Agreement, Right of Entry, Assignment of Plans, Reports and Data, Assignment of Construction Contract, Assignment of Agreements, Parking License Agreement, Construction License Agreement, Reciprocal Easement Agreement, Perpetual Easement Agreement, Relocation Agreement, the Successor Agency Grant Deed, Transfer of Easement Area Documents and any and all other agreements, amendments or modifications entered into by and between the Successor Agency and Developer to effect the purposes of the foregoing.

"Successor Agency Grant Deed" means the grant deed by which Successor Agency will convey the Agency Parcels to Developer, substantially in the form attached to the Agreement as Attachment No. 5-A.

"Survey" is defined in Section 306.

"Title Company" is defined in Section 306.

"Title Report" is defined in Section 306.

"Transfer" means and includes any sale, transfer, assignment, lease, sublease, license, franchise, conveyance, gift, hypothecation, mortgage, pledge or encumbrance, or refinancing, or the like (including those described in Section 414.1 but excluding any Permitted Transfer) of the Site or Developer or any portion thereof or any interest therein or of the Agreement, to any Person. Subsequent to the Completion of construction of the Project, "Transfer" shall expressly exclude any lease or sublease for occupancy of a residential or retail unit of the Improvements.

"Transfer of Easement Area Documents" means a document substantially in the form of Attachment No. 5-C under which City and Successor Agency assign to Developer at Close of Escrow all of their rights and obligations in and to the Parking License Agreement, the Construction License Agreement, the Perpetual Easement Agreement, the Reciprocal Easement Agreement and the Private Use Lease, and Developer assumes and agrees to perform such obligations.

"USA Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as amended from time to time.

"Washington National Site Map" means the map of the Site identifying the Agency Parcels, the City Parcels, the Easement Area, and the LACMTA Parcel, attached as Attachment No. 1-A.

102. Singular and Plural Terms

Any defined term used in the plural herein shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

103. Accounting Principles

Any accounting term used and not specifically defined herein shall be construed in conformity with, and all financial data required to be submitted herein shall be prepared in conformity with, generally accepted accounting principles applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to the City Manager or designee.

104. References and Other Terms

Any reference to any document shall include such document both as originally executed and as it may from time to time be modified. In the event of any difference between the definition of a capitalized term in the Original Agreement or herein, the definition in this Implementation Agreement will control. References herein to Sections and Attachments shall be construed as references to the Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" mean "including (include), without limitation."

105. Attachments Incorporated

All attachments to the Agreement, or agreements entered into by the Parties substantially in the form of such attachments, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

200. SUBJECT OF IMPLEMENTATION AGREEMENT

201. Purpose of the Implementation Agreement

The purpose of this Implementation Agreement is to effectuate the Successor Agency's approved Long Range Property Management Plan, and the Redevelopment Plan, by providing for the sale of the Agency Parcels and the City Parcels and the Transfer of Easement Area Documents and the development of the Site. Except as modified by or expressly provided otherwise in this Implementation Agreement and the Attachments and Exhibits to this Implementation Agreement, the Original Agreement, and each document executed or entered into pursuant to the Original Agreement, remains in full force and effect, enforceable in accordance with its terms, without diminution or waiver of any kind of any right or remedy of the parties hereunder. All references in the Original Agreement and this Implementation Agreement to the "**Agreement**" shall be modified to mean the Original Agreement as amended by this Implementation Agreement; provided, however, any inconsistent or contrary terms in the Original Agreement are hereby replaced in their entirety by this Implementation Agreement.

The Agreement is entered into for the purpose of development of the Project on the Site pursuant to the Agreement. The fulfillment generally of the Agreement is in the vital and best interest of the City, the Successor Agency and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of the applicable federal, state and local laws and requirements under which the Project has been undertaken and is being assisted.

202. The Redevelopment Plan

The Agreement is subject to the provisions of the Redevelopment Plan (as the same may have been amended or superseded by the Dissolution Law). The Redevelopment Plan is incorporated herein by this reference and made a part hereof as though fully set forth herein.

203. The Project Area

The Project Area is located in the City and is legally described in the Redevelopment Plan.

204. The Site

The Site consists of the City Parcels, the Agency Parcels and the Easement Area as described in Recital paragraph B.

204.1 City Parcels and Agency Parcels

The Agency Parcels are illustrated on the Site Map attached as Attachment No. 1-A and as legally described in the Legal Description as Attachment No. 2-A. A temporary parking lot constructed and used by the Authority pursuant to the Construction License Agreement and thereafter by LACMTA pursuant to the Parking License Agreement is currently located on the Agency Parcels. The City Parcels are illustrated on the Site Map attached as Attachment No. 1-A and as legally described in the Legal Description as Attachment No. 2-B. The Agency Parcels and the City Parcels shall be conveyed to Developer "as is." The cost of any demolition of the improvements on the temporary parking lot shall be the sole responsibility of Developer.

204.2 Easement Area

The Easement Area is comprised of an area over the northerly 91 feet of the LACMTA Parcel, including surface, air and subterranean portions thereof, as illustrated on Attachment No. 1-A and legally described in Legal Description as Attachment No. 2-C.

Subject to Section 715 hereof, provided the Option Conditions set forth in Section 5 of the Option Agreement for Perpetual Easement Agreement have been satisfied or waived by LACMTA, within the time set forth in the Schedule of Performance, the City, on behalf of itself and the Successor Agency agrees to exercise the Option (as defined therein) to acquire the easement on the LACMTA Parcel by delivering written notice to LACMTA (the "***Option Notice***") and by entering into and assigning to Developer at the Closing the Perpetual Easement Agreement and the Reciprocal Easement Agreement with LACMTA; and further provided, however, that no such determination by LACMTA shall satisfy or waive the City's independent right to determine whether the City's Conditions Precedent to Closing herein or Successor Agency's Conditions Precedent to Closing, respectively, have been satisfied or waived by the City or the Successor Agency, respectively, under the terms and conditions set forth herein. Notwithstanding the foregoing, the City and the Successor Agency hereby agree to satisfy the Conditions Precedent set forth in Sections 5(a), (e), (f), and (g) of 5 of the Option Agreement for Perpetual Easement Agreement under the terms and conditions set forth therein within the time set forth in the Schedule of Performance.

Within the time set forth in the Schedule of Performance Developer hereby agrees to satisfy the Conditions Precedent set forth in Sections 5(b), (c), (d), and (e) of the Option Agreement for Perpetual Easement Agreement and be bound by the terms thereof. Failure of Developer to satisfy said Conditions thereunder shall not constitute a default by the City hereunder.

204.3 Transfers

Subject to the restrictions on Transfer set forth in Section 206, Developer agrees that upon any Transfer of the Site or any portion thereof, the transferred portion of the Site shall be subject to all of the terms, provisions, covenants and conditions of the Agreement, all Project Entitlements and all exceptions, reservations, liens, encumbrances, qualifications, covenants, conditions, restrictions, easements, rights of way, and any and all matters or conditions reflected on or arising out of any Project Entitlements.

205. Parties to the Agreement

205.1 The City

The City is a municipal corporation and charter city of the State of California.

The principal office of the City is located at 9770 Culver Boulevard, Culver City, California 90232-0507.

205.2 The Successor Agency

The Successor Agency is a public entity separate from the City of Culver City that operates as the successor agency to the Former Agency pursuant to the Dissolution Act.

The principal office of the Successor Agency is located at 9770 Culver Boulevard, Culver City, California 90232-0507.

205.3 Developer

Developer is LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation, whose address is 11777 San Vicente Boulevard, Suite 900, Los Angeles, California 90049, Attention: Thomas W. Wulf, Senior Vice President, and any permitted assignees or nominee. Developer shall be in good standing under the laws of the state in which such entity is registered during the effectiveness of the Agreement.

All of the terms, covenants and conditions of the Agreement shall be binding on, and shall inure to the benefit of, Developer and any Permitted Transferee. Wherever the term "Developer" is used herein, such term shall mean and include any such Permitted Transferee.

206. Prohibition Against Transfer and Change in Management and Control of Developer

206.1 Prohibition

The qualifications and identities of Developer and its members are of particular concern to the City. It is because of those unique qualifications and identities that the City has entered into the Agreement with Developer and is imposing restrictions upon any Change of Control of Developer and any Transfer which is not a Permitted Transfer until the City issues the Release of Construction Covenants. Developer represents that it is purchasing the Site to Develop and Cause Construction of the Project on the Site, and that it is not purchasing the Site for purposes of resale of the Site to a third party prior to the Completion of construction of the Project. Accordingly, Developer agrees not to Transfer the Site prior to the Completion of construction of the Project. No voluntary or involuntary successor in interest to Developer shall acquire any rights or powers in the Site or under the Agreement except as expressly set forth herein.

Without the prior written approval of City, which approval may be granted or withheld in the discretion of the City, but which approval shall not be unreasonably withheld or delayed, Developer shall not (i) Transfer all or any part of its interest in or rights under the Agreement or the Site other than a Permitted Transfer, or (ii) effect any Change of Control. Any Permitted Transfer shall require notice to, but not the consent of, the City.

Notwithstanding the foregoing, if control or ownership of Developer must be changed in order to obtain financing to construct the Project, the City shall grant or withhold its approval in its reasonable discretion provided that Robert Lowe, Sr., Robert Lowe, Michael Lowe, Richard Newman and/or Thomas Wulf or other employees of Developer reasonably approved by the City, remain the individuals exercising management control over the Project and the implementation of the Agreement (subject to oversight by Developer's or Developer's parent entity's Board of Directors) and remain Developer's primary contact with City.

Any Transfer or Change of Control in violation hereof will constitute a breach and entitle the City to use any remedy available to it at law or equity, including, but not limited to, the right to terminate the Agreement.

The restrictions on a Change of Control set forth in this Section 206 shall terminate five (5) years subsequent to the issuance of the Release of Construction Covenants.

206.2 Change of Ownership; Restriction on Investments

If control or ownership of Developer must be changed in order for Developer to obtain debt or equity financing, then Developer shall seek the prior written consent of the City, not to be unreasonably withheld or delayed, for such Change of Control in accordance with this Section.

Developer agrees that during the term hereof, it shall not use the Site as collateral for any loan or other financial transaction other than a loan or financial transaction for which the proceeds therefrom are used for the construction of the Improvements or for operation or long term financing of the Project.

206.3 Permitted Transfers

In addition to the transfers described in the definition of "Permitted Transfer" and a Transfer to any person or party to whom a Transfer of the Agreement has been approved by the City in writing, the following shall constitute "Permitted Transfers" hereunder:

(a) The conveyance or dedication of any portion of the Site to the City, Agency or other appropriate governmental agency, or the granting of easements or permits to facilitate construction of the Improvements; and

(b) Subject to the requirements of Section 501, the rental or lease of retail, rental or office space in the Improvements upon Completion of construction of the Improvements.

In the event of a Transfer by Developer under subparagraphs (a) and (b), (inclusive), above not requiring the City's prior approval, Developer nevertheless agrees that at least thirty (30) days prior to such Transfer it shall give Notice to City of such Transfer.

206.4 Request for Transfer or Change of Control; Approval

Except as specifically set forth herein, upon Developer's delivery of written Notice to City requesting such approval, the City reserves discretion to approve or disapprove a request for Transfer or Change of Control made pursuant to this Section, which approval shall not be unreasonably withheld or delayed. Any such Notice shall be accompanied by sufficient evidence regarding the proposed assignee's or purchaser's development and/or operational qualifications and experience, and its financial commitments and resources, in sufficient detail to enable the City to evaluate the proposed assignee resulting from the Change of Control or Transfer as reasonably determined by the City. An assignment and assumption agreement substantially in the form of the "Assignment and Assumption Agreement" attached hereto and labeled "Attachment No. 10" shall also be submitted to City for all proposed Transfers. No Transfer shall be effective nor shall Developer be relieved of liability hereunder unless and until the transferee assumes all of the obligations of Developer with regard to the Agreement and the Site, and delivers a signed assignment and assumption agreement in the required form.

Within thirty (30) days after the receipt of Developer's written Notice requesting City approval of Transfer or Change of Control pursuant to this Section, the City shall either approve or disapprove such proposed Transfer or Change of Control or shall respond in writing by stating what further information, if any, the City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, Developer shall promptly furnish to the City such further information as may be reasonably requested. Developer agrees to promptly pay all of the City's out-of-pocket costs, including reasonable attorneys' fees, incurred in connection with review and processing of any request for Transfer or Change of Control and/or consummation of such Transfer or Change of Control and preparation of any documentation and/or agreements in connection therewith.

207. Third Party Beneficiaries

The Agreement is made and entered into for the sole protection and benefit of the City, its successors and assigns, the Successor Agency, its successors and assigns, and Developer, its permitted successors and assigns, and no other person or persons shall have any right of action hereon or hereunder.

208. Representations and Warranties

208.1 City's Representations

City represents and warrants to Developer as follows:

(a) Authority. The City is a municipal corporation and charter city of the State of California. The execution, performance and delivery of the Agreement by the City have been fully authorized by all requisite actions on the part of the City.

(b) No Conflict. To the best of the City's knowledge, the City's execution, delivery and performance of its obligations under the Agreement will not constitute a default or a breach under any contract, agreement or order to which the City is a party or by which it is bound.

(c) No City Bankruptcy. To the best of the City's knowledge, the City is not the subject of a bankruptcy proceeding.

(d) Title. At the Closing, the City shall deliver title or cause to be delivered to the City Parcels and the Easement Area free of any right of any third party (except Developer) to possession of all or any part of the Site.

(e) Litigation. To the best of the City's knowledge, there are no pending actions, suits, material claims, legal proceedings, or any other proceedings affecting title of the Site or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(f) Governmental Compliance. The City has not received any notice from any governmental agency or authority alleging that the Site is currently in violation of any law, ordinance, rule, regulation or requirement applicable to its use and operation. If any such notice or notices are received by the City following the Effective Date of the Agreement, the City shall, within ten (10) Days of receipt of such notice, notify Developer.

Until the Closing, the City shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true, immediately give written notice of such fact or condition to Developer.

208.2 Successor Agency's Representations

Successor Agency represents and warrants to Developer as follows:

(a) Authority. Successor Agency is the public entity that is the successor agency to the Former Agency under the Dissolution Act. The execution, performance and delivery of this Agreement by the Successor Agency has been fully authorized by all requisite actions on the part of the Successor Agency, including, without limitation, approval by Successor Agency's Oversight Board and the State Department of Finance.

(b) No Conflict. To the best of the Successor Agency's knowledge, the Successor Agency's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which the Successor Agency is a party or by which it is bound.

(c) No Bankruptcy. To the best of the Successor Agency's knowledge, the Successor Agency is not the subject of a bankruptcy proceeding.

(d) Title. At the Closing, the Successor Agency shall deliver title or cause to be delivered to the Agency Parcels and the Easement Area free of any right of any third party (except Developer) to possession of all or any part of the Agency Parcels.

(e) Litigation. There are no pending actions, suits, material claims, legal proceedings, or any other proceedings affecting title of the Agency Parcels or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(f) Governmental Compliance. The Successor Agency has not received any notice from any governmental agency or authority alleging that the Agency Parcels are currently in violation of any law, ordinance, rule, regulation or requirement applicable to its use and operation. If any such notice or notices are received by the Successor Agency following the Effective Date of this Agreement, the Successor Agency shall, within ten (10) Days of receipt of such notice, notify Developer.

Until the Closing, the Successor Agency shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true, immediately give written notice of such fact or condition to Developer.

208.3 Developer's Representations

Developer represents and warrants to the City and the Successor Agency as follows:

(a) Organization. Developer is a duly organized, validly existing corporation in good standing under the laws of the state in which each such entity is registered and each has the power and authority to own and lease property and carry on its business as now being conducted. The copies of the documents evidencing the organization of Developer and setting forth the membership interests, control and management of Developer delivered to the City are true and correct (and true copies of the originals, if applicable) as of the Effective Date.

(b) Authority. Developer has the legal power, right and authority to execute, deliver and enter into the Agreement and any and all other agreements and documents required to be executed and delivered by Developer in order to carry out, give effect to, and consummate the transactions contemplated by the Agreement, and to perform and observe the terms and provisions of all of the above. The Parties who have executed the Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to the Agreement are authorized to execute and deliver the same on behalf of Developer and all actions required under Developer's organizational documents and applicable governing law for the authorization, execution, delivery and performance of the Agreement and all other documents or instruments executed and delivered, or to be executed and delivered pursuant hereto, have been duly taken.

(c) Valid and Binding Agreements. The Agreement and all other documents or instruments which have been executed and delivered pursuant to or in connection with the Agreement constitute or, if not yet executed or delivered, will constitute when so executed and delivered, legal, valid and binding obligations of Developer enforceable against it in accordance with their respective terms.

(d) Contingent Obligations. Developer does not have any contingent obligations or any contractual agreements which could materially adversely affect the ability of Developer to carry out its obligations hereunder.

(e) Litigation. To the best of Developer's knowledge, no action, suit or proceedings are pending or threatened before any governmental department, commission, board, bureau, agency or instrumentality to which Developer is or may be made a party or to which any of its property is or may become subject, which has not been fully disclosed to the City which could materially adversely affect the ability of Developer to carry out its obligations hereunder.

(f) No Conflict. Developer's execution and delivery of the Agreement and any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to the Agreement, and the performance of any provision, condition, covenant or other term hereof or thereof, do not or will not conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Developer, or any provision of the organizational documents of Developer, or will conflict with or constitute a breach of or a default under any agreement to which Developer is a party, or will result in the creation or imposition of any lien upon any assets or property of Developer, other than liens established pursuant hereto.

(g) No Developer Bankruptcy. To the best of Developer's knowledge, no attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, receivership or other proceedings are pending or threatened against Developer, nor are any of such proceedings contemplated by Developer. In the event that Developer's interest is assigned to an Affiliate in accordance with Section 206, such representation and warranty shall remain true with respect to Developer (i.e., the Assignee of the original Developer), its managing member or general partners, as applicable, and Lowe Enterprises Real Estate Group.

Until the Closing, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true, immediately give written notice of such fact or condition to the City.

209. Special Limited Obligation

Any obligation of the City hereunder shall be a special limited obligation, which is not and shall not be a pledge of or an obligation payable through the City's general fund. Accordingly, nothing in this Agreement shall require or be deemed to require the City to expend or commit to expend monies from its general fund to satisfy any of the obligations set forth in the Agreement. In the event the City does not have the funds or the property contemplated herein to fulfill any obligation under this Agreement, it shall not be considered in default under this Agreement. The City shall have no obligation whatsoever to utilize any other source of funds to make any payments to Developer required hereunder. Notwithstanding anything in this Section 209 to the contrary, Developer shall have the right to seek specific performance or mandamus to enforce any of the City's obligations under the Agreement.

300. DISPOSITION OF THE CITY PARCELS AND THE AGENCY PARCELS

301. Sale and Purchase

301.1 Sale and Purchase of the City Parcels and the Agency Parcels; Purchase Prices

Upon satisfaction of the City's Conditions Precedent to Closing and within the time frame set forth in the Schedule of Performance, the City agrees to convey to Developer with the City Grant Deed, subject to the rights reserved therein, and Developer agrees to purchase from the City all of the City's right, title and interest in and to the City Parcels, for a purchase price payable at Close of Escrow from Developer to the City of FIFTEEN MILLION AND SIX HUNDRED THOUSAND DOLLARS ($15,600,000) ("***City Parcels Purchase Price***"), less the City Parcels Purchase Price Credits. Upon satisfaction of the Successor Agency's Conditions Precedent to Closing and within the time frame set forth in the Schedule of Performance, the Successor Agency agrees to convey to Developer with the Successor Agency Grant Deed, subject to the rights reserved therein, and Developer agrees to purchase from the Successor Agency all of the Successor Agency's right, title and interest in and to the Agency Parcels, for a purchase price payable at Close of Escrow from Developer to the Successor Agency of EIGHT MILLION AND TWO HUNDRED THOUSAND DOLLARS ($8,200,000) ("***Agency Parcels Purchase Price***"). The City and the Successor Agency have respectively determined that the City Parcels Purchase Price and the Agency Parcels Purchase Price are each equal to the appraised fair market value of such respective parcels. In addition to paying the City the City Parcels Purchase Price less the City Parcels Purchase Price Credits, as additional consideration for the conveyance to Developer of the City Parcels and the City's efforts and expense incurred in negotiation of the Option Agreement and additional related agreements, Developer agrees to (a) Develop and Cause Construction of the Project, including the Improvements, in accordance with the terms of the Agreement, (b) make payments to the City under the Participation Agreement, (c) make Developer's Relocation Obligations Payments, and (d) be bound by the obligations, covenants and restrictions set forth in the Agreement.

Developer's acquisition of the Site and development of the Project pursuant to the Agreement, and the fulfillment generally of the Agreement, are in the best interests of the City, the Successor Agency and the welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements.

301.2 City Parcels Purchase Price Credits

Subject to the limitations set forth below and the general limitation that the City Parcels Purchase Price Credits shall not exceed the amount of the City Parcels Purchase Price, Developer shall receive a credit to be applied towards its obligation to pay the City Parcels Purchase Price at the Close of Escrow in the following amounts:

(a) Utility Relocation Costs. A credit (the ***"Utility Relocation Cost Credit"***) equal to the costs and expenses to be incurred by Developer, as set forth in the Construction Contract approved by the City at the Close of Escrow by the City Manager or designee prior to the Close of Escrow, for Developer's utility relocation obligations set forth in Section 401.1.

(b) Infrastructure Costs. A credit (the "***Infrastructure Cost Credit"***) equal to the costs and expenses to be incurred by Developer, as set forth in the Construction Contract approved by the City Manager of the City or designee prior to the Close of Escrow, for Developer's infrastructure obligations set forth in Section 401.1.

(c) Relocation Costs. A credit (the "***Relocation Cost Credit***") equal to the Relocation Costs to be incurred by Developer paid prior to Closing or payable after Closing pursuant to Section 301.4, as reasonably determined by the City Manager or designee prior to the Close of Escrow, provided, however, in no event shall the Relocation Cost Credit exceed the cost (as set forth in the Construction Contract approved by the City Manager or designee prior to the Close of Escrow) of constructing the Isolation Wall as required by the Perpetual Easement Agreement.

301.3 City and Agency Parcels Purchase Price Payments; Scheduled Close of Escrow

Within one (1) business day prior to the scheduled Close of Escrow, Developer agrees to deposit into Escrow in cash the total amount equal to (i) the Agency Parcels Purchase Price, plus (ii) the City Parcels Purchase Price minus the City Parcels Purchase Price Credits determined pursuant to Section 301.2, plus Developer's share of Escrow fees and costs and the In Lieu Public Art Fee as applicable. Escrow shall be scheduled to close on such date as the Successor Agency's Conditions to Closing, the City's Conditions to Closing and Developer's Conditions to Closing are met. Escrow shall close no later than the Outside Closing Date.

At the Closing, Escrow shall disburse to the Successor Agency the Agency Parcels Purchase Price in the amount of Eight Million Two Hundred Thousand Dollars ($8,200,000), less the Successor Agency's share of closing costs as provided herein, and shall disburse to the City an amount equal to the City Parcels Purchase Price of Fifteen Million Six Hundred Thousand Dollars ($15,600,000) less the City Parcels Purchase Price Credits and the City's share of closing costs as provided herein.

301.4 Relocation; Developer's Relocation Obligations Payments

(a) City on behalf of the City, and, subject to the City's approval, not to be unreasonably withheld or delayed, Developer shall each use its good faith efforts to arrange for the vacation of the Site by all existing tenants and occupants prior to the Close of Escrow, or, if applicable, the entry into binding relocation or termination agreements providing for the vacation of any premises located with the Site prior to the Close of Escrow, all in accordance with the Relocation Laws. Relocation obligations, if any, which arise from the Agreement shall be administered by the City (or its designee, a qualified relocation consultant chosen by the City in consultation with Developer) in conformity with the Relocation Laws and in cooperation with Developer, with such administration paid by Developer. The City may decide either to limit its attempts to acquire any interests in property that may be required for such relocation to voluntary negotiation with property owners or to consider, in the City's sole and absolute discretion, exercising the power of eminent domain. The City expressly reserves the right to comply with all applicable laws in connection with any exercise or potential exercise of the power of eminent domain.

(b) The relocation of any occupants or businesses, if any, required for demolition, development and operation of the Site in accordance with the Agreement, including provision of relocation assistance and benefits and compensation for the acquisition of interests in property pursuant to Relocation Laws, and including all Relocation Costs as defined below, shall be the sole financial responsibility of Developer, other than, if Closing occurs, the Relocation Payment Credit.

(c) "**Relocation Costs**" means the costs of acquisition of any interest in real property necessary to relocate any occupants on the Site incurred by Developer, City or the Successor Agency by negotiation or eminent domain including, but not limited to, the purchase price, just compensation for the taking or threatened taking of property interests (leasehold interests, buildings, fixtures, equipment, loss of goodwill and improvements); all and any costs, expenses, benefits or assistance provided or required by Relocation Laws; costs for payment of goodwill as provided under California law in eminent domain actions; fees and actual expenses of acquisition agents; escrow fees; costs of drawing the deeds for each property acquired; recording fees; notary fees and premiums for title insurance policies; any state, county or city documentary stamps or transfer tax; court costs; witness fees; expert witness fees; prorated taxes; appraisal fees; reasonable attorney fees; deposits to obtain an order of prejudgment possession, if incurred; amounts to satisfy judgments of condemnation. All of the Relocation Costs shall be the sole financial responsibility of Developer and shall be administered and reviewed by the City (or its designee), in consultation and cooperation with Developer.

(d) Thirty (30) days after the date of this Agreement Developer shall, at the sole cost and expense of Developer, deliver to the City an irrevocable letter of credit, first approved in writing by the City as to form, content and issuer, in the amount of Nine Hundred Thousand Dollars ($900,000) (the "**Letter of Credit**"), to be used subject to the provisions of this Section 301.4 to assure the payment by Developer of its obligations under this Section 301.4 to pay Relocation Costs and indemnify the City and the Successor Agency with respect to same.

(e) In the event that City reasonably determines that remaining Relocation Costs are likely to exceed the amount of the original Letter of Credit, then within thirty (30) days after the City provides written notice thereof to Developer setting forth the amount of the anticipated shortfall and the bases for the City determination, Developer shall, at the sole cost and expense of Developer, deliver to the City additional letter(s) of credit and/or amendment(s) to the original Letter of Credit, first approved in writing by the City as to form, content and issuer (each referred to herein as an "Additional Letter of Credit"), in the amount of such shortfall requested by the City.

(f) Developer shall (i) pay any Relocation Costs incurred by the City and (ii) reimburse the City for any Relocation Costs incurred by the City, within thirty (30) days following the City's delivery to Developer of written notice thereof (which notice shall include unpaid invoices or demands and other reasonable documentation for such Relocation Costs paid or incurred by the City). In the event that Developer does not pay or reimburse the City for such Relocation Costs within such thirty (30) day period, the City shall have the right to draw on the Letter of Credit and any Additional Letter of Credit from time to time to pay such Relocation Costs. The only condition for any draw on the Letter of Credit shall be a certification by the City Manager or designee that the draw is permitted under the terms of this Agreement. Developer and City shall consult so as to attempt to schedule relocating and business closures so as to lawfully minimize Relocation Costs without delaying completion of the Project.

(g) The term of the original Letter of Credit shall be not less than two (2) years, and such term shall be subject to extension if Relocation Costs will or might be incurred following the scheduled expiration of the Letter of Credit. If the term of the Letter of Credit is not so extended within thirty (30) days following a request by the City for such an extension, the City shall have the right to draw on the Letter of Credit in an amount deemed sufficient by the City in its discretion to cover any Relocation Costs that may be incurred after the expiration of the Letter of Credit.

(h) Developer hereby covenants and agrees to indemnify, save, protect, hold harmless, pay for, and defend the City and the Successor Agency, and their respective representatives, volunteers, officers, employees, agents, and consultants (collectively, "***Indemnities***") from and against any and all Relocation Costs, liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines, and monetary sanctions), losses, costs, or expenses, including, without limitation, reasonable consultants' and reasonable attorneys' fees (collectively, "***Liabilities***") which may now or in the future be incurred or suffered by Indemnities by reason of, or resulting from, in full or in part, or in any respect whatsoever from the displacement of businesses or other occupants pursuant to the Agreement. All of any costs or expenses of Developer that may be incurred arising out of this indemnification provision or arising out of the release set forth in the immediately following Section 301.4(i), except for the negligence or wilful misconduct of Developer, shall be considered Relocation Costs for purposes of calculating the amount of the City Parcels Purchase Price Credit to the extent provided in Section 301.2(c) of this Agreement. This indemnification shall survive the termination of the Agreement (but only with respect to such Relocation Costs and Liabilities incurred or arising as a result of this Agreement prior to such termination) and shall continue after Completion.

(i) Developer, on behalf of itself and any and all successors and assigns, hereby fully and finally releases the City and the Successor Agency, and their respective past and present elective and appointive boards, commissions, officials employees, representatives and agents from any and all manner of actions, causes of actions, suits, obligations, liabilities, judgments, executions, debts, claims, and demands of every kind and nature whatsoever, known and unknown, which Developer or any of its successors or assigns may now have or hereafter obtain against the City or the Successor Agency, or their respective past and present elective and appointive boards, commissions, officials employees, representatives and agents by reason of, arising out of, relating to, or resulting from, in full or in part, the Relocation Laws. The Parties agree that, with respect to the release of claims as set forth above, all rights under Section 1542 of the California Civil Code and any similar law of any state or territory of the United States are expressly waived. Section 1542 reads as follows:

> Civil Code Section 1542. Certain claims not affected by general releases. 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.

____
Developer's Initials

301.5 City Parcels Participation Payments

As additional consideration for the performance by the City of its obligations herein, and in recognition of the City's past efforts in providing for the development of the community that has made the Project possible, Developer shall pay to the City the City Parcels Participation Payments in amounts equal to twenty percent (20%) profit sharing above twenty five percent (25%) of net return to the Project equity investment upon capital events following completion and stabilization, as more particularly set forth in the Participation Agreement attached to the Agreement as Attachment No. 7.

302. Escrow

302.1 Escrow Instructions

The City, the Successor Agency and Developer shall open an escrow for the sale and purchase of the City Parcels and the Agency Parcels ("***Escrow***") with an escrow agent ("***Escrow Agent***") acceptable to the City, Successor Agency and Developer within the times established therefor in the Schedule of Performance. The Agreement constitutes the joint escrow instructions of the City, the Successor Agency and Developer, and a duplicate original of the Agreement shall be delivered to the Escrow Agent upon the opening of the Escrow. The City, Successor Agency and Developer shall provide such additional escrow instructions as shall be necessary and consistent with the Agreement. The Escrow Agent is hereby empowered to act under the Agreement and upon indicating its acceptance of the provisions of this Section 302.1 in writing, delivered to the City and the Successor Agency and to Developer within five (5) Days after the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

302.2 Costs of Escrow

The fees, charges and costs associated with the Closing ("***Escrow Costs***") shall be paid as follows:

Developer shall pay:

(a) One half of the escrow fees;

(b) The premium for title insurance policies, as required by Section 303.2(e) of the Agreement (Developer shall also pay the cost of any extended coverage requested on its lender's title insurance policy and for all endorsements other than endorsements which the City or the Successor Agency has agreed to provide to cure a title objection);

(c) Notary fees;

(d) Ad valorem taxes, if any, upon the City Parcels and the Agency Parcels after Closing, or ad valorem taxes, if any, upon the Agreement, or any rights thereunder, after the Closing of title.

The City shall pay:

(i) Costs necessary to place the title to the City Parcels in the condition for conveyance required by the provisions of the Agreement;

(ii) Any and all state, county, or city documentary stamps or transfer tax pertaining to the City's conveyance of the City Parcels;

(iii) One quarter of the escrow fees.

The Successor Agency shall pay:

(i) Costs necessary to place the title to the Agency Parcels in the condition for conveyance required by the provisions of the Agreement;

(ii) Any and all state, county, or city documentary stamps or transfer tax pertaining to the Successor Agency's conveyance of the Agency Parcels;

(iii) One quarter of the escrow fees.

302.3 General Provisions Applicable to Escrow Agent

The following general provisions shall be applicable to the Escrow Agent.

(a) All disbursements shall be made by check of the Escrow Agent. All funds received in the Escrow shall be deposited in a federally insured separate interest-earning escrow account with any bank doing business in the State of California and approved by the City and Developer.

(b) The Parties to the Escrow jointly and severally agree to pay all costs, damages, judgments and expenses, including reasonable attorneys' fees, suffered or incurred by the Escrow Agent in connection with, or arising out of the Escrow, including, but without limiting the generality of the foregoing, a suit in interpleader brought by the Escrow Agent. In the event that the Escrow Agent files a suit in interpleader, the Escrow Agent shall be fully released and discharged from all obligations imposed upon the Escrow Agent in the Escrow.

(c) All prorations and/or adjustments called for in the Escrow shall be made on the basis of a thirty (30) Day month unless the Escrow Agent is otherwise instructed in writing.

(d) Any amendment to these escrow instructions shall be in writing and signed by the City and Developer. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

(e) The liability of the Escrow Agent under the Agreement is limited to performance of the obligations imposed upon it under Sections 302.1 to 302.7, inclusive, of the Agreement.

302.4 Authority of Escrow Agent

The Escrow Agent is authorized to, and shall:

(a) pay and charge Developer, the Successor Agency and the City for Escrow Costs in accordance with Section 302.2 hereof;

(b) pay and charge the City any amount necessary to place title to the City Parcels in the condition necessary to satisfy Section 306 hereof and pay and charge the Successor Agency any amount necessary to place title to the Agency Parcels in the condition necessary to satisfy Section 306 hereof and its share of other Escrow Costs payable under Section 302.2 hereof;

(c) pay and charge Developer for the premium of the CLTA Policy and ALTA Policy as set forth in Section 307 hereof and, if applicable, pay and charge Developer for any upgrade of the Title Policy or Additional Endorsements to the Title Policy which are requested by Developer pursuant to Section 307 hereof;

(d) when Developer's Conditions Precedent to Closing, the Successor Agency's Conditions Precedent to Closing and the City's Conditions Precedent to the Closing are satisfied or waived in writing by the Party for whom the condition was established, disburse funds to the City and the Successor Agency and record the recordable documents and deliver such recordable and non-recordable documents (i) to the City, the City Parcels Purchase Price less the City Parcels Purchase Price Credits and the In Lieu Public Art Fee as applicable (less City's share of Escrow fees and costs, if any), (ii) to the Successor Agency, the Agency Parcels Purchase Price (less Successor Agency's share of Escrow fees and costs, if any), (iii) to the City with copies to Developer, the Transfer of Easement Area Documents, the Assignment of Plans, Reports and Data, the Assignment of Construction Contract, (iv) to Developer, the City Grant

Deed and the Successor Agency Grant Deed, provided, however, that funds deposited shall not be disbursed by the Escrow to the City or the Successor Agency unless and until the Escrow Agent has recorded the City Grant Deed and the Successor Agency Grant Deed, and delivered the Title Policy to Developer;

(e) insert appropriate amounts and the date of the Closing in documents deposited by the Parties in the Escrow;

(f) do such other actions as necessary to fulfill the Escrow Agent's obligations under the Agreement, including, if applicable, obtaining the Title Policy and recording any instrument delivered through Escrow if necessary and proper in the issuance of the Title Policy;

(g) within the discretion of the Escrow Agent, direct Developer and the City to execute and deliver any instrument, affidavit or statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act or regulation promulgated thereunder. The City and the Successor Agency agree to execute a Certificate of Non-Foreign Status, a Certificate of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act and/or a California Franchise Tax Board Form 590 or similar form to assure Developer that there exist no withholding requirements imposed by application of law as may be required by the Escrow Agent, on forms supplied by the Escrow Agent;

(h) prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms, including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms and/or withholding are provided for or required by law; and

(i) prepare and deliver to Developer, the City for review and approval prior to the Closing settlement statements.

302.5 Termination of Escrow

If the Escrow is not in a condition to close by the Outside Closing Date, as the same may be extended pursuant to the Agreement, then any Party which has fully performed its obligations to be performed by that time under the Agreement may, in writing, demand the return of money, documents or property and terminate the Escrow and the Agreement. If either Party makes a written demand for the return of its money, documents or property, the Agreement shall not terminate until ten (10) Days after the Escrow Agent shall have delivered copies of such demand to the other Party at the respective addresses set forth in Section 701 hereof. If any objections are raised by written Notice within such ten (10) Day period, the Escrow Agent is authorized to hold all money, documents or property until instructed by a court of competent jurisdiction or by mutual written instructions of the Parties. If no such objections are timely made, the Escrow Agent shall immediately return the demanded money and/or documents, and the escrow cancellation charges shall be paid equally by the Parties. Termination of the Escrow shall be without prejudice as to whatever legal rights, if any, any Party may have against another party arising from the Agreement. If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible consistent with the terms of the Agreement. Nothing in this Section shall be construed to impair or affect rights Developer may have to specific performance or mandamus.

302.6 Closing of Escrow

The Close of Escrow shall occur within five (5) Days of the date upon which Developer's Conditions Precedent to Closing, Successor Agency's Conditions Precedent to Closing and the City's Conditions Precedent to Closing are satisfied, but not later than the Outside Closing Date. Regardless of whether Developer's Conditions Precedent to Closing, the Successor Agency's Conditions Precedent to Closing and the City's Conditions Precedent to Closing are satisfied, if the Closing does not occur on or before the Outside Closing Date, the Agreement shall terminate and be of no further force and effect. The Closing shall occur at the offices of the Escrow Company. "***Closing***" or ***"Close of Escrow"*** shall mean the time and day that the City Grant Deed, the Successor Agency Grant Deed and the Perpetual Easement Agreement are recorded in the Official Records.

Possession of the City Parcels and the Agency Parcels shall be delivered in "as is" condition to Developer immediately following the Closing, except that limited access shall be permitted prior to Closing as permitted in Section 313 of the Agreement. Developer shall accept title subject to the Approved State of Title and possession (subject to the City Parking Agreement if applicable) on the Closing.

302.7 Closing Procedure

Upon receipt of written direction from both of the Parties to do so, Escrow Agent shall Close the Escrow as follows:

(a) record the Grant Deeds with instruction to the Los Angeles County Registrar/Recorder to deliver the Grant Deeds to Developer and a conforming copy thereof to the City and the Successor Agency;

(b) record the Perpetual Easement Agreement and Reciprocal Easement Agreement with instruction to the Los Angeles County Registrar/Recorder to deliver such documents to Developer and a conforming copy thereof to City;

(c) record the deed of trust and any other recordable instruments securing the Construction Loan with instruction to the Los Angeles County Registrar/Recorder to deliver the originals to the Construction Lender and conforming copies to Developer and City;

(d) deliver the Title Policy issued by the Title Company to Developer;

(e) deliver to the City the funds in an amount equal to the City Parcels Purchase Price less the City Parcels Purchase Price Credits, plus the In Lieu Public Art Fee as applicable, less prorations and charges applicable against the City, including its share of the Escrow Costs and other costs set forth in Section 303.2 hereof, as evidenced by the settlement statement approved by the City;

(f) deliver to the Successor Agency the funds in an amount equal to the Agency Parcels Purchase Price, less prorations and charges applicable against the Successor Agency, including its share of the Escrow Costs and other costs set forth in Section 303.2 hereof, as evidenced by the settlement statement approved by the Successor Agency;

(g) file any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;

(h) deliver the FIRPTA Certificate, if any, to Developer; and

(i) forward to Developer and the City a separate accounting of all funds received and disbursed for each Party and copies of all executed, recorded or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon; and

303. Conditions Precedent to Closing

The obligation of Developer and City to instruct the Escrow Agent to effect the Closing is conditioned upon satisfaction of the terms and conditions designated in this Section.

303.1 City's Conditions

The City's obligation to close Escrow and thereby effect the Closing is conditioned upon the satisfaction or written waiver by the City of each and every one of the conditions precedent (a) through (m), inclusive, described below ("***City's Conditions Precedent to Closing***"), which are solely for the benefit of the City:

(a) No Default. Developer shall not be in default of any of its material obligations under the terms of the Agreement and all representations and warranties of Developer contained herein shall be true and correct in all material respects.

(b) Execution of Documents. Developer shall have executed and delivered into Escrow all documents to which it is a party hereunder or otherwise reasonably requested by the City, including without limitation the following:

(1) Participation Agreement;

(2) Assignment of Construction Contract;

(3) Assignment of Plans, Reports and Data;

(4) LACMTA Parcel Private Use Lease Assignment(s);

(5) Transfer of Easement Area Documents for purposes of assuming the City's rights, interests and obligations in accordance with the Agreement of the following agreements: (i) the Reciprocal Easement Agreement, (ii)

the Perpetual Easement Agreement, (iii) the Parking License Agreement, (iv) and the Construction License); and

(c) Deposit of Funds. Developer shall have deposited into Escrow funds equal to the amount of City Parcels Purchase Price less the City Parcels Purchase Price Credits, plus the in Lieu Public Art Fee as applicable, and any such amounts necessary to pay Developer's share of prorations and charges applicable against Developer, including its share of the Escrow Costs, the Title Policy and other costs set forth in Section 302.2 hereof, as evidenced by the settlement statement approved by the City.

(d) Evidence of Financing. Developer shall have submitted to the City, and the City shall have approved, the Evidence of Financing in accordance with Section 314 hereof and the Schedule of Performance.

(e) No Litigation. No litigation shall be pending or threatened by any third parties which seeks to enjoin the Project or the transactions contemplated herein or to obtain damages in connection with the Agreement.

(f) Insurance. Developer shall have delivered to the City the insurance certificates and endorsements required pursuant to Section 308 hereof.

(g) Construction Loan. The Construction Loan shall have been approved by the City in accordance with the Agreement and the Construction Lender and Developer shall have executed the Construction Loan.

(h) Construction Contract. The Construction Contract shall have been approved by the City in accordance with the Agreement, and the General Contractor and Developer shall have executed the Construction Contract.

(i) Approvals. The Project Entitlements Date shall have occurred and subject to Section 403 the City shall have confirmed the availability for issuance of building permits and the completion of plan check by the City Building and Safety Division.

(j) Exercise of Option. The City shall have delivered the Option Notice and thereafter exercised the Option pursuant to the Option Agreement.

(k) City Parking License. The City Parking License shall be approved for execution and delivery at the Closing by LACMTA.

303.2 Successor Agency Conditions

The Successor Agency's obligation to close Escrow and thereby effect the Closing is conditioned upon the satisfaction or written waiver by the Successor Agency of each of the conditions precedent (a) and (b), inclusive, described below ("***Successor Agency's Conditions Precedent to Closing***"), which are solely for the benefit of the Successor Agency, provided, however, that the Successor Agency hereby designates and appoints the City to act on its behalf in the issuance of any such waiver and the City hereby accepts such appointment and authority:

(a) The conditions precedent in favor of the City set forth under Section 303.1, above, shall have been satisfied or waived by the City; and

(b) Deposit of Funds. Developer shall have deposited into Escrow funds equal to the amount of Agency Parcels Purchase Price, and any such amounts necessary to pay Developer's share of prorations and charges applicable against Developer, including its share of the Escrow Costs, the Title Policy and other costs set forth in Section 302.2 hereof, as evidenced by the settlement statement approved by the City.

303.3 Developer's Conditions

Developer's obligation to close Escrow is conditioned upon the satisfaction or written waiver by Developer of each and every one of the conditions precedent (a) through (g), inclusive, described below ("***Developer's Conditions Precedent to Closing***"), which are solely for the benefit of Developer:

(a) No Default. Neither the City nor the Successor Agency shall be in default of any of their obligations under the terms of the Agreement and all representations and warranties of the City and the Successor Agency contained herein shall be true and correct in all material respects.

(b) Execution of Documents. The City and the Successor Agency shall have executed and delivered into Escrow all documents to which each is a party hereunder or otherwise reasonably requested by Developer, including without limitation the following:

(1) Participation Agreement;

(2) LACMTA Parcel Private Use Lease Assignment(s);

(3) Assignment of Agreements and Transfer of Easement Area Documents for purposes of assuming the City's rights, interests and obligations in accordance with the Agreement of the following agreements: (i) the Reciprocal Easement Agreement, (ii) the Perpetual Easement Agreement, (iii) the Parking License Agreement, (iv) and the Construction License;

(4) City Parking License; and.

(5) the City Grant Deed and the Successor Agency Grant Deed.

(c) Form of LACMTA Documents. The City, LACMTA and Developer (limited to its reasonable discretion in accordance with the criteria set forth below in this Section 303.3(c)) shall have approved the forms of the Reciprocal Easement Agreement, (ii) the Perpetual Easement Agreement, and (iii) the Private Use Lease. For purposes hereof, it shall be unreasonable for Developer to withhold such approval if it cannot demonstrate that such forms would have a material, adverse effect on its construction or operation of the Project.

(d) Review and Approval of Title. Developer shall have reviewed and approved any changes in the condition of title, as provided in Section 306.

(e) Title Policy. The Title Company shall, upon payment of the Title Company's regularly scheduled premium, be irrevocably committed to issue the ALTA Policy upon the Closing, in accordance with Section 307.

(f) No Litigation. No litigation shall be pending by any third parties that seek to enjoin the Project or the transactions contemplated herein.

(g) Exercise of Option. The City shall have delivered the Option Notice and thereafter exercised the Option pursuant to the Option Agreement.

(h) Credits. The City Purchase Price Credits shall have been reasonably determined pursuant to Section 301.2 of this Agreement.

304. Form of Deeds

The City shall convey to Developer title to the City Parcels in the condition provided in Section 306 of the Agreement by delivery of the City Grant Deed and the Successor Agency shall convey to Developer title to the Agency Parcels in the condition provided in Section 306 of the Agreement by delivery of the Successor Agency Grant Deed.

305. Time For and Place of Delivery of Deeds and other Documents

The parties shall deposit the deeds and other documents required to be executed and delivered by it with the Escrow Agent at least one (1) business day prior the date established for Closing in the Schedule of Performance.

306. Condition of Title

Prior to entering into the Agreement, Developer satisfied itself that the title to the City Parcels and the Agency Parcels was in an acceptable condition (the "***City Parcels and the Agency Parcels Approved Title Condition***"), provided there are no liens, encumbrances, easements or other exceptions to title except those shown as approved or conditionally approved on Developer's Title Objection Letter to First American Title Insurance Company, dated August 20, 2014 ("***Title Objection Letter***"), attached hereto as Attachment No. 11 (provided that, (i) for conditionally approved exceptions, the language required for each such exception as set forth on the Title Objection Letter is added or the action required therein with respect to each such exception is carried out and satisfied and (ii) each of the required endorsements set forth in the Title Objection Letter shall be issued at Closing at Developer's expense) which reflects Developer's comments to the preliminary title report issued by First American Title Insurance Company Order No. NCS-661365-LA2, dated as of March17, 2014 (the "***Preliminary Report***"). In addition, prior to entering into the Agreement, Developer satisfied itself that title to the Easement Area was in an acceptable condition (the "***Easement Area Approved Title Condition***"), provided that it was in the "Approved Title Condition" as such term is defined in Section 7 of the Option Agreement. The Preliminary Report has also been marked up to reflect the exceptions to title of the Easement Area consistent with the Easement Area Approved Title

Condition. As used herein, the term "**Site Approved Title Condition**" means, collectively, the City Parcels/Agency Parcels Approved Title Condition and the Easement Area Approved Title Condition. Neither the City nor the Successor Agency shall take any action that will adversely affect the Site Approved Title Condition as applicable to the Site without the prior consent of Developer, which consent shall not be unreasonably withheld, conditioned or delayed. Upon Closing, the City and the Successor Agency shall deliver title to the City Parcels and the Agency Parcels in the ***City Parcels and the Agency Parcels Approved Title Condition***, and shall deliver the Transfer of Easement Area Documents in the Easement Area Approved Title Condition.

If Title Company issues any additional title report or supplement to the Preliminary Report (either, a "Supplemental Report") and it reveals exceptions to title that are not within the Site Approved Title Condition and which did not arise through the fault of actions Developer after the Effective Date ("New Exceptions"), Developer shall have ten (10) business days to deliver written notice to the City and the Successor Agency objecting to same. Any New Exception that (i) Developer does not timely object to in writing, and (ii) if timely objected to, is not reasonably objected to by Developer, shall be deemed to have been accepted and shall thereafter become part of the Site Approved Title Condition. If Developer timely and reasonably objects to any New Exceptions, then (a) with respect to such disapproved New Exceptions that affect the City Parcels, (i) if the exception arose as a result of a breach of the City's covenant set forth above, the City shall cause such disapproved New Exception to be insured over or removed upon Closing or (ii) if the exception arose for reasons other than as a result of a breach of the City's covenant set forth above despite commercially reasonable efforts, the City is not able to cause such disapproved New Exception to be insured over or removed upon Closing, the City may elect by written notice to Developer within ten (10) Business Days, either to (y) cause such disapproved New Exception to be insured over or removed upon Closing or (z) elect not to cure such New Exception, whereupon Developer shall have the right to terminate this Agreement or waive such right whereupon such New Exception shall become part of the Site Approved Condition of Title; (b) with respect to such disproved New Exceptions that affect the Agency Parcels, (i) if the exception arose as a result of a breach of the Successor Agency's covenant set forth above, the Successor Agency shall cause such disapproved New Exception to be insured over or removed upon Closing or (ii) if the exception arose for reasons other than as a result of a breach of the Successor Agency's covenant set forth above, the Successor Agency may elect by written notice to Developer within ten (10) Business Days, either to (y) cause such disapproved New Exception to be insured over or removed upon Closing, or (z) elect not to cure such New Exception, whereupon Developer shall have the right to terminate this Agreement or waive such right whereupon such New Exception shall become part of the Site Approved Condition of Title; and/or (c) with respect to such disapproved New Exceptions that affect the Easement Area, (i) if the exception arose as a result of a breach of LACMTA's covenant set forth in Section 7 of the Option Agreement, the City shall cause LACMTA to cause such disapproved New Exception to be insured over or removed upon Closing, or (ii) if the exception arose for reasons other than as a result of a breach of LACMTA's covenant set forth in Section 7 of the Option Agreement, the City may elect by written notice to Developer within ten (10) Business Days, either to (y) cause such disapproved New Exception to be insured over or removed upon Closing, or (z) elect not to cure such New Exception, whereupon Developer shall have the right to terminate this Agreement or waive such right whereupon such New Exception shall become part of the Site Approved Condition of Title. Notwithstanding the foregoing, in no event shall either of the following types of exceptions be included in the Site Approved Title Condition: (i) any exception to title to the

Agency Parcels arising out of State Department of Finance or Successor Agency Oversight Board action or inaction with respect to such conveyance thereof to Developer or (ii) any exception created by action of City or Successor Agency after the effective date of the Preliminary Report (other than the documents described in Section 303.1(b). Developer agrees (subject to the satisfaction of Developer's Conditions to Closing) to take title to the Site in the Site Approved Title Condition. In addition, title to the City Parcels, the Agency Parcels and the Easement Area shall be subject to, the Perpetual Easement, the City Parking Agreement (if applicable), the Private Use Lease, the Redevelopment Plan and all rights reserved to the City as set forth in the City Grant Deed and the Transfer of Easement Area Documents, and to the Successor Agency as set forth in the Successor Agency Grant Deed.

Developer may, at its sole cost and expense, obtain a current survey of the City Parcels, the Agency Parcels and the Easement Area ("***Survey***").

307. Title Insurance

Concurrently with recordation of the Grant Deeds conveying title to the City Parcels and the Agency Parcels, the Title Company shall provide and deliver to Developer, at Developer's expense, an American Land Title Association Extended Coverage Policy Form of title insurance ("***ALTA Policy***") together with such endorsements (i) as Developer may reasonably request and/or (ii) as the City or the Successor Agency may have committed to provide in order to cause objected to title exceptions to be removed or insured over as provided in Section 306 above, with a policy coverage limit in an amount equal to the sum of the City Parcels Purchase Price and the Agency Parcels Purchase Price insuring that the title to the City Parcels, the Agency Parcels and the rights under the Perpetual Easement Agreement and Transfer of Easement Area Documents are vested in Developer in the Site Approved Title Condition required by Section 306. Such title policy shall be subject to the Title Company's standard terms, conditions and exceptions and such other exceptions to title as are approved by Developer (including matters approved as provided above). The Title Company shall provide the City with a copy of the ALTA Policy.

308. Insurance

308.1 General Requirements

A. Pre-Construction Requirements

At all times during the period commencing with the Effective Date and ending upon the commencement of construction of the Project, without limiting the indemnity provisions set forth herein, to the fullest extent permitted by law, Developer, at its sole cost, shall procure and maintain in full force and effect the following policies of insurance from a company or companies authorized to do business in the State of California or from a company or companies listed on the California list of Eligible Surplus Lines Insurers (http://www.sla-cal.org/carrier_info/lesli/) with a current rating from A.M. Best Company of A-:VIII or better:

(a) <u>General Liability</u>. Commercial general liability insurance which affords coverage at least as broad as Insurance Services Office (ISO) Commercial General

Liability coverage form ISO CG 00 01 and, if necessary, commercial umbrella insurance, with minimum limits of not less than $3,000,000 per occurrence.

(b) Business Auto and Umbrella Liability. Commercial automobile liability insurance and, if necessary, commercial umbrella insurance, with coverage at least as broad as ISO CA 00 01 covering Symbol 1 ("**Any Auto**"), with minimum limits of $1,000,000 combined single limits.

(c) Worker's Compensation. Workers' Compensation insurance, as required by the State of California, and Employer's Liability insurance, with a minimum limit of $1,000,000 per accident or occupational illness for bodily injury or disease.

In addition, Developer shall comply with any insurance requirements required by any right of entry or license agreement relating to the Site provided to Developer by City and/or Successor Agency prior to commencement of construction of the Project.

B. Requirements Following Commencement of Construction

At all times beginning upon the commencement of construction of the Project and ending upon the date which is ten (10) years after the issuance by the City of a Release of Construction Covenants for the Project, without limiting the indemnity provisions set forth herein, to the fullest extent permitted by law, Developer, at its sole cost, shall procure and maintain or cause its general contractor and/or subcontractors to maintain in full force and effect the following policies of insurance from a company or companies authorized to do business in the State of California or from a company or companies listed on the California list of Eligible Surplus Lines Insurers (http://www.sla-cal.org/carrier_info/lesli/) with a current rating from A.M. Best Company of A-:VIII or better:

(a) General Liability. Commercial general liability insurance which affords coverage at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage form ISO CG 00 01 and, if necessary, commercial umbrella insurance, with minimum limits of not less than $25,000,000 per occurrence.

(b) Business Auto and Umbrella Liability. Commercial automobile liability insurance and, if necessary, commercial umbrella insurance, with coverage at least as broad as ISO CA 00 01 covering Symbol 1 ("**Any Auto**"), with minimum limits of $5,000,000 combined single limits.

(c) Worker's Compensation. Workers' Compensation insurance, as required by the State of California, and Employer's Liability insurance, with a minimum limit of $1,000,000 per accident or occupational illness for bodily injury or disease.

(d) Property. "All risk" property insurance with coverage at least as broad as "special causes of loss" form ISO CA 10 30, including loss by flood and earthquake, with coverage limits based on a Probable Maximum Loss Analysis reasonably acceptable to the City. Until the date that the Developer's obligations to make payments under the Participation Agreement (Attachment No. 7) are released, the policy shall include coverage for loss of business income in an amount not less than $10,000,000. During construction of the Project, insurance for the property under construction shall be provided under an "all risk" course of construction policy ("builder's risk") with coverage at least as broad as ISO form CP 10 30 on a completed value basis. The builder's risk insurance shall include coverage for delay in start-up in an amount based on a Probable Maximum Loss Analysis reasonably acceptable to the City.

(e) Contractor's Pollution Liability. During construction of the Project, Developer shall maintain or shall cause its general contractor and/or subcontractors to maintain Contractors Pollution Liability insurance covering bodily injury and property damage liability, and clean up expense with a limit no less than $5,000,000 per incident.

Insurance policies required by this Section 308 shall conform to the form, amounts and other requirements that are applicable in connection any approvals required by LACMTA in connection with the development of the Project by Developer. The City Manager or designee shall be authorized to agree to modifications of the requirements of this Section 308 that may arise in connection with such LACMTA approvals.

Insurance policies held by the City or the Successor Agency on the Site (including, without limitation, those for fire or casualty) are not to be transferred, and the City and the Successor Agencies will cancel their own policies in connection with the Site effective upon the Closing.

Subsequent to the issuance of a Release of Construction Covenants, Developer shall maintain such insurance coverage as is customary for a building of the same general size and use in a similar area within the Culver City area and/or Los Angeles County.

308.2 Endorsements

The policy or policies of insurance required by Section 308.1, above, shall be endorsed as follows:

(1) The General Liability policy shall include an executed endorsement or language included in the policy, on the applicable policy endorsement form, adding the City and the Successor Agency as additional insureds.

(2) The Worker's Compensation and Property Insurance policies shall contain or be endorsed to contain a waiver of subrogation stating that the insurer waives indemnification from the City or Successor Agency.

(3) All such policies shall not be canceled or the coverage reduced until a thirty (30)-Day written notice of cancellation has been provided to the City Risk Manager and the City Manager.

308.3 Self-Insured Retention

In the event any of the insurance coverages required to be furnished by Developer have self-insured retention, Developer shall fully protect the City and the Agency in the same manner as those interests would have been protected had the policy not contained the self-insured provision. The self-insured amount shall be shown on any "evidence of insurance" provided to the City, and the City reserves the right to limit said amount and to review

Developer's financial statements if the amount exceeds a level reasonably acceptable to the City Risk Manager. A self-insured retention of not more than One Hundred Thousand Dollars ($100,000.00) shall be acceptable to the City, unless otherwise first approved in writing by the City.

308.4 Evidence of Insurance

Developer shall deliver certificates of insurance, including the waiver of subrogation endorsement for workers' compensation insurance and an additional insured endorsement for general liability insurance using ISO form CG 20 26 or equivalent to the City Risk Manager ("**evidence of insurance**") for approval as to sufficiency by the City Risk Manager and approval as to form by the City Attorney, as appropriate, which approval or disapproval shall be given within ten (10) business days and shall not be unreasonably withheld or delayed. If Workers' Compensation Coverage is placed with the State Compensation Insurance Fund, a State Compensation Insurance Fund Certificate of coverage will be acceptable if endorsed in accordance with Section 308.2(b), above.

308.5 Failure to Maintain Coverage

Should Developer fail to maintain policies with the coverages and limits specified in Section 308.1 above, in full force and effect at all times, the City shall have the right to suspend Developer's operations until Developer has fully complied with these provisions and furnished the required evidence of insurance. In the event that Developer's operations are suspended for failure to maintain acceptable insurance coverage, Developer shall not be entitled to an extension of time for completion of the work.

308.6 Insurance for Contractors and Subcontractors

All contractors and subcontractors shall be included as additional insureds under Developer's policies (if Developer places an OCIP – Owner Controlled Insurance Program), or Developer shall be responsible for causing such contractors and subcontractors to purchase the appropriate insurance in compliance with the terms of this Section and the Developer shall be appropriately named on such policies. All coverages and endorsements of coverages for contractors and subcontractors shall be subject to all of the requirements stated herein, unless otherwise first approved in writing by the City in advance of such contractors and subcontractors entry onto the Site. In addition, contractors and subcontractors whose profession requires licensure, including, but not limited to architects and engineers, shall be required to maintain professional liability insurance, applicable to their respective professions, in an amount not less than $1 million per claim, without environmental restrictions, for a period whose prior acts coverage shall be no later than the first date of the Agreement and whose extended reporting coverage period shall be at least three (3) years from the time that all work under the Agreement is completed.

309. Taxes and Assessments

Ad valorem taxes and assessments, if any, on the City Parcels, the Agency Parcels and the Easement Area or any portion thereof accruing after the Closing, and ad valorem taxes upon the Agreement or any rights thereunder, if any levied, assessed or imposed before or after the Closing shall be paid by Developer.

310. Occupants of the City Parcels and the Agency Parcels

The City Parcels and the Agency Parcels shall be conveyed free of any possession or right of possession except that of Developer and matters included within the Site Approved Title Condition.

311. Zoning of the Site

The Project Entitlements at the time of the Closing shall permit development of the Improvements and the use, operation and maintenance of such Improvements in accordance with the provisions of the Agreement.

312. Condition of the Site; Release of City and Successor Agency

Except as expressly provided in Sections 208.1 (as to the City only), 208.2 (as to the Successor Agency only) and 317, and in the next paragraph of this Section 312, the City and the Successor Agency each expressly and specifically disclaims the making of any representations or warranties, express or implied, regarding the Site or matters affecting the Site including, without limitation, the physical and environmental condition of the Site. The City and the Successor Agency shall, to the greatest extent legally allowable, assign to Developer all rights, claims, actions and/or causes of action it may have against prior owners of the Site and tenants and/or anyone who has occupied the Site in connection with the environmental condition of the Site.

The City and the Successor Agency represent and warrant that each has delivered to Developer all Environmental Reports prepared by the City or the Successor Agency pertaining to the Site and/or in the City's or the Successor Agency's possession with respect to the Site. Developer acknowledges and agrees that the Site is to be conveyed to, and accepted by, Developer, in its present condition, "AS IS," and Developer hereby assumes the risk of adverse physical characteristics and conditions, including, but not limited to, the presence of Hazardous Materials. After taking title to the Site, Developer shall be solely responsible for responding to and complying with any administrative notice, order, request or demand, or any third party claim or demand relating to potential or actual contamination of the Site.

Upon the Closing, the physical and environmental condition, possession or title of the Site is and shall be delivered from the City and the Successor Agency to Developer in an "as-is" condition, with no warranty expressed or implied by the City or the Successor Agency, including without limitation, the presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, or the suitability of the Site for the development purposes intended hereunder.

Except for obligations of the City and/or the Successor Agency set forth in the Agreement, upon the Closing, Developer hereby waives, releases and discharges forever the City and the Successor Agency and their Representatives from all present and future Losses and Liabilities, present and future, arising out of or in any way connected with the City's, the

Successor Agency's or Developer's use, maintenance, ownership or operation of the Site, except those arising out of the sole negligence or willful misconduct of the City, the Successor Agency or their Representatives.

Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

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

Developer hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code with respect to the matters described in this Section 312. Unless explicitly set forth elsewhere in the Agreement, Developer does not waive or relinquish any such rights and benefits it may have with respect to any other obligations of the City or the Successor Agency set forth in the Agreement.

With respect to any remediation of Hazardous Materials in, on or around the Site, if requested by Developer, at Developer's cost, (a) Successor Agency will use its reasonable best efforts to undertake all steps necessary for Developer to realize the limited immunity and other benefits available, if any, under The Polanco Redevelopment Act, and (b) the City will use its reasonable best efforts to undertake all steps necessary for Developer to realize the limited immunity and other benefits available under AB440 (Health & Safety Code Section 25403 et seq.

Nothing contained in this Section 312 is intended to modify the indemnities contained in the Agreement.

313. Preliminary Work by Developer

Developer shall submit all permit applications, drawings and the Evidence of Financing and satisfy all other obligations and conditions of the Agreement to be satisfied prior to Closing within the times established therefore in the Schedule of Performance.

Prior to the Closing and upon the Parties' execution of Right of Entry Agreements and Developer's satisfaction of conditions precedent therein, the City shall permit Developer and/or Developer's representatives to enter the City Parcels at reasonable times, and the Successor Agency shall permit Developer and/or Developer's representatives to enter the Agency Parcels at reasonable times, for the purpose of soils testing, survey work and other predevelopment activities and shall make commercially reasonable efforts to secure such right of entry on property which is not in the possession of the City or Successor Agency. The City agrees to provide, or cause to be provided, to Developer all data and information pertaining to the City Parcels which is available to the City when requested by Developer, and the Successor Agency shall do likewise with respect to the Agency Parcels when requested by Developer. Developer shall defend, indemnify, and hold the City and the Successor Agency harmless for all Losses and Liabilities incurred by the City and/or the Successor Agency arising out of any entry onto the Site by Developer, its employees, representatives, contractors or agents pursuant to this Section 313.

314. Evidence of Financing

Within the time set forth therefore in the Schedule of Performance, Developer shall submit to the City evidence reasonably satisfactory to the City that Developer has obtained sufficient equity capital and commitments for the financing necessary for the acquisition of the Site and development of the Improvements. The City shall approve or disapprove such Evidence of Financing within twenty (20) Days of submission, with such approval not to be unreasonably withheld or delayed. Such evidence (collectively, "***Evidence of Financing***") shall include, at a minimum:

(a) A construction budget(s) for the Improvements.

(b) Construction loan documents from a lender reasonably acceptable to the City as required by Section 406 (including any amendments thereto, the "***Construction Loan***") along with evidence reasonably satisfactory to the City Manager that the lender intends to execute the same and provide an initial funding on or before the Closing. A Construction Loan may be secured by a deed of trust or other security instrument recorded against the Site, as reasonably approved by the City. Any such Construction Loan shall provide for notice of default to the City, the right to cure and such other terms as required by Section 406.

(c) Evidence of such other loans or grants or Developer Equity as may be required to pay (i) the amount of the Construction Contract for the Improvements, plus (ii) an amount equal to all consultant and loan fees, "points," commissions, charges, furnishings, fixtures, taxes, interest, startup costs, Developer's overhead and administration, and other costs and expenses of developing and completing the Improvements.

(d) The Construction Contract as set forth in Section 407 (including any amendments thereto, "***Construction Contract***") or other commitment reasonably acceptable to the City along with evidence reasonably satisfactory to the City Manager that the contractor intends to execute the same and is ready, willing and able to construct the Improvements for the cost indicated therein subsequent to the Closing. The Construction Contract will be a fixed price or guaranteed maximum cost contract unless Developer reasonably demonstrates that another type of contract will not adversely affect the financing of the project. Any such Construction Contract shall provide for delivery to the City by the Contractor of copies of any notice of default to the City, the right to cure such default and such other terms as required by Section 407.

(e) A copy of Developer's most recently prepared Annual Financial Statements (including the opinion of Developer's accountant) for Developer, their managing members and parent company, if any, and a copy of Developer's most recent internally prepared, unaudited financial statements, which shall include a balance sheet, income statement, statement of retained earnings, statement of cash flows, and footnotes thereto, prepared in accordance with generally accepted accounting principles consistently applied. If requested by Developer, such financial statement may be made to the City's financial consultant rather than delivered to the City or the Successor Agency.

(f) To the extent required by the Construction Loan documents as a condition of disbursement of the Construction Loan, evidence of permanent financing or a commitment therefore in an amount sufficient to repay in full the Construction Loan at such time as the Construction Loan shall require full repayment.

(g) Such other documentation and financial information as may be requested by the City with respect to Developer or otherwise with respect to the Closing and construction and operation of the Project so as to permit the City to reasonably determine that Developer has obtained sufficient financing for Completion of the Improvements.

The cost of acquisition of the Site and the cost of the design, planning, construction and development of the Improvements may be financed with funds other than the proceeds of a Construction Loan, provided that evidence satisfactory to the City that Developer has, at the time such evidence of financing is required to be demonstrated, sufficient equity capital, or other form of funds in sufficiently liquid form, not otherwise encumbered by any pledge or grant of a security interest to a third party (other than the source of such other financing for the Project), to assure complete funding for the development and construction of the Improvements (as set forth in the Scope of Development and provided for in the Agreement). Developer shall have the right to use any funds or assets available to Developer for actual payment of costs, notwithstanding that said funds or assets may be different from the sources of equity capital or other form of funds utilized to demonstrate the evidence of equity financing or other form of funds required by the Agreement. Developer's evidence of equity financing shall be satisfied by evidence of any combination of the following:

(a) Cash, on deposit in a construction account, checking account, money market account, escrow or other immediately available form of deposit, held in the name of Developer, over which Developer retains the right to direct investments;

(b) An irrevocable direct pay letter of credit, in favor of Developer, drawn on a bank or other financial institution first approved in writing by the City, with a term that is consistent with the anticipated need for funds during the construction period, the terms of which are consistent with the Agreement;

(c) An available line of credit with a bank or other financial institution approved in writing by the City Manager, the terms of which are consistent with the Agreement, provided that the collateral or assets pledged by Developer for such line of credit shall not otherwise be utilized to demonstrate the evidence of equity financing required by the Agreement, unless Developer has the right to substitute such collateral or assets with other collateral or assets which other collateral or assets are not otherwise utilized to demonstrate the evidence of equity financing required by the Agreement and which may or may not be liquid; or

(d) Evidence of any other comparable form of assets that the City Manager reasonably determines is sufficiently liquid to assure that it will be available to Developer when needed to pay Project expenses, including capital commitments from direct and indirect owners of Developer supported by assets that the City Manager reasonably determines are sufficiently liquid to assure that it will be available to Developer when needed to pay Project expenses. If requested by Developer, such evidence may be made to the City's financial consultant rather than delivered to the City or the Successor Agency.

315. [INTENTIONALLY OMITTED]

316. Assignment of Agreements; City Parking License

316.1 Assignment of Agreements

By the Close of Escrow and subject to the terms and conditions of the Agreement, the City shall execute and thereafter assign the following documents to Developer pursuant to the Transfer of Easement Area Documents in the form attached hereto as Attachment No. 5-C:

(1) The Perpetual Easement Agreement;

(2) The Reciprocal Easement Agreement;

(3) The Parking License Agreement; provided, however, City retains the obligation to provide Temporary Spaces in the Ince Parking Structure as contemplated therein;

(4) The LACMTA Parcel Private Use Lease Assignment(s); and

(4) The Construction License Agreement.

The City agrees to consult with Developer and carefully consider any recommendations and objections raised by Developer regarding the preparation of the final forms of the Perpetual Easement Agreement, the Reciprocal Easement Agreement and any other agreements with the City of Los Angeles, LACMTA or the Authority deemed reasonably necessary by the City to facilitate development of the Project.

316.2 City Parking License

The Option Agreement contemplates that LACMTA shall not unreasonably withhold approval of, and will reasonably consider, any proposals made by City, to share the Temporary Parking and EXPO Spaces during Non-Peak Hours as more particularly described in the form of the Perpetual Easement Agreement attached thereto at Article III, Section 3.4. As part of the development of the Improvements therefore, the Parties hereto agree to cooperate with LACMTA such that the City shall retain use during non-peak hours of the Temporary Parking and EXPO Spaces which shall be memorialized in the form of a parking license to be executed by the City and LACMTA by the Close of Escrow ("***City Parking License***"). The City Parking License shall have a term of fifty five (55) years with an option for renewal in accordance with the terms therefor.

317. Real Estate Commissions

Neither the City nor the Successor Agency shall be liable for any real estate commissions or brokerage fees which may arise in connection with the sale of the City Parcels and the Agency Parcels to Developer. Each of the City and the Successor Agency represents and warrants that it has engaged no broker, agent, finder or third party in connection with this transaction. Developer hereby indemnifies the City from and against any and all costs, claims and judgments arising out of or related to the services of any broker or finder in connection with the City Parcels and/or the Agency Parcels engaged by Developer, and Developer shall be solely responsible for any compensation that may be due such broker or finder.

318. Parking Encroachments

By the Close of Escrow Developer shall obtain or cause to be obtained at the time of conveyance thereof all encroachments to the extent necessary to permit Developer to Develop and Cause Construction of the Improvements and the use, operation and maintenance of such Improvements in accordance with the provisions of the Agreement and the Comprehensive Plan approved by the City pursuant to the PD Zone Requirements, including the following known encroachments (collectively, the "***Parking Encroachments***"), as more particularly depicted on Attachment No. 1-B:

(1) From the City of Los Angeles, encroachments on (i) Venice Boulevard, (ii) National Boulevard and (iii) the LACMTA Parcel;

(2) From the California Department of Transportation, encroachments on Venice Boulevard; and

(3) From the City of Culver City, encroachments on National Boulevard ("***City Parking Encroachments***")

The City shall make commercially reasonable efforts to assist Developer and work with all governmental agencies, including the City of Los Angeles and the California Department of Transportation, to obtain the necessary Parking Encroachments; provided, however, nothing shall prevent the City from reviewing and approving or disapproving the City Parking Encroachments acting in its governmental capacity.

319. Developer Responsibilities after Closing

After the Closing, it shall be Developer's responsibility to remedy any soil or geologic condition at its cost and to fulfill its obligations hereunder. Developer shall perform all preparation of the Site for construction of the Project in accordance with Environmental Laws. Developer shall be responsible for all Site preparation costs after the Closing. Developer shall take all reasonably necessary precautions to prevent the release of any Hazardous Materials onto the Site or into the environment in connection with the use or development thereof in violation of applicable Governmental Requirements. Such precautions shall include complying with and causing all activities on the Site to comply with all Governmental Requirements with respect to Hazardous Materials. In addition, Developer shall install and utilize such equipment and implement and adhere to all procedures, requirements and restrictions imposed by Governmental

Requirements pertaining to the disclosure, storage, use, removal and disposal of Hazardous Materials. Developer further covenants that it shall not, except for customary materials used and applied in accordance with all Governmental Requirements and in the ordinary course of completing, maintaining and operating the Improvements or customarily utilized by households for domestic purposes in accordance with all Governmental Requirements, (i) deposit Hazardous Materials in, on or upon the Site, in violation of any applicable Governmental Requirements, nor (ii) permit the deposit of Hazardous Materials in, on or upon the Site in violation of any applicable Governmental Requirements.

Prior to and during construction of the Project, the City and Developer shall not engage in any Hazardous Materials Activity, except in strict compliance with all Environmental Laws, and shall comply with all Environmental Laws in connection with any activity on or about the Site, including the construction and operation of the Project. Developer shall maintain the Site and any Improvements thereon in good condition free from graffiti and from any accumulation of debris or waste materials, and otherwise in conformity with the Culver City Municipal Code and all other applicable Governmental Requirements.

320. Required Disclosures after Closing

If, after Developer takes title to the City Parcels and the Agency Parcels, Developer discovers the presence of Hazardous Materials under or upon the Site in violation of applicable Governmental Requirements, or there is a release of Hazardous Materials on or from the Site, Developer shall provide to the City a copy of any environmental permits, disclosures, applications, entitlements or inquiries relating to such Hazardous Materials, including any notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirements relating to Hazardous Materials and underground tanks including, specifically, without limitation, the following:

(1) All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements;

(2) All notices of suspension of any environmental permits;

(3) All notices of violation from federal, state or local environmental authorities;

(4) All orders under the State Hazardous Waste Control Act and the State Hazardous Substance Account Act and corresponding federal statutes, concerning investigation, compliance schedules, clean up, or other remedial actions;

(5) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;

(6) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials; and

(7) All complaints and other pleadings filed against Developer relating to Developer's storage, use, transportation, handling or disposal of Hazardous Materials on the Site.

In the event any Hazardous Materials are discovered on the Site after the Date of Agreement in violation of applicable Governmental Requirements, or a release of Hazardous Materials into the environment occurs in violation of applicable Governmental Requirements, Developer shall promptly and fully remediate such Hazardous Materials in accordance with all Governmental Requirements, and such remediation shall be at Developer's sole cost and expense. Upon request of the City, Developer shall furnish to the City a copy of any and all other environmental documents or inquiries relating to or affecting the Site from time to time during Developer's ownership or possession thereof.

321. Taxes and Assessments

Subsequent to the Closing, Developer shall pay, when due, all taxes, assessments, and special taxes levied on the Site, in accordance with applicable Governmental Requirements.

322. City Rights of Entry

If at any time Developer fails to maintain the Site in accordance with all applicable Governmental Requirements and such condition is not corrected (i) within forty eight (48) hours after written notice from the City for problems related to public health and safety, such as debris or waste material; (ii) within five (5) Days after written notice from the City for graffiti and general maintenance; or (iii) thirty (30) Days after written notice from the City with respect to landscaping and building improvements, then the City, in addition to whatever remedies it may have at law or at equity, shall have the right to enter upon the applicable portion of the Site and perform all acts and work necessary to protect, maintain, and preserve the Site and the Improvements and landscaped areas thereon, and to attach a lien upon the Site, or to assess the Site, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, including a ten percent (10%) administrative charge, which amount shall be promptly paid by Developer upon demand.

323. Indemnification

Following the Closing, Developer agrees to save, protect, defend, indemnify and hold harmless the City and the Successor Agency, and their respective Representatives, from and against any and all Losses and Liabilities (including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, and remedial and response costs but excluding the extent to which such loss or liability arises from the active negligence or intentional misconduct of the City or Agency) which may now or in the future be incurred or suffered by the City and/or Agency, or their Representatives, by reason of, resulting from or arising in any manner whatsoever as a direct or indirect result of (i) the ownership (or possession) of all or any part of the Site for purposes of any Governmental Requirements regulating Hazardous Materials first discovered on the Site following the Closing, (ii) any act or omission on the part of Developer, or its Representatives, contractors or invitees with respect to the Site or construction of the Improvements thereon, (iii) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Site of any Hazardous Materials first discovered on the Site following the Closing, (iv) any environmental or other condition of the Site first discovered following the Closing, and (v) any Losses and Liabilities incurred with respect to the Site under any Governmental Requirements relating to Hazardous

Materials first discovered on the Site following the Closing. Developer's obligations under this Section 323 shall survive the issuance of the Release of Construction Covenants or any termination of the Agreement.

400. DEVELOPMENT OF THE SITE

401. Scope of Development; Project Entitlements

401.1 Scope of Development

Developer shall be solely responsible for making the Site usable for the Project and appropriate for construction of the Improvements as a result of any Site conditions, including, but not limited to, flood zones, Alquist Priolo, and similar matters. Within the times set forth in the Schedule of Performance Developer shall Develop and Cause Construction of the Improvements at the sole cost and expense of the Developer, subject only to the City Purchase Price Credits, in accordance with the Scope of Development, the Schedule of Performance, the Conceptual Plan approved by the City pursuant to the PD Zone Requirements, the other Project Entitlements and all conditions of approval to the Project Entitlements. The Construction Contract entered into by Developer for the Improvements shall require construction of the Improvements in a manner consistent with the Conceptual Plan approved by the City pursuant to the PD Zone Requirements, the other Project Entitlements and all conditions of approval to the Project Entitlements.

As used herein, the term "Improvements" includes the development of a mixed-use, place making, sustainable development, consistent with the Conceptual Plan approved by the City pursuant to the PD Zone Requirements, the other Project Entitlements and all conditions of approval to the Project Entitlements, and shall include the following:

(a) On and Offsite Infrastructure Improvements. On and Offsite Infrastructure Improvements shall include:

(1) Utility Relocation. All necessary utility relocation on or around the Site (collectively, the "***Utility Relocation***"). The projected costs for the Utility Relocation shall be credited against the City Parcels Purchase Price pursuant to Section 301.2 hereof.

(2) Infrastructure Improvements. All necessary infrastructure improvements on the Site for the Improvements as approved by the City, including (collectively, the "***Infrastructure Improvements***"): curbs, gutters, sidewalks, street trees, lighting, special paving at crosswalks abutting the Project. The projected costs for the Infrastructure Improvements shall be credited against the City Parcels Purchase Price pursuant to Section 301.2 hereof.

(3) Isolation Wall. A shoring wall, subject to approval of the LACMTA pursuant to the Option Agreement for Perpetual Easement, to be located underground approximately 24 feet deep (the contemplated depth of the Parking Garage), or the depth of the Parking Garage, whichever is deeper, along the property line between the Easement Area and the EXPO Light Rail Project for the purpose of protecting the EXPO Light Rail Project from adverse

impacts such as the weakening of subjacent support due to the excavation for the construction of the Parking Garage (the "***Isolation Wall***" or "***Shoring Wall***").

(b) Development Program. A multi-level high quality transit orientated development with the sizes, uses, densities and other elements set forth in the Scope of Development, which Developer shall Develop and Cause Construction on the Site in accordance with the Agreement.

In the event that Phase 2 of the EXPO Light Rail Project is not completed or is not in operation on or prior to the Closing, the Comprehensive Plan shall include the approval by the City, in its sole discretion, of (a) an off-site parking plan or (b) an alternative mechanism such as alternative parking facility improvements, stacked and valet parking or automated parking, such that in any case all of the parking requirements for the entire Project are satisfied as a part of the Project Entitlements in effect at time the Closing is scheduled to occur in the Schedule of Performance.

Developer acknowledges that the City has not agreed to or endorsed any of the foregoing options, and that such options shall be subject to approval of the City, in its sole and absolute discretion, pursuant to the Project Entitlements and may be subject to the requirement for recordation of covenants on the Site (which covenants shall be deemed included within the Site Approved Condition of Title) and other properties.

The Project shall be developed such that the Project will meet the requirements to qualify for LEED certification from the U.S. Green Building Council under the Leadership in Energy and Environmental Design Green Building Rating System for New Construction and Major Renovations (LEED-NC) (Version 2.2), provided that Developer will not be required to actually apply for such certification.

All Project concepts shall comply with the CalGreen requirements as mandated by the City, and should incorporate sustainable development principles as required by the Project Entitlements.

The Project shall be developed consistent with the Scope of Development (Attachment No. 3) which is based on and reflects (i) the Request for Proposals issued by the City on or about January 10, 2012, (ii) Developer's Response to Request for Proposals dated January 27, 2012, (iii) the Redevelopment Plan, and (iv) the PD Zone Requirements.

As part of its development of the Site and the Improvements, Developer shall comply with the provisions of the Art in Public Places Program and be responsible for either paying the In Lieu Public Art Fee in the amount required by the Art in Public Places Program and/or providing on-Site artwork equal in value to the amount required by the Art in Public Places Program, in accordance with the terms and conditions set forth in the Art in Public Places Program and the Comprehensive Plan approved by the City pursuant to the PD Zone Requirements. If Developer chooses to satisfy the Art in Public Places Program by paying the In Lieu Public Art Fee in accordance with the Art in Public Places Program, Developer shall submit payment of the In Lieu Public Art Fee to the City by the Close of Escrow. Nothing contained in this Section 401.1 shall be deemed to entitle Developer to any City approval necessary in connection with the requirements of the Art in Public Places Program, or waive any applicable City requirements relating thereto. Nothing in the Agreement shall obligate the City to contribute any funds toward artwork on the Project.

401.2 PD Zone Requirements

On or before the date set forth in the Schedule of Performance, Developer shall submit to the City all plans, drawings and other submittals required for the Project in accordance with the PD Zone Requirements, including Developer's Comprehensive Plan submittals under the PD Zoning. Developer shall diligently and in good faith take all necessary steps and expeditiously submit all necessary documents, drawings and plan revisions and pursue the approval by the City of such PD Zoning submittals and the approval of Project Entitlements consistent with the procedures set forth in applicable provisions of the Culver City Municipal Code, so that Developer is able to commence and complete the construction of the Improvements on a schedule consistent with the Schedule of Performance.

401.3 Consultation and Coordination

During the preparation of the drawings and other submittals required for the Project in accordance with the PD Zone Requirements, the City and Developer shall hold regular progress meetings to coordinate the preparation of, submission to, and review of the drawings by the City. The staff of the City and Developer shall communicate and consult informally as frequently as is necessary to ensure that the final submittal of any documents to the City can receive prompt and thorough consideration.

401.4 Defects in Plans

The City shall not be responsible either to Developer or to third parties in any way for any defects in the drawings, nor for any structural or other defects in any work done according to the approved drawings approved by the City pursuant to the PD Zone Requirements or Plan Check. Developer hereby waives and releases any claim it may have against the City or and the Successor Agency or their respective officers, employees, agents, representatives and volunteers, for any monetary damages or compensation as a result of defects in the drawings, including without limitation the violation of any laws, and for defects in any work done according to the approved drawings. Developer makes such release with full knowledge of Civil Code Section 1542 and hereby waives any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

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

Developer hereby agrees to indemnify and hold harmless the City, the Successor Agency and their respective Representatives for any Losses and Liabilities (including reasonable attorneys' fees and costs) incurred as a result of third party claims of defects in the Project plans, design or drawings, including without limitation the violation of any laws, and for defects in any structural or other work performed by or on behalf of Developer in designing or constructing the Project.

402. [INTENTIONALLY OMITTED]

403. Permits

Subject to the provisions of the immediately following paragraph, before commencement of the construction of the Improvements or other work upon the Site, Developer shall, at its own expense, secure or cause to be secured any and all permits and approvals which may be required by the City or any other applicable governmental agency for the construction of the Improvements. Developer shall, without limitation, apply for and secure the following, and pay all costs, charges and fees associated therewith: all permits and fees required by the City, the City of Los Angeles, LACMTA, the California Department of Transportation, the County of Los Angeles, and all other governmental agencies with jurisdiction over the Improvements and the Site.

To the extent permitted by applicable provisions of the Culver City Municipal Code, Developer may, following the Closing, request the issuance of grading and excavation permits by the City and may commence grading and excavation activities pursuant to such permits prior to the completion of the plan check required for the issuance of building permits for the construction of the Improvements, provided, however, that the City's Director of Community Development has first approved in writing a Restoration Plan under which (i) Developer will be obligated to restore the Site to the condition it was in prior to the commencement of such excavation and grading work in the event for any reason the building permits are not obtained by Developer to proceed with the construction of the Improvements within the times required by the Schedule of Performance, and (ii) Developer will prior to the commencement of such excavation and grading work, post a letter of credit in a form reasonably satisfactory to the Director of Community Development or other security reasonably acceptable to the Director of Community Development securing the performance of Developer's obligations under the Restoration Plan in an amount equal to the estimate of the cost of such restoration as reasonably determined by the Director of Community Development.

The City staff will work cooperatively with Developer to assist in coordinating the expeditious processing and consideration of any additional necessary permits, entitlements and approvals. However, the execution of the Agreement by the City does not constitute the granting of or a commitment to obtain any required land use permits, entitlements or approvals required by the City, nor does it affect in any way the exercise of the police power by the City as permitted by applicable law. This Agreement is not a Development Agreement pursuant to Government Code Sections 65864 et seq. or any other similar statutes.

404. Schedule of Performance

Developer shall submit all drawings, commence and substantially complete all construction of the Improvements, and satisfy all other obligations and conditions of the Agreement within the times established therefore in the Schedule of Performance.

405. Project Costs

The Project Costs of developing the Site and designing and constructing the Project, including any off-site or on-site improvements required by the City in connection therewith, shall be the responsibility of Developer, without any cost to City, except as specifically and expressly set forth in the Agreement as an obligation of the City.

Developer shall Develop and Cause Construction of the Improvements to Completion and shall fund, without any cost to the City, all of the cost of planning, designing, developing and constructing all of the Improvements, in conformance with the approved Plans and Schematic Drawings.

406. Construction Budget; Construction Loan

By the deadline specified in the Schedule of Performance, Developer shall submit to the City a draft Construction Loan for financing the acquisition of the City Parcels and the Agency Parcels, the construction of the Improvements and other costs of development of the Site. In connection with submission of the Construction Loan, Developer shall submit to and obtain the City's written approval (which such approval shall not be unreasonably withheld or delayed) of a construction budget, showing the projected predevelopment and development costs of the Improvements and a sources and uses statement showing that the projected funding sources will be available as needed to fund all such projected costs for the Project at the time incurred and that any permanent financing shall be sufficient in amount to repay the Construction Loan. The City shall approve or disapprove the Construction Loan with the time period set forth on the Schedule of Performance, which such approval shall not be unreasonably withheld or delayed.

The Construction Loan shall be consistent with the terms and provisions of the Agreement and shall provide, among other matters, that a copy of all change orders and construction draw requests must be provided to the City Manager concurrently with their submittal to the Construction Lender. Prior to execution of any final Construction Loan documents by Developer, Developer shall secure the City's approval of the terms and conditions of those Construction Loan documents, which approval shall be limited to and only for the purpose of assuring compliance of the Construction Loan documents with the requirements of the Agreement and the Construction Contract. The City shall approve or disapprove said Construction Loan documents (which such approval shall not be unreasonably withheld or delayed). Concurrent with any disapproval, the City shall inform Developer in writing of the reasons for such disapproval.

The Construction Loan shall be made by an Institutional Lender and secured by Developer's interest in the Site and the Improvements to be constructed thereon and such other collateral and/or credit enhancement as needed. The Construction Loan documents shall include such other matters as reasonably requested by the City, including, without limitation, the right to notice of default and the right (but not the obligation) to cure such default and assume Developer obligations and rights under the Construction Loan.

In no event shall the Construction Loan be cross defaulted with any other loan secured by any other property of Developer other than the Site. Developer shall draw upon and utilize the proceeds of the Construction Loan only for financing the Project costs for the Site, and the Construction Loan shall be disbursed and applied in accordance with the approved construction budget, as it may be amended from time to time upon notice to the City.

The City approval of the Construction Loan shall not constitute a waiver by the City of any breach or violation of the Agreement that is a result of acts that are or purport to be in compliance with or in furtherance of said Construction Loan. The City shall not be obligated to close Escrow unless it has received written confirmation from the Construction Lender that the Construction Loan is in a position to be recorded concurrently therewith.

407. Construction Contract

By the deadline specified therefore in the Schedule of Performance and prior to the execution of any final contract, Developer agrees to deliver to the City, for its review and approval, a Construction Contract(s) for all of the Improvements, which Construction Contract shall obligate a reputable and financially responsible general contractor(s) ("***General Contractor***"), capable of being bonded and licensed in California and with experience in completing the type of Improvements contemplated by the Agreement, to commence and complete the construction of those Improvements in accordance with the Agreement and at the price stated therein.

Each Construction Contract shall give the City the right, but not the obligation, to cure defaults thereunder and to assume Developer's obligations and rights under the contract; provided, that such right to cure and assume that contract shall be subject to the rights, if any, of Developer's Construction Lender with respect to such Construction Contract. In addition, each Construction Contract shall provide, among other matters, that all change orders and all construction draw requests must be provided to the City Manager concurrently with their submittal to the Construction Lender. Further, each Construction Contract shall set forth a reasonably detailed schedule for completion of each stage of construction.

The City shall approve or disapprove said draft Construction Contract by the date set forth in the Schedule of Performance, which such approval shall not be unreasonably withheld or delayed. The City approval of a Construction Contract shall not constitute a waiver by the City of any breach or violation of the Agreement that is a result of acts that are or purport to be in compliance with or in furtherance of said Construction Contract. The City shall not be obligated to close Escrow until it has approved the Construction Contract and Developer and the General Contractor have signed the Construction Contract.

In the event of any disapproval of the draft Construction Contract, the City shall, concurrently with delivery of the notice of such disapproval to Developer, inform Developer in writing of the reasons for disapproval and the required changes to the draft Construction Contract. Developer and General Contractor shall have twenty (20) Days from receipt of any notice from the City specifying required changes ("***Construction Contract Disapproval Notice***"), within which to notify the City that Developer agrees to negotiate with the General Contractor to make such changes or that Developer objects to any such requested changes. If Developer notifies the City within said twenty (20) Day period of its objections to any such requested changes, then the City and Developer shall meet at a mutually acceptable time to discuss their differences within fifteen (15) Days after Developer gives such notice. Following such meeting, Developer shall use commercially reasonable efforts to cause the General Contractor to revise the Construction Contract and resubmit it for approval to the City as required by the Agreement by the later of (i) fifteen (15) Days after receipt of the Construction Contract Disapproval Notice, or (ii) fifteen (15) Days after such meeting, unless the nature of such changes requires a longer period of time, in which case Developer shall resubmit said revised Construction Contract as soon as possible, and, in any case, no later than thirty (30) Days after receipt of the Construction Contract Disapproval Notice. Any such resubmissions shall be approved or disapproved and revised within the times set forth herein with respect to the initial submission, and such resubmissions shall not extend any of the outside dates set forth in the Schedule of Performance. If, notwithstanding compliance with the above procedure, Developer fails to provide the City with a Construction Contract acceptable to the City within the time provided in the Schedule of Performance (or within such additional time as the City shall allow), then either party may thereafter elect to terminate the Agreement.

408. Rights of Access

Prior to the issuance of the Release of Construction Covenants, for purposes of assuring compliance with the Agreement, representatives of the City shall have the right of access to the Site, without charges or fees, at normal construction hours during the period of construction for the purpose of ensuring compliance with the Agreement, including but not limited to, the inspection of the work being performed in the construction of the Improvements so long as the City representatives comply with all safety rules and, at Developer's option, are escorted by a representative of Developer. The City (or its Representatives) shall, except in emergency situations, notify Developer prior to exercising its rights pursuant to this Section. The City shall indemnify, defend and hold harmless Developer for any Losses and Liabilities (including, without, limitation, attorneys' fees and costs) arising out of any of the foregoing inspection activities, except those arising out of the negligence or misconduct of Developer or its employees, officers, agents or representatives.

409. Compliance with Laws

Developer shall carry out the design and construction of the Project in conformity with all applicable Governmental Requirements, including without limitation all Labor Laws, PD Zone Requirements, including the Comprehensive Plan approved by the City pursuant thereto, and applicable building, plumbing, mechanical and electrical codes, and all other provisions of the Culver City Municipal Code, and all applicable disabled and handicapped access requirements (including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq.). The Agency makes no representation or warranty to Developer regarding the applicability of any Labor Laws to the Project.

409.1 Prevailing Wages

(a) Developer hereby agrees to carry out development, construction (as defined by applicable law) and operation of the Improvements on the Site, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable Federal and State labor laws, including, without limitation, the payment of State prevailing wages, to the extent required by law.

(b) Developer hereby expressly acknowledges and agrees that neither City nor Successor Agency has ever previously affirmatively represented to Developer or its contractor(s) for the improvements in writing or otherwise, in a call for bids or otherwise, that the work to be covered by the bid or contract is not a "public work," as defined in Section 1720 of the Labor Code. Developer hereby agrees that Developer shall have the obligation to provide any and all disclosures, representations, statements, rebidding, and/or identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law, to the extent applicable. Developer hereby agrees that Developer shall have the obligation to provide and maintain any and all bonds to secure the payment to contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law, to the extent applicable. Developer hereby agrees that Developer shall have the obligation, at Developer's sole cost, risk and expense, to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law, to the extent applicable. Developer shall indemnify, protect, defend and hold harmless the Successor Agency, City and their respective officers, employees, contractors and agents, with counsel reasonably acceptable to Agency and City, from and against any and all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including labor costs, penalties, reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Sections 1726 and 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to time, or any other similar law; (3) failure by Developer to provide any required disclosure, representation, statement, rebidding and/or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; (4) failure by Developer to provide and maintain any and all bonds to secure the payment to contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; and/or (5) failure by Developer to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law.

(c) It is agreed by the parties that, in connection with the development, construction (as defined by applicable law) and operation of the Improvements, including, without limitation, any public work (as defined by applicable law), Developer shall bear all risks of payment or nonpayment of state prevailing wages and/or the implementation of Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, and/or any other provision of law, to the extent applicable. "Increased costs" as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time.

(d) The foregoing indemnity shall survive termination of this Agreement and shall continue after recordation of the Release of Construction Covenants.

410. Nondiscrimination in Employment

Developer certifies and agrees that all persons employed or applying for employment by it and all general contractors, subcontractors, bidders and vendors, are and will be treated equally by it without regard to, or because of race, color, religion, ancestry, national origin, sex, age, pregnancy, childbirth or related medical condition, medical condition (cancer related) or physical or mental disability, and in compliance with Title VII of the Civil Rights Act of 1964, 42 U.S.C. Section 2000, et seq., the Federal Equal Pay Act of 1963, 29 U.S.C. Section 206(d), the Age Discrimination in Employment Act of 1967, 29 U.S.C. Section 621, et seq., the Immigration Reform and Control Act of 1986, 8 U.S.C. Section 1324b, et seq., 42 U.S.C. Section 1981, the California Fair Employment and Housing Act, Cal. Government Code Section 12900, et seq., the California Equal Pay Law, Cal. Labor Code Section 1197.5, Cal. Government Code Section 11135, the Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq., and all other antidiscrimination laws and regulations of the United States and the State of California as they now exist or may hereafter be amended. Developer shall allow representatives of the City access to its employment records related to the Agreement during regular business hours to verify compliance with these provisions when so requested by the City.

411. Levies and Attachments on Site

Developer shall remove or have removed any levy or attachment made on Site or any part thereof, or assure the satisfaction thereof within a reasonable time other than those levies or attachments imposed as a result of City activities or Successor Agency activities. Nothing herein shall be deemed to prohibit Developer from contesting the validity or amount of any levy or attachment nor to limit the remedies available to Developer with respect thereto.

412. Financing of the Improvements

412.1 No Encumbrances Except Mortgages and Deeds of Trust

Mortgages and deeds of trust through an Institutional Lender for the purpose of securing loans of funds are to be used for (i) financing the acquisition, predevelopment or development of the Site or other costs of development of the Site, (ii) financing the construction of the Improvements (including architecture, engineering, legal, and related direct costs as well as indirect hard and soft costs such as real property taxes, insurance premiums, closing costs, loan carrying costs, costs of financing and overhead) on or in connection with the Site, or (iii) any other purposes necessary and appropriate in connection with the Project under the Agreement; and shall be permitted before issuance of the Release of Construction Covenants only with the City's prior written approval in accordance with Section 206. The City shall cooperate with Developer and will in good faith consider all reasonable requests by an Institutional Lender to modify the Agreement. Any mortgage or deed of trust or other grant of a security interest in the Site shall constitute a Transfer for purposes of the Agreement. The words "mortgage" and "trust deed" solely as used in this Section 414.1 shall include sale and lease-back and other means of financing which involve the granting of a security interest.

412.2 Holder Not Obligated to Construct Improvements

The holder of any mortgage or deed of trust authorized by the Agreement shall not be obligated by the provisions of the Agreement to construct or complete the Improvements or any portion thereof, or to guarantee such construction or completion; nor shall any covenant or any other provision in the Agreement be construed so to obligate such holder. Nothing in the Agreement shall be deemed to construe, permit or authorize any such holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or Improvements provided for or authorized by the Agreement.

412.3 Default Notice to Mortgagee or Deed of Trust Holders; Right to Cure

With respect to any mortgage or deed of trust granted by Developer as provided herein, whenever the City may deliver any notice or demand to Developer with respect to any material breach or default by Developer, the City shall at the same time deliver to each holder of record of any mortgage or deed of trust authorized by its Agreement a copy of such notice or demand. Each such holder shall (insofar as the rights granted by the City are concerned) have the right, at its option, within sixty (60) Days after the expiration of all cure periods available to Developer but in no event longer than one hundred eighty (180) Days after receipt of notice hereunder, to cure or remedy or commence to cure or remedy and thereafter to pursue with due diligence the cure or remedy of any such default. Any cost incurred by such holder in curing or remedying such default may be added to the mortgage debt and the lien of its mortgage. If such default shall be a default which can only be remedied or cured by such holder upon obtaining possession of the Site or any portion thereof and such holder promptly commences and diligently prosecutes efforts to obtain possession with diligence through a receiver or otherwise, such holder shall have until sixty (60) Days after obtaining possession to cure such default but in no event longer that three hundred sixty-five (365) Days after receipt of notice hereunder. Notwithstanding anything to the contrary contained herein, in the case of a default which cannot with diligence be remedied or cured within sixty (60) Days, such holder shall have such additional time as reasonably necessary to remedy or cure such default with diligence but in no event longer that three hundred sixty-five (365) Days after receipt of notice hereunder; provided, further, such holder shall not be required to remedy or cure any uncurable default of Developer (such as an unauthorized attempted assignment or the failure to meet a deadline).

Nothing contained in the Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to the City by written agreement reasonably satisfactory to the City. The holder in that event shall only be liable or bound by Developer's obligations hereunder during the period that the holder is in possession of such portion of the Site in which the holder has an interest and, notwithstanding anything to the contrary contained in the Agreement, shall only be liable to the extent of its interest in such property and the improvements owned by it thereon. In addition, the holder, in that event, must agree to complete, in the manner provided in the Agreement, the improvements to which the lien or title of such holder relates. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of Section 413 of the Agreement, to a Release of Construction Covenants.

It is understood that a holder shall be deemed to have satisfied the sixty (60) Day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Site (or portion thereof) if and to the extent any such holder has within such sixty (60) Day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion and cures or remedies the default within three hundred sixty-five (365) Days of receipt of notice hereunder. All rights and obligations of a lender or holder pursuant to the Agreement shall also accrue to any purchaser, assignee or successor of a lender or holder upon acquisition of title to any portion of the Site by such purchaser, assignee or successor pursuant to a judicial or nonjudicial foreclosure or a deed in lieu of foreclosure, or pursuant to a conveyance from a holder by deed in lieu of foreclosure. In the event of such conveyance to a purchaser, assignee or successor, then the City agrees that it shall not unreasonably withhold, condition or delay its approval of further extensions of time for performance of Developer's obligations under the Agreement as appropriate but in no event for a period of time longer than three hundred sixty-five (365) Days to permit such purchaser, assignee or successor to obtain possession of such property and enter into contracts for the construction of improvements to complete the development of such property.

Breach of any of the covenants, conditions, restrictions, or reservations contained in the Agreement shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to the Site or any interest therein, whether or not said mortgage or deed of trust is subordinated to the Agreement, but unless otherwise herein provided, the terms, conditions, covenants, restrictions and reservations of the Agreement shall be binding and effective against the holder and any owner of the Site or any portion thereof, whose title thereto is acquired by foreclosure, trustee's sale, or otherwise.

No purported modification, amendment and/or termination of the Agreement affecting the rights of a holder shall be binding upon any holder holding a mortgage or deed of trust from and after the date of recordation of such mortgage or deed of trust unless and until the written consent of such holder is obtained.

412.4 Failure of Holder to Complete Improvements

In any case where, sixty (60) Days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof receives a notice from the City of a default by Developer in completion of construction of any of the

Improvements under the Agreement, and such holder has not exercised the option to construct within the time period set forth in Section 412.3, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, the City may, upon thirty (30) Days prior written notice to holder, purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums and advances secured by the mortgage or deed of trust. If the ownership of the Site or any part thereof has vested in the holder and if such holder has not exercised its right to assume the obligations hereunder and commence construction activities, the City, if it so desires, may purchase such ownership interest from the holder upon payment to the holder of an amount equal to the sum of the following:

(a) The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less collection and application of rentals and other income received during foreclosure proceedings);

(b) All expenses with respect to foreclosure including reasonable attorneys' fees;

(c) The expenses, if any (inclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Site or part thereof (including without limitation, insurance premiums and real property taxes);

(d) The costs of any improvements made by such holder;

(e) An amount equivalent to the interest at the applicable rate (including, without limitation, interest at the default rate to the extent provided for in the applicable loan documents) that would have accrued on the aggregate of the amounts described in Section (a) from and after the time title became vested in holder and in Sections (b) through (d), inclusive, had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the City; and

(f) Any late payment fees and/or prepayment charges imposed by the lender pursuant to its loan documents.

412.5 Right of City and Successor Agency to Cure Mortgage or Deed of Trust Default

In the event of a material, uncured mortgage or deed of trust default or breach by Developer prior to the issuance of the Release of Construction Covenants (unless Developer is contesting such default in good faith), Developer shall immediately deliver to the City a copy of such mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct within the time periods set forth in Section 412.3, the City shall have the right, but not the obligation, upon ten (10) Days' Notice to Developer, to cure the default. In such event, the City shall be entitled to reimbursement from Developer of all proper direct and actual out-of-pocket costs and expenses incurred by the City in curing such default. The City shall also be entitled to a lien upon the Site to the extent of such costs and disbursements; provided that any such lien shall be junior and subordinate to the mortgages, deeds of trust or any other security interests granted in accordance with this Section 412.5 and the City Manager, as a condition to the imposition of its lien, shall execute subordinate agreements to the extent required by the holder of any such mortgage, deed of trust or other security interests.

413. Release of Construction Covenants

Within fifteen (15) days of receipt by the City of Notice from Developer that the construction of the Improvements has been completed in conformity with the Agreement, the City shall furnish Developer with the Release of Construction Covenants. The Release of Construction Covenants shall be a conclusive determination of satisfactory completion of the construction of the Improvements and the Release of Construction Covenants shall so state. Any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Site shall not (because of such ownership, purchase, lease or acquisition) incur any construction obligation under the Agreement.

The Release of Construction Covenants shall be in such form as to permit it to be recorded against the Site in the Official Records.

The City shall not unreasonably withhold a Release of Construction Covenants. If the City refuses or fails to furnish the Release of Construction Covenants, after written request from Developer, the City shall, within ten (10) days of written request therefore, provide Developer with a written statement of the reasons the City refused or failed to furnish the Release of Construction Covenants. The statement shall also contain the City's opinion of the actions Developer must take to obtain the Release of Construction Covenants. If the reason for such refusal is confined to the immediate unavailability of specific items or materials or otherwise constitutes minor unfinished work for which a cost can be specified, the City will issue its Release of Construction Covenants upon the posting of a bond, letter of credit or cash security by Developer with the City in an amount representing one hundred fifty percent (150%) of the fair value of the work not yet completed or other evidence reasonably satisfactory to the City assuring the City that Developer will pay for and complete the same. If the reason for such refusal includes other uncompleted obligations of Developer under the Agreement which can otherwise be provided for to the reasonable satisfaction of the City, the City will issue its Release of Construction Covenants upon the City's approval of such measures as will reasonably satisfy the City that such obligations will be completed. Even if the City shall have failed to provide such written statement within such ten (10) day period, Developer shall not be deemed entitled to the Release of Construction Covenants. The Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of any mortgage, or any insurer of a mortgage securing money loaned to finance the Improvements, or any part thereof. The Release of Construction Covenants is not a notice of completion as referred to in Section 3093 of the California Civil Code.

414. Bodily Injury and Property Damage Indemnification

Developer agrees to and shall defend, release, indemnify and hold harmless the City, the Successor Agency and their respective Representatives from and against any and all Losses and Liabilities arising from or as a result of the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person which shall occur directly or indirectly as a result of or in connection with the acts of or on behalf of Developer in connection with the development of the Site, the construction of the Improvements and operation of the Improvements, whether such damage shall occur or be discovered before or after termination of the Agreement.

This indemnification provision supplements and in no way limits the scope of the indemnification set out elsewhere in the Agreement. The indemnity obligation of Developer under this Section shall survive the expiration or termination, for any reason, of the Agreement.

415. Indemnification

To the full extent permitted by law, Developer shall indemnify, defend and hold harmless the City, the Successor Agency, and their respective Representatives, from and against any and all Losses and Liabilities, where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, to: (i) Developer's compliance with or failure to comply with all applicable Governmental Requirements, including all applicable Labor Laws; (ii) defects in the design of the Project, including (without limitation) the violation of any Governmental Requirements, and for defects in any work done according to the City approved plans; or (iii) any breach of or any other performance or act or failure to perform or act pursuant to the Agreement by Developer, or by any individual or entity that Developer shall bear the legal liability thereof, including but not limited to, officers, agents, employees, contractors or subcontractors of Developer.

Without affecting the rights of the City, the Successor Agency, and their respective Representatives, under any provisions of the Agreement, Developer shall not be required to indemnify and hold harmless the City, the Successor Agency, and their respective Representatives, for the percentage of liability attributable to the active negligence or intentional misconduct of the City, the Successor Agency, and their respective Representatives, provided such active negligence or intentional misconduct is determined by agreement between the Parties or by the findings of a court of competent jurisdiction.

Developer agrees to be fully responsible to the City, the Successor Agency, or their respective Representatives, and defend, indemnify and hold harmless such parties for any and all Losses and Liabilities resulting from any acts of each and every contractor or any other person or entity involved by, for, with or on behalf of Developer in the performance of the Agreement.

In the event that any claim or legal action is brought against Developer and/or the City and/or the Successor Agency pertaining to an act or failure of Developer to act for which the City or the Successor Agency is indemnified hereunder or pertaining to the compliance of the construction, alteration, demolition, installation or repair of the Improvements with any Labor Laws, Developer shall defend itself and, without cost to the City or the Successor Agency, defend, indemnify and hold the City and the Successor Agency harmless therefrom. Upon Developer's failure to defend, indemnify and hold the City and the Successor Agency harmless from such claims, the City and the Successor Agency shall be entitled to recover from Developer all of the City's and the Successor Agency's costs and expenses incurred on account of such failure, including (but not limited to) reasonable attorneys' fees and costs. Each Party shall promptly notify the other Party of the filing of any such claim or action and cooperate with the defense thereof. Developer shall not settle or compromise the defense of such claim or action on behalf of the City or the Successor Agency, or permit a default judgment to be taken against the City or the Successor Agency, without the prior written approval of the City or the Successor, which shall not unreasonably be withheld.

Failure of the City, the Successor Agency, or their respective Representatives to monitor compliance with these requirements imposes no additional obligations on the City, the Successor Agency, or their respective Representatives and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend the City, the Successor Agency, or their respective Representatives as set forth herein is binding on the successors, assigns or heirs of Developer and shall survive the expiration or termination of the Agreement or this Section 415.

416. Disclaimer of Responsibility of City

The City neither undertakes nor assumes nor will have any responsibility or duty to Developer or to any third party to review, inspect, supervise, pass judgment upon or inform Developer or any third party of any matter in connection with the development or construction of the Improvements on the Site, whether regarding the quality, adequacy or suitability of the plans, whether or not approved by the City, any labor, service, equipment or material furnished to the Site, any person furnishing the same, or otherwise. Developer and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to Developer or to any third party by the City in connection with such matter is for the public purpose of redeveloping the Site, and neither Developer (except for the purposes set forth in the Agreement) nor any third party is entitled to rely thereon. The City shall not be responsible for any of the work of construction, improvement or development of the Site or any part of the Project relating to the Site.

500. COVENANTS AND RESTRICTIONS

501. Covenant Regarding Specific Uses

Developer, for itself and on behalf of its successors and assigns to all or any portion of the Site, or any interest therein, covenants and agrees to (i) construct the Project as required by this Agreement; (ii) devote the Site to the uses required by, and use the Site and conduct all activities undertaken pursuant to the Agreement in conformity with, all applicable provisions of the Redevelopment Plan, the Comprehensive Plan approved by the City pursuant to the PD Zone Requirements, the Project Entitlements, all conditions of approval of the Project Entitlements, the Culver City Municipal Code and any other applicable Governmental Requirements; (iii) use such property in conformity with and abide by the covenants and restrictions set forth in the Successor Agency Grant Deed and the City Grant Deed attached hereto respectively as Attachments No. 5-A and 5-B; and (iv) perform all obligations of Developer the set forth in the Participation Agreement (Attachment No. 7).

502. Covenants Regarding Maintenance

Developer, for itself and on behalf of its successors and assigns to all or any portion of the Site, or any interest therein, covenants and agrees to (i) maintain the Site and all

Improvements thereon, including landscaping, lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with the terms of the Redevelopment Plan and with all applicable provisions of the Culver City Municipal Code and in accordance with the "Maintenance Standards," as hereinafter defined; (ii) contract with and hire licensed and qualified personnel or contractors to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of the Agreement; (iii) obtain the prior written approval of the City of any declaration of easements and restrictions or any reciprocal easement agreement entered into by and between the Developer and the owner or owners of other privately owned portions of the Site, and obtain the prior written approval of the City of any amendment to any such declaration or reciprocal easement agreement, which City approvals (X) shall not be unreasonably withheld or delayed, and (Y) shall be limited to matters affecting operation, maintenance, repair, insurance and replacement of parking areas, vehicular and pedestrian ways, including access points to streets and sidewalks, open space, Transit Plaza, outdoor dining areas and other similar publicly accessible areas of the Project, or to inconsistencies with this Agreement, the attachments to this Agreement, any document entered into by and between any of the Parties effectuating this Agreement, and/or the Project Entitlements; and (iv) comply with the following standards ("***Maintenance Standards***") and to cause its contractors and subcontractors to adhere to the Maintenance Standards:

(a) The Maintenance Standards shall apply to all buildings, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Site and any and all other common area of the Improvements on the Site. The Site shall be maintained in conformance and in compliance with the approved building permit drawings, and reasonable maintenance standards for similar, neighboring structures, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curbline. The Site shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable developments.

(b) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(c) Clean up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

The City agrees to notify Developer in writing if the condition of the Site does not meet with the Maintenance Standards specified herein and to specify the deficiencies and the actions required to be taken by Developer to cure the deficiencies. Upon notification of any maintenance deficiency, Developer shall have thirty (30) Days within which to correct, remedy or cure the deficiency, unless such deficiency cannot be reasonably corrected, remedied or cured within such period, in which case, such period shall be extended for such time as is necessary to accomplish the same provided that Developer is diligently pursuing such correction, remedy or cure. If the written notification states the problem is urgent relating to the public health and safety of the City, then Developer shall have forty-eight (48) hours to commence curing the problem. In the event Developer does not maintain the Site in the manner set forth herein and in accordance with the Maintenance Standards specified herein, the City shall have, in addition to any other rights and remedies hereunder, the right to maintain the Site, or to contract for the correction of such deficiencies, after written notice to Developer, and Developer shall be responsible for the payment of all such out of pocket third party costs incurred by the City.

503. Covenants Regarding Nondiscrimination

The foregoing covenants shall run with the land.

Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site or any part thereof, including without limitation the Retail and Restaurant Space and the office space of the Project, nor shall Developer itself or any person claiming under or through them establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Site or any part thereof on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds. "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(c) In contracts: "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises."

504. Effect of Violation of this Section

All of the covenants set forth in Sections 501-503, inclusive shall be covenants running with the land. The City and the Successor Agency are the beneficiaries of the terms and provisions of the Agreement and of the covenants running with the land, for and in their own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit the Agreement and the covenants running with the land have been provided, without regard to whether the City or Successor Agency has been, remains or is an owner of any land or interest therein in the Site or in the Project. The City and the Successor Agency shall have the right, if the Agreement or any covenants herein are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of the Agreement and any covenants may be entitled. To the extent permitted by applicable law, Successor Agency shall assign to the City the rights of the Successor Agency to enforce the covenants set forth in Sections 501-503, inclusive.

The covenants contained in this Section shall remain in effect as follows:

(a) The covenants pertaining to the Improvements as set forth in Section 501, shall remain in effect for forty-five (45) years, provided, however, that after twenty-five (25) years, such covenants shall be deemed amended to reflect any changes to the Project Entitlements that may be approved by the City.

(b) The covenants pertaining to Change in Control of Developer and Transfer, shall remain in effect for five (5) years following the issuance of the Release of Construction Covenants for the Project.

(c) The covenants pertaining to maintenance of the Site and all Improvements thereon, as set forth in Section 502, shall remain in effect for forty-five (45) years, provided, however, that after twenty-five (25) years, such covenants shall be deemed amended to reflect any changes to the Project Entitlements that may be approved by the City; and further provided, however, that the covenants set forth in Section 502(iii) relating to restrictions and easements shall remain in effect for ten (10) years following the issuance of the Release of Construction Covenants for the Project.

(d) The covenants against discrimination, as set forth in Section 503, shall remain in effect in perpetuity.

600. DEFAULTS, REMEDIES AND TERMINATION

601. Defaults - General

Subject in each case to the extensions of time set forth in Section 706, failure or delay by either Party to perform any term or provision of the Agreement constitutes a "Default" under the Agreement.

In addition, each of the following (in each case subject to the extensions of time set forth in Section 706) shall constitute a Default of Developer hereunder:

(a) Developer materially fails to comply with any provision contained in the City Documents; or

(b) The delivery to Developer or recordation of any notice of default under the Construction Loan or other loan documents secured by an interest in the Site prior to the completion of construction following the expiration of any applicable notice or cure period set forth therein; or

(c) Construction of the Improvements is not timely commenced, or is abandoned for a period of three (3) months, or, subject to the provisions of Section 706, any element of the Improvements is not completed within the time allocated for it in the Schedule of Performance or the Improvements are not completed by the date set forth therefore in the Schedule of Performance; or

(d) Construction of the Improvements is halted prior to completion for any period of thirty (30) consecutive Days for any cause which is not described in Section 706; or

(e) Any required approval, license or permit is withdrawn or suspended, and the order, withdrawal or suspension remains in effect for a period of thirty (30) consecutive Days; or

(f) Developer is in default, after the expiration of any applicable notice or cure periods, under the architecture contract, any engineering contract, the Construction Contract or any other contract for or pertaining to the construction of the Improvements, and, as a result thereof, construction of the Project ceases for three (3) months; or

(g) Developer (i) is unable to pay its debts as they become due, or files of a petition in bankruptcy (or otherwise commences bankruptcy or a similar proceeding), or (ii) has filed by or against Developer, under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, a petition in bankruptcy or other commencement of a bankruptcy or similar proceeding which petition is not dismissed within 90 days.

The injured Party shall give written Notice of Default to the Party in default, specifying the default complained of by the injured Party. Except as required to protect against further damages, and except as otherwise expressly provided in the Agreement, the injured Party may not institute proceedings against the Party in default until thirty (30) Days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any Default, nor shall it change the time of Default.

If the Default is not cured or commenced to be cured and thereafter diligently pursued to completion by the defaulting Party within thirty (30) Days after service of the Notice of Default as to any monetary default, or within ninety (90) Days after service of the Notice of Default as to any non-monetary default, such failure shall constitute an "Event of Default" under the Agreement and the defaulting Party will be liable to the other Party for any damages caused by the Default and other relief as is afforded by applicable Governmental Requirements. An Event of Default shall also result hereunder upon the occurrence of any failure or delay of performance under any other agreement secured by the Site (including, without limitation, the Construction Loan) and such delay or failure to perform is not remedied within the cure period set forth in the appropriate governing agreement.

The Agreement may be terminated by the nondefaulting Party upon an Event of Default, and, in addition, the nondefaulting Party may exercise any other rights and remedies to which it may be entitled under the law.

602. Institution of Legal Actions

In addition to any other rights or remedies, either Party may institute legal action to cure, correct or remedy any Default, or to recover damages for any Event of Default, or to obtain any other remedy consistent with the purpose of the Agreement. To the extent permitted by law, such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in an appropriate Municipal Court in that County, or in the Federal District Court in the Central District of California.

603. Termination by Developer Prior to Closing

In the event that Developer is not in Default and prior to the Closing:

(a) The City does not (or demonstrably cannot) deliver title to any portion of the City Parcels pursuant to the City Grant Deed in the manner and condition set forth herein on or before the Outside Closing Date, or

(b) The Successor Agency does not (or demonstrably cannot) deliver title to any portion of the Agency Parcels pursuant to the Successor Agency Grant Deed in the manner and condition set forth herein on or before the Outside Closing Date, or

(c) The City and/or the Successor Agency is in Default and has failed to cure the Default within thirty (30) Days after receipt of Notice of Default, or

(d) One or more of Developer's Conditions Precedent to Closing is not satisfied on or before the Outside Closing Date; or

(e) The Project Entitlement Date has not occurred by the Outside Closing Date after and despite Developer's diligent and good faith efforts and due to one or more reasons beyond the control of Developer;

(f) Developer is unable, after and despite its diligent and good faith efforts to obtain (i) a non-recourse Construction Loan of at least 60% loan to value, and (ii) any other component of Project financing required as part of the Evidence of Financing pursuant to Section 314 above;

(g) Developer reasonably determines that due to the presence of any Hazardous Materials located upon, under, over or from the City Parcels or Agency Parcels, or the presence of any other environmental conditions or any Governmental Requirements relating thereto, the costs of remediation would materially increase the cost of the construction and development of the Improvements for the Developer so as to render the Project infeasible; provided that the foregoing right to terminate must be exercised by Developer within one hundred eighty (180) days after the Effective Date; or

(h) A major condition or conditions of approval is or are imposed on any of the Project Entitlements causing a material increase to the cost of the construction and development of the Improvements for the Developer so as to render the Project infeasible;

then the Agreement may, at Developer's option, be terminated by Notice to the City and the Successor Agency. From the date of the Notice of termination of the Agreement by Developer to the City and the Successor Agency and thereafter the Agreement shall be deemed terminated and there shall be no further rights or obligations between the Parties. Upon such termination by Developer, all monies or documents deposited by any Party into Escrow shall be returned to the Party making such deposit. If the Agreement is terminated due to Default of the City and/or the Successor Agency, the City and/or Successor Agency as applicable shall pay all escrow cancellation costs. If the Agreement is terminated for any other reason, the Parties shall each pay one-half of the escrow cancellation costs.

604. Termination by City

604.1 Termination Prior to Closing

In the event that the City and the Successor Agency are not in Default and prior to the Closing:

(a) Developer does not accept title to any portion of the City parcels and/or the Agency Parcels pursuant to the City Grant Deed or the Successor Agency Grant Deed in the manner and condition set forth herein on or before the Outside Closing Date, or

(b) Developer is in Default and has failed to cure the Default within the applicable cure period, or

(c) One or more of the City's Conditions Precedent to Closing is not satisfied on or before the Outside Closing Date, or

(d) Developer assigns or Transfers or attempts to assign or Transfer the Agreement (or any rights herein), or sells, Transfers, conveys, assigns, or leases the whole or any part of the Site (or any portion thereof) or of the Improvements to be constructed thereon, except for a Permitted Transfer, or undergoes a Change of Control in violation of the Agreement, and after the City delivers a written demand to Developer to void, cancel, rescind and terminate such Transfer or Change of Control within thirty (30) Days after the date of receipt of such demand, such Transfer or Change of Control is not voided, cancelled, rescinded and terminated within said thirty (30) Day period, or

(e) Developer fails to submit to the City in accordance with the Schedule of Performance the Schematic Drawings and/or the final drawings and related documents as required by Sections 402 and 403 of the Agreement or the Evidence of Financing as required by Section 314 of the Agreement, and after the City delivers a written demand to Developer to cure such failure within thirty (30) Days after the receipt of such demand and such failure is not cured within said thirty (30) Day period,

then the Agreement may, at the City's option, be terminated by Notice to Developer. From the date of the Notice of termination of the Agreement by the City to Developer and thereafter the Agreement shall be deemed terminated and there shall be no further rights or obligations between the Parties. Upon such termination by the City, all monies or documents deposited by any Party into Escrow shall be returned to the Party making such deposit. If the Agreement is terminated due to Default of Developer, Developer shall pay all escrow cancellation costs. If the Agreement is terminated for any other reason, the Parties shall each pay one-half of the escrow cancellation costs.

604.2 Termination After Closing

After the Close of Escrow but before Completion of the Project, the City shall have the additional right to terminate the Agreement, subject to any rights or interests provided in the Agreement for the protection of the holder or successors-in-interest of such mortgages, deeds of trust or other security instruments, in the event any of the following defaults shall occur:

(a) Developer fails to commence construction of the Project as required by the Agreement for a period of ninety (90) days after written notice from the City, provided that Developer shall not have obtained an extension or postponement to which Developer may be entitled pursuant to Section 706 hereof; or

(b) Developer abandons or substantially suspends construction of the Project for a period of ninety (90) days after written notice has been given by the City to Developer, provided Developer has not obtained an extension or postponement to which Developer may be entitled to pursuant to Section 706 hereof; or

(c) Developer assigns or Transfers or attempts to assign or Transfer the Agreement (or any rights herein), or sells, Transfers, conveys, assigns, or leases the whole or any part of the Site (or any portion thereof) or of the Improvements to be constructed thereon, except for a Permitted Transfer, or undergoes a Change of Control in violation of the Agreement, and after the City delivers a written demand to Developer to void, cancel, rescind and terminate such Transfer or Change of Control within thirty (30) Days after the date of receipt of such demand, such Transfer or Change of Control is not voided, cancelled, rescinded and terminated within said thirty (30) Day period; or

(d) Developer otherwise materially breaches the Agreement, and such breach is not cured within the time provided in Section 601 of the Agreement.

The rights established in this Section 604.2 shall not apply to any part of the Project with respect to which the City has issued a Release of Construction Covenants.

In the event the City terminates the Agreement pursuant to this Section 604.2, the City shall retain its rights under Section 612, notwithstanding the termination of the Agreement.

605. Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of the Agreement.

606. Acceptance of Service of Process

If any legal action is commenced by Developer against the City, service of process on the City and the Successor Agency shall be made by personal service upon the City Manager or in such other manner as may be provided by law.

If any legal action is commenced by the City or the Successor Agency against Developer, service of process on Developer shall be made by personal service upon an officer or member of Developer or in such other manner as may be provided by law, and shall be valid whether made within or without the State of California.

607. Rights and Remedies Are Cumulative

Except as otherwise expressly stated in the Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other Party.

608. Damages

If either Developer or the City or the Successor Agency defaults with regard to any of the provisions of the Agreement, the non-defaulting Party shall serve written Notice of such Default upon defaulting party. If the Default is not cured or commenced to be cured and thereafter diligently pursued to completion by the defaulting Party within the applicable cure period, the defaulting Party shall be liable to the other party for any damages caused by such Default. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, (a) Developer's liability to the City and/or the Successor Agency for direct or consequential damages under this Agreement shall not, in the aggregate, exceed the sum of Eight Million Dollars ($8,000,000) and (b) Developer's liability to the City and/or the Successor Agency for damages for diminution in land value under this Agreement shall not, in the aggregate, exceed the sum of Eight Million Dollars ($8,000,000); provided, however that such limitations of liability shall not apply to Losses and Liabilities incurred in connection with any third party claims with respect to Developer's indemnity obligations set forth herein.

City shall give Developer a credit against the payment of any damages that might be imposed against the Developer in an amount equal to Developer's cost of any studies, reports, plans and the like which are transferred to City ownership and which the City reasonably determines are necessary or desirable for the future development of the Site.

609. Specific Performance

If either Developer or the City or the Successor Agency defaults under any of the provisions of the Agreement, the non-defaulting Party shall serve written Notice of such Default upon the defaulting Party. If the Default is not commenced to be cured by the defaulting Party within the applicable cure period, and thereafter diligently pursued to completion, the non-defaulting Party at its option may institute an action for specific performance of the terms of the Agreement.

The rights established in this Section are not intended to be exclusive of any other right, power or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy authorized herein or now or hereafter existing at law or in equity.

610. Inaction Not a Waiver of Default

Any failures or delays by either Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies at any time.

611. Attorneys' Fees

In any action between the Parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of the Agreement, the prevailing Party in the action or other proceeding shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs, expert witness fees and reasonable attorneys' fees and costs.

As used in the Agreement, the terms "attorneys' fees" or "attorneys' fees and costs" means the reasonable fees and expenses of counsel to the Parties hereto (including, without limitation, in-house or other counsel employed by the City or Developer) which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and others not admitted to the bar but performing services under the supervision of an attorney. The terms "attorneys' fees" or "attorneys' fees and costs" shall also include, without limitation, all such fees and expenses incurred with respect to enforcement of judgments, appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred.

612. Right of Reverter

The City shall have the additional right, at its option, to re-enter and take possession of the property conveyed to Developer pursuant to this Agreement, with all improvements thereon, and revest in the City the estate theretofore conveyed to Developer if, after Closing of title and prior to recordation of the Release of Construction Covenants, Developer (or its successors in interest):

(a) Fails to proceed with the construction of Improvements as required by the Agreement for a period of three (3) months, plus any extension as may be granted pursuant to Section 706 of the Agreement, after written notice thereof from the City.

(b) Abandons or substantially suspends construction of improvements for a period of three (3) months after written notice of such abandonment or suspension from the City, plus any extension as may be granted pursuant to Section 706 of the Agreement, after written notice thereof from the City.

(c) Transfers or suffers any involuntary Transfer of the Site, or any part thereof, in violation of the Agreement.

Such right to repurchase, re-enter and repossess shall be subject to and be limited by and shall not defeat, render invalid, or limit:

(i) Any mortgage, deed or trust or other security instrument permitted by the Agreement.

(ii) Any rights or interests provided in the Agreement for the protection of the holder or successors-in-interest of such mortgages, deeds of trust or other security instruments.

In the event it is determined by the City or by a court of competent jurisdiction that the City does not have the legal authority to validly exercise the right of reverter granted herein as to the Agency Parcels, then the City may proceed with its rights and remedies under this Section 612 as to the City Parcels, and the Successor Agency may proceed with the rights and remedies under this Section 612 as to the Agency Parcels, and all references in this Section to City shall be deemed to refer to the Successor Agency as to the Agency Parcels.

The City Grant Deed and the Successor Agency Grant Deed shall contain appropriate reference and provision to give effect to the City's right, as set forth in this Section 612 subject to the foregoing provisions.

Upon issuance of a Release of Construction Covenants for the Improvements to be constructed on any applicable portion of the Site, the City's right to reenter, terminate and revest as to such portion of the Site shall terminate, and the City shall only be entitled to reenter, terminate and revest with respect to the other parcels within the Site for which no Release of Construction Covenants has been issued.

Upon the revesting in the City of title to the Site as provided in this Section 612, the City shall use its best efforts to resell the Site or part thereof as soon and in such manner as the City shall find feasible to a qualified and responsible party or parties (as determined by the City), who will assume the obligation of making or completing the Improvements, or such improvements in their stead as shall be satisfactory to the City and in accordance with the uses specified for such Site or part thereof in this Agreement. Upon such resale of the Site, the proceeds thereof shall be applied:

(x) First, to reimburse the City on its own behalf or on behalf of the Agency for all reasonable and necessary costs and expenses incurred by the City, including but not limited to, salaries of personnel employed or utilized in connection with the recapture, management and resale of the Site or part thereof (but less any income derived by the City from the Site or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Site or part thereof (or, in the event the Site is exempt from taxation or assessment or such charges during the period of ownership to such taxes, assessments or charges (as determined by the City assessing official) as would have been payable if the Site were not so exempt); any payments made or necessary to be made to discharge to prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Site or part thereof; and any amounts otherwise owing the City by Developer and its successor or transferee; and

(y) Second, to reimburse Developer, its successor or transferee up to the amount equal to (1) the sum of the purchase price paid to the City by Developer for the Site; (2) the costs incurred for the development of the Site and for the improvements existing on the Site at the time of the re-entry and repossession, less (3) any gains or income withdrawn or made by Developer from the Site or the improvements thereon; and

(z) Finally, any balance remaining after such reimbursements shall be retained by the City as its sole property.

To the extent that the rights established in this Section involves forfeiture, the rights of the City hereunder must be strictly interpreted in favor of the City, the Party for whose benefit the right of reverter is created. The right of reverter and other rights established in this Section are to be interpreted in light of the fact that the City will convey the Site to Developer for development of the Project as set forth herein and not for speculation.

700. GENERAL PROVISIONS

701. Notices, Demands and Communications Between the Parties

Unless otherwise specified in the Agreement, it shall be sufficient service or giving of any notice, request, certificate, demand or other communication if the same is sent by (and all notices required to be given by mail will be given by) first-class registered or certified mail, postage prepaid, return receipt requested, or by private courier service which provides evidence of delivery. Unless a different address is given by any Party as provided in this Section, all such communications will be addressed as follows:

To City:	The City of Culver City Attn: Sol Blumenfeld, Community Developer Director 9770 Culver Boulevard Culver City, California 90232-0507
Copy to:	The City of Culver City Attn: Carol Schwab, City Attorney 9770 Culver Boulevard Culver City, California 90232-0507
Copy to:	Kane, Ballmer & Berkman Attn: Murray O. Kane, Esq. 515 S. Figueroa Street; Suite 780 Los Angeles, California 90071
To Developer:	Lowe Enterprises Real Estate Group Attn: Thomas W. Wulf Senior Vice President; and Attn: John DeMarco, Esq. General Counsel 11777 San Vicente Boulevard; Suite 900 Los Angeles, California 90049
Copy to:	Liner LLP Attn: Michael J. Kiely 1100 Glendon Avenue, 14th Floor Los Angeles, California 90024

Any Notice shall be deemed received as of the date of courier service delivery or shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail.

702. Intentionally Omitted

703. Conflicts of Interest

No member, official or employee of the City shall have any direct or indirect interest in the Agreement, nor shall such member, official or employee participate in any decision relating to the Agreement which is prohibited by law.

704. Warranty Against Payment of Consideration for Agreement

Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining the Agreement, other than normal costs of conducting business and costs of professional services such as project managers, architects, engineers, attorneys, and public relations consultants.

705. Nonliability of City and Successor Agency Officials and Employees

No member, official or employee of the City or the Successor Agency shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or the Successor Agency or for any amount which may become due to Developer or successor or on any obligation under the terms of the Agreement.

706. Enforced Delay; Extension of Times of Performance

Failure by either Party to perform shall not be deemed a default hereunder and times for performance (including but not limited to the Outside Closing Date) shall be extended as provided herein where delays are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation (including, without limitation, any litigation challenging this Agreement, City's or Successor Agency's ability to perform under the Agreement, or the Project Entitlements); unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor or supplier; acts of the other party; acts of failure to act of any public or governmental agency or entity (other than that acts or failure to act of the City or the Successor Agency shall not excuse performance by the City or the Successor Agency) or similar causes beyond the control and without the fault of the Party claiming an extension of time to perform (collectively, a "Force Majeure" delay); provided, however, that the Party claiming the existence of a Force Majeure delay and an extension of its obligation to perform shall notify the other Party in writing of the nature of the matter causing the delay within thirty (30) Days from the occurrence thereof.

The lack of funding to complete the design and development of the Site shall not constitute grounds of Force Majeure delay pursuant to this Section 706. Developer expressly assumes the risk of real estate market conditions, construction costs, interest rates, and other similar general economic circumstances that may make funding and/or construction of the Project difficult, more expensive, or infeasible, whether or not such events or causes are foreseeable as of the date of the Agreement. Developer acknowledges and agrees that the provisions of this Section 706 shall not operate to excuse Developer from prompt payment of Purchase Price or other monies when due.

The extension of time to perform shall commence to run from the time of the commencement of the cause and shall continue only for the period of the Force Majeure delay. Failure to give the notice of the nature of the matter causing the delay within thirty (30) days from the occurrence thereof does not waive the right to assert a Force Majeure delay, but in such event the extension of time to perform will only commence from the date of notice and not from the commencement of the cause.

Times of performance under the Agreement may also be extended in writing by mutual agreement of the City and Developer.

707. Plans and Data

If the Agreement is terminated by Developer pursuant to Section 603, the City shall have the right, but not the obligation, to purchase from Developer all plans, drawings, studies and related documents concerning the Project within Developer's possession and control, without representation or warranty. The purchase price for all or any part of such materials shall be their cost to Developer.

If the Agreement is terminated by the City pursuant to Section 604, then, pursuant to the exercise of City's rights under the Assignment of Plans, Reports and Data, Developer shall deliver to the City any and all plans, drawings, studies and related documents concerning the Project within Developer's possession and control, without representation or warranty. Upon delivery to the City, the City shall have the right to use such materials as it deems necessary and appropriate to fulfill the purposes of the Agreement without obligation to Developer.

708. Approval by City and Developer

Approvals required of the Parties shall be given within the time set forth in the Schedule of Performance or, if no time is given, within a reasonable time. Wherever the Agreement requires the City or Developer to approve any contract, document, plan, proposal, specification, drawing or other matter, such approval shall not be unreasonably withheld or delayed. In the event that a Party declines to approve any contract, document, plan, proposal, specification, drawing or other matter, such denial shall be in writing and shall include the reasons for such denial. The Party considering the request for such approval shall use commercially reasonable efforts to respond to such request for approval within thirty (30) Days of receipt unless expressly provided to the contrary herein.

709. Relationship Between City and Developer

The Parties agree that Developer, in the performance of the Agreement, shall act as and be an independent contractor and shall not act in the capacity of an agent, employee or partner of the City. It is hereby acknowledged that the relationship between the City and Developer is not that of a partnership or joint venture and that the City and Developer shall not be deemed or construed for any purpose to be the agent of the other. Developer agrees to indemnify, hold harmless and defend the City from any claim made against the City arising from a claimed relationship of partnership or joint venture between the City and Developer with respect to the development, operation, maintenance or management of the Project on the Site or the Improvements developed thereon by Developer.

710. [INTENTIONALLY OMITTED]

711. Computation of Time

The time in which any act is to be done under the Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

712. Legal Advice

Each Party represents and warrants to the other the following: they have carefully read the Agreement, and in signing the Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matter set forth in the Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in the Agreement; and, they have freely signed the Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or their respective agents, employees, or attorneys, except as specifically set forth in the Agreement, and without duress or coercion, whether economic or otherwise.

713. Time of Essence

Time is expressly made of the essence with respect to the performance by the City, the Successor Agency and Developer of each and every obligation and condition of the Agreement.

714. Disclosure Authorization

By executing the Agreement, Developer hereby authorizes, consents and agrees to the disclosure to the City by any public or private entity of any information or data deemed necessary by the City in order to implement the provisions of the Agreement including, but not limited to, the Purchase Price.

715. Administration

The Agreement shall be administered by the City Manager or Community Development Director following approval of the Agreement by the City. Whenever a reference is made in the Agreement to an action, finding or approval to be undertaken by the City, the City Manager or the Community Development Director is authorized to act on behalf of the City unless specifically provided otherwise or the context should require otherwise. Whenever a reference is made in the Agreement to an action, finding or approval to be undertaken by the City Manager, the Community Development Director is authorized to act on behalf of the City Manager as his designee. The City Manager or the Community Development Director shall have the authority to issue interpretations, waive provisions and enter into amendments of the Agreement on behalf of the City so long as such actions do not substantially change the uses or development permitted for the Project, or add to the costs of the City as specified herein or as agreed to by the City Council. Notwithstanding the foregoing, the City Manager or the

Community Development Director may in his or her sole and absolute discretion refer any matter to the City Council for action, direction or approval.

Whenever a reference is made in the Agreement to an action, finding or approval to be undertaken by the Successor Agency, the Executive Director of the Successor Agency is authorized to act on behalf of the Successor Agency unless specifically provided otherwise herein. Notwithstanding anything to the contrary herein, wherever a reference is made in the Agreement to an action or approval to be performed or issued by the City, the Successor Agency is not required to, and shall not, take such action or issue such approval (or disapproval) in addition to, or on behalf of, the City.

716. Mutual Cooperation

Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of the Agreement. Developer will reasonably consider in good faith any request of the City for parking rights for the benefit of the real property located on the southeast corner of Venice Boulevard and National Boulevard, provided that Developer shall have no obligation to agree to any such parking rights that would materially increase the cost of developing, constructing and/or operating the Project. To the extent that any lender to, or equity investor in the Project requires modifications to the Agreement or any attachment hereto, the City agrees to make such modification within a reasonable time on the condition that such modification does not materially change the rights and obligations of the Parties as set forth herein.

717. Ground Breaking and Grand Openings

To insure proper protocol and recognition of the City Council, Developer shall cooperate with City staff in the organization of any Project-related ground breaking, grand openings or any other such inaugural events/ceremonies sponsored by Developer and celebrating the development which is the subject of the Agreement providing City staff with at least three (3) weeks written prior notice of any such event.

718. Estoppel Letters

Each Party shall, upon the reasonable request of the other, issue to any actual or prospective lender, mortgagee, equity investor, purchaser, ground lessee, lessee or sublessee of the other, within fifteen (15) business Days after receipt of any such request, estoppel letters indicating whether the Agreement has been duly assigned, modified or amended in any way (and if it has then stating the nature thereof)the absence of any default of the requesting Party, if such be the case, and the effectiveness of the Agreement, if such be the case.

719. Counterparts

The Agreement may be signed in counterparts, each of which shall be deemed to be an original.

720. Entire Agreement, Waivers and Amendments

The Agreement is executed in four (4) duplicate originals, each of which is deemed to be an original. The Agreement and all Attachments and Exhibits hereto constitute the entire understanding and agreement of the Parties.

The Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereto.

All waivers of the provisions of the Agreement must be in writing and signed by the appropriate authorities of the City or Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and Developer; provided, however, that the Successor Agency's approval shall be required for any amendments hereto that result in a reduction of the Agency Purchase Price payable by Developer to the Successor Agency for the Agency Parcels.

721. Time for Acceptance of Agreement by City

The Agreement, when executed by Developer and delivered to the City and the Successor Agency, must be authorized and executed by the City and the Successor Agency within one hundred twenty (120) Days after date of signature by Developer or the Agreement shall be void, except to the extent that the City, the Successor Agency and Developer shall consent in writing to a further extension of time for the authorization, execution and delivery of the Agreement by the City and the Successor Agency. The date of the Agreement shall be the date when the Agreement shall have been signed by the City and the Successor Agency.

[Signatures on Following Page]

IN WITNESS WHEREOF, the City and Developer have signed this Implementation Agreement as of the date set opposite their signatures.

"**DEVELOPER**"

LOWE ENTERPRISES REAL ESTATE GROUP,
a California corporation

Dated: ______________________

By: ______________________________________
Thomas W. Wulf
Senior Vice President

[Signatures Continue on Following Page]

"**CITY**"

THE CITY OF CULVER CITY,
a municipal corporation and charter city of the State of California

Dated: ______________________

By: ____________________________________
John M. Nachbar
City Manager

APPROVED AS TO CONTENT:

By: ______________________________
Sol Blumenfeld
Community Development Director

ATTEST:

By: ______________________________
City Clerk

APPROVED AS TO FORM:

By: _________________________________
KANE, BALLMER & BERKMAN
City Special Counsel

"**SUCCESSOR AGENCY**"

THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY,
a successor agency under California Health & Safety Code Section 34173

Dated: ________________________

By: ______________________________________
John M. Nachbar
Executive Director

APPROVED AS TO CONTENT:

By: ________________________________
Sol Blumenfeld
Community Development Director

ATTEST:

By: ________________________________
Successor Agency Secretary

APPROVED AS TO FORM:

By: ___________________________________
KANE, BALLMER & BERKMAN
Successor Agency Special Counsel

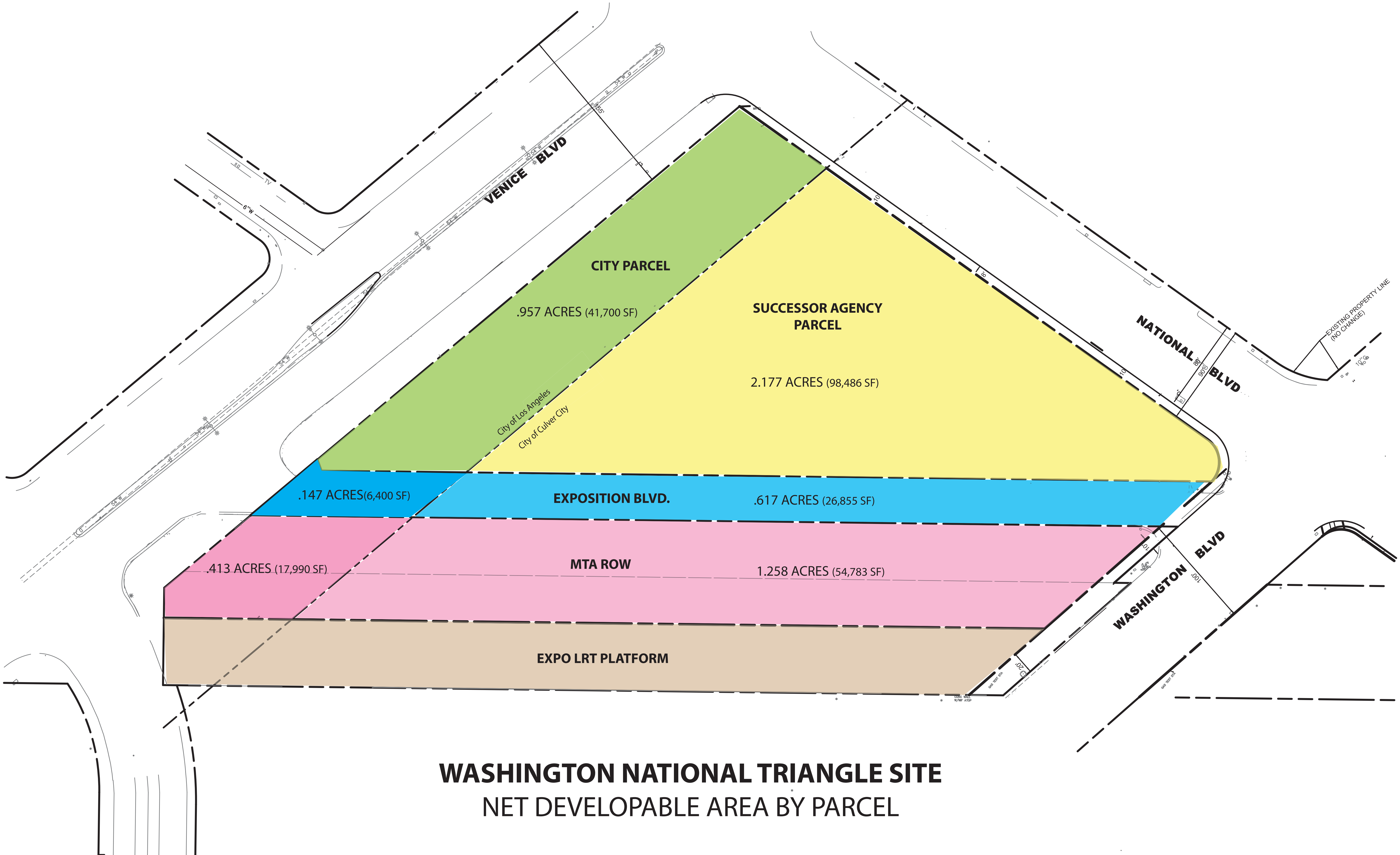
ATTACHMENT NO. 1-A

WASHINGTON NATIONAL SITE MAP

[See Attached]

[Includes Depiction of Agency Parcels, City Parcels, Easement Area, and LACMTA Parcel]

Attachment No. 1A



WASHINGTON NATIONAL TRIANGLE SITE
NET DEVELOPABLE AREA BY PARCEL

ATTACHMENT NO. 1-B

WASHINGTON NATIONAL PARKING ENCROACHMENTS

[See Attached]

Attachment No. 1B

City of Los Angeles Encroachments

CITY OF LOS ANGELES BOUNDARY

CALTRANS ENCROACHMENTS

CITY OF LOS ANGELES ENCROACHMENTS

ATTACHMENT NO. 2-A

LEGAL DESCRIPTION – AGENCY PARCELS

[See Attached]

Attachment No. 2A

LEGAL DESCRIPTION

The land referred to hereinbelow is situated in the City of Culver City, County of Los Angeles, State of California, and is described as follows:

1. **8829 Exposition Boulevard.**

Assessor Parcel No.: 4312-014-913.

LOT 40 OF TRACT NO. 5461, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 57, PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

2. **8831 Exposition Boulevard.**

Assessor Parcel No.: 4312-014-911.

LOTS 41, 42 AND 43 OF TRACT NO. 5461, PARTLY IN THE CITY OF LOS ANGELES AND PARTLY IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM LOT 43 ALL OIL, GAS, AND MINERALS OR OTHER HYDROCARBON SUBSTANCES AS RESERVED IN A DEED RECORDED FEBRUARY 1, 1988 AS INSTRUMENT NO. 88-140779, OFFICIAL RECORDS.

3. **8840 Exposition Boulevard.**

Assessor Parcel No.: 4312-014-912.

REAL PROPERTY IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 23 OF TRACT NO. 5461, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

4. **8841 Exposition Boulevard.**

Assessor Parcel No.: 4312-014-905.

LOT 45 OF TRACT NO. 5461, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

5. **8843 Exposition Boulevard.**

Assessor Parcel No.: 4312-014-914.

LOT 46 OF TRACT NO. 5461, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

6. **8824 National Boulevard, 8825 National Boulevard, 8801 Washington Boulevard, 8803 Washington Boulevard.**

Assessor Parcel Nos.: 4312-014-916, 917, 918, & 919.

LOTS 29, 30, 31, 32, 33, 34, 35 AND 36 OF TRACT 5461, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

7. **8828 National Boulevard.**

Assessor Parcel No.: 4312-014-915.

LOT 28 OF TRACT NO. 5461, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

8. **8830 National Boulevard.**

Assessor Parcel No.: 4312-014-910.

LOTS 26, 27, 37, 38 AND 39 OF TRACT NUMBER 5461, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, SATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 57, PAGE(S) 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM LOT 26 ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE ONLY THAT PORTION OF SAID LAND WHICH UNDERLIES A PLANE PARALELL WITH AND 2000 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD THAT SAID MORRIS DE LEE, HIS HEIRDS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND/OR OTHER MINERAL OR HDROCARBON SUBSTANCES FROM SAID LAND, OR FOR ANY OTHER PURPOSE WHATSOEVER, ALL SUCH OIL AND MINERAL RIGHTS SET FORTH ABOVE SHALL RIVERT TO THE GRANTEE HEREIN 20 YEARS AFTER THE DATE THIS DEED IS RECORDED, AS RESERVED IN MORRIS DE LEE, IN DEED RECORDED JUNE 29, 1956 IN BOOK 51604, PAGE 150 OF OFFICIAL RECORDS, IN SAID RECORDER'S OFFICE AND

ALSO EXCEPT AND RESERVING FROM LOTS 27, 37, 38 AND 39 UNTO SAID LODESTAR

CORPORATION, THEIR HEIRS AND ASSIGNS, ALL GAS OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE ONLY THAT PORTION OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 2000 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNERSTOOD THAT SAID LODESTAR CORPORATION, THEIR HEIRS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS PETROLEUM AND/OR OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND OR FOR ANY PURPOSES WHATSOEVER ALL SUCH OIL AND MINERAL RIGHTS SET FORTH ABOVE SHALL REVER TO THE GRANTEE HEREIN 20 YEARS AFTER THE DATE THIS DEED IS RECORDED, AS RESERVED BY THE LODESTAR CORPORATION, A CORPORATION, IN DEED RECORDED JUN 29, 1956 IN BOOK 51604, PAGE 151 OF OFFICIAL RECORDS IN SAID RECORDER'S OFFICE.

9. <u>8836-8838 National Boulevard.</u>

Assessor Parcel No.: 4312-014-907,908.

LOTS 24 AND 25 OF TRACT NO. 5461, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

10. <u>8839 National Boulevard.</u>

Assessor Parcel No.: 4312-014-909.

LOT 44 OF TRACT NO. 5461, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

11. <u>8842 National Boulevard.</u>

Assessor Parcel No.: 4312-014-906.

LOTS 19, 20 AND 22 PARTY IN THE CITIES OF LOS ANGELES AND CULVER CITY, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ALL OF TRACT NO. 5461, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY.

12. <u>8846 National Boulevard.</u>

Assessor Parcel Nos.: 4312-014-270, 4312-14-900, 901, 902, 903, 046, 047, 048, 053.

LOTS 10, 21, 47, 48, 49, 50, 51 AND 52 OF TRACT NO. 5461, PARTLY IN THE CITY OF LOS

ANGELES AND PARTLY IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Feldman 8900-06 Venice Blvd.

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Culver City, County of Los Angeles, State of California, described as follows:

LOTS 16, 17 AND 18 IN THE CITY OF LOS ANGELES, AND LOTS 19 AND 20 PARTLY IN THE CITIES OF LOS ANGELES AND CULVER CITY, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ALL OF TRACT NO. 5461, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4312-014-054 and 4312-014-055

Kalmuk 8930 Venice Blvd.

4

EXHIBIT "A"
LEGAL DESCRIPTION

LOTS 4, 5 AND 6 OF TRACT NO. 5461, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

END OF LEGAL DESCRIPTION

Attachment No. 2A

Rhodes 8926 Venice Blvd.

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Culver City, County of Los Angeles, State of California, described as follows:

LOTS 7, 8 AND 9 OF TRACT NO. 5461, AS PER MAP RECORDED IN BOOK 57, PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4312-014-052

Dawson 8936 Venice Blvd.

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

LOTS 1, 2, 3 IN THE CITY OF LOS ANGELES, TRACT 5461, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4312-014-057

Segel 8910-18 Venice Blvd

LEGAL DESCRIPTION

Real property in the City of Culver City, County of Los Angeles, State of California, described as follows:

LOTS 11, 12, 13, 14 AND 15 OF TRACT NO. 5461, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4312-014-011 and 4312-014-012 and 4312-014-013 and 4312-014-014

ATTACHMENT NO. 2-B

LEGAL DESCRIPTION – CITY PARCELS

[See Attached]

LEGAL DESCRIPTIONS

8900-8906 Venice Blvd

Real property in the City of Los Angeles and the City of Culver City, County of Los Angeles, California, described as follows:

LOTS 16, 17 AND 18 IN THE CITY OF LOS ANGELES, AND LOTS 19 AND 20 PARTLY IN THE CITIES OF LOS ANGELES AND CULVER CITY, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ALL OF TRACT NO. 5461, AS PER MAP RECORDED IN BOOK 57 PAGE 76 OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

APN: 4312-014272

8910-8912 Venice Blvd

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

LOTS 14 AND 15 OF TRACT NO. 5461, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 57, PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4312-014-281

8914-8916-8918 Venice Blvd

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

LOTS 11, 12 AND 13 OF TRACT NO. 5461, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 57, PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4312-014-278 and 4312-014-279 and 4312-014-280

8926 Venice Blvd

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

LOTS 7, 8 AND 9 OF TRACT NO. 5461, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 57, PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4312-014-277

8930 Venice Blvd

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

LOTS 4, 5 AND 6 OF TRACT NO. 5461, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 57, PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4312-014-273 and 4312-014-274 and 4312-014-275

8936 Venice Blvd

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

LOTS 1, 2 AND 3 OF TRACT NO. 5461, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 57, PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4312-014-273 and 4312-014-274 and 4312-014-275

ATTACHMENT NO. 2-C

LEGAL DESCRIPTION – EASEMENT AREA

[See Attached]

PSOMAS

Legal Description

FFP 179

In the Cities of Culver City and Los Angeles, County of Los Angeles, State of California, being those portions of Parcel 48 and 49 of the Grant Deed recorded January 15, 1991 as Instrument No. 91-63428, Official Records of said County, as shown on the map filed in Book 226, Pages 68 through 85, inclusive, of Records of Survey, in the Office of the County Recorder of said County; bounded northerly by the northerly line of said Parcel 49, said northerly line also being the southerly line of Exposition Boulevard, 40.00 feet wide; bounded northwesterly by a line lying 25.00 feet southeasterly of and parallel with the centerline of the South Barrel of Venice Boulevard; bounded westerly by a line lying 25.00 feet easterly of and parallel with the centerline of Robertson Boulevard; bounded southerly by a line lying 91.00 feet southerly of and parallel with the northerly line of said Parcel 49; and bounded southeasterly by a line lying 48.00 feet northwesterly of and parallel with the centerline of Washington Boulevard; all previously described centerlines shown on said Record of Survey.

Containing 72,773 square feet.

All as shown on Exhibit "B" attached hereto and made a part thereof.

Distances as described above and as shown on said Exhibit "B" are grid distances. Ground distances may be obtained by dividing grid distances by the mean combination factor of the courses being described. The mean combination factor for this conversion is 1.00000213.

PSOMAS

This legal description is not intended to be used in the conveyance of land in violation of the Subdivision Map Act of the State of California.

This legal description was prepared by me or under my direction.

09-15-2011

Peter J. Fitzpatrick, PLS 6777

Date

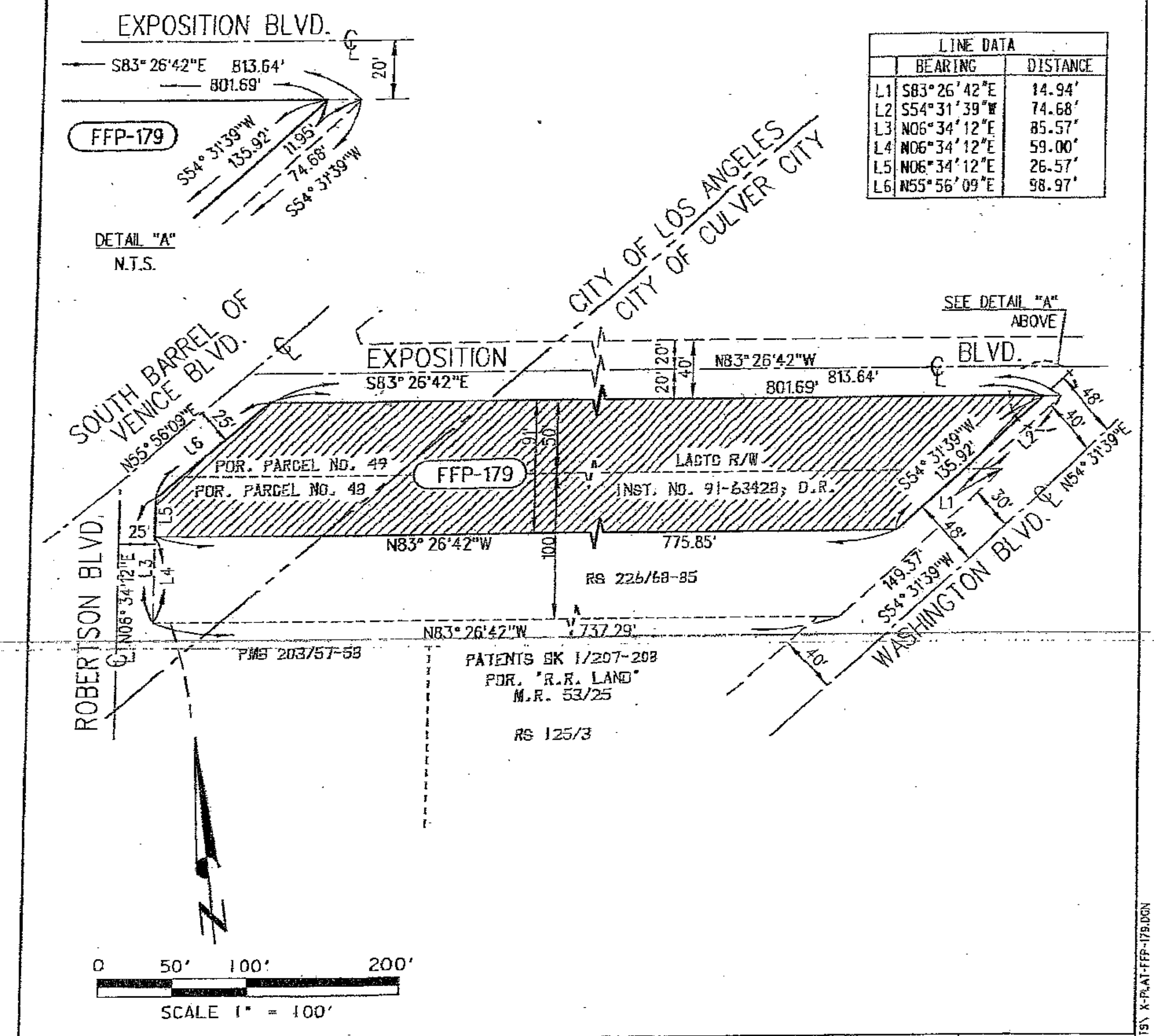
PROFESSIONAL LAND SURVEYOR
PETER J. FITZPATRICK
No. 6777
Exp. 9/30/12
STATE OF CALIFORNIA

Attachment No. 2C

GRANTOR : LOS ANGELES METROPOLITAN TRANSPORTATION AUTHORITY	
DESCRIPTION : PORTIONS OF PARCELS 48 AND 49 OF GRANT DEED, INSTRUMENT NO. 91-63428, O.R.	
IN THE CITIES OF CULVER CITY AND LOS ANGELES, COUNTY OF LOS ANGELES,	
STATE OF CALIFORNIA	
TITLE REPORT : N/A	
ASSESSORS REF. 4312-031-900 & 4312-031-901	ROW REF : RW-039

The data shown on plat are based on a field survey prepared by Psomas dated June 2003 - March 2005. Bearings and distances are based on California Coordinate System 83 Zone 5 coordinates obtained from California H.P.G.N.

NO.	DATE	REVISION DESCRIPTION
0	09-15-2011	ORIGINAL SUBMITTAL



LINE DATA

	BEARING	DISTANCE
L1	S83°26'42"E	14.94'
L2	S54°31'39"W	74.68'
L3	N06°34'12"E	85.57'
L4	N06°34'12"E	59.00'
L5	N06°34'12"E	26.57'
L6	N55°56'09"E	98.97'

TOTAL AREA OF PROPERTY	FFP 179	REMAINDER PARCEL AREA
N/A	72,773 SQ. FT.	N/A

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
MID-CITY/EXPOSITION LRT PROJECT

PARCEL PLAT
FFP 179
SHEET 1 OF 1

CONTRACT NO.	SCALE	DATE	DRAWN BY	CHECKED BY	REV. DATE	REV. NO.
20MJ050508	1"=100'	09-15-2011	KVO	JLE		0

PREPARED BY: [signature]
SUBMITTED BY: PROJECT MANAGER

APPROVED BY: [signature] 9/19/11
EXPO PROJECT MANAGER DATE

MA 20MJ050508\ SURVEY\ LEGALS\ EXHIBITS\ X-PLAT-FFP-179.DGN

ATTACHMENT NO. 2-D

LEGAL DESCRIPTION – LACTMTA PARCEL

[See Attached]

LEGAL DESCRIPTION

PARCEL 1:

A PORTION OF THE RANCHO RINCON DE LOS BUEYES, PARTLY IN THE CITY OF LOS ANGELES AND PARTLY IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 1 PAGES 207 AND 208 OF PATENTS, AS DESCRIBED IN THAT CERTAIN DEED FROM FRANCISCO HIGUERRA TO THE LOS ANGELES & INDEPENDENCE RAILROAD COMPANY, RECORDED IN BOOK 53 PAGE 522 OF DEEDS, BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THE PARCEL OF LAND DESCRIBED IN DEED DATED JUNE 3, 1876, FROM FRANCISCO HIGUERRA TO LOS ANGELES INDEPENDENCE RAILROAD COMPANY, RECORDED JUNE 3, 1876, IN BOOK 47 PAGE 152 OF DEEDS, RECORDS OF SAID COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT SITUATE FIFTY (50) FEET FROM AND BEARING SOUTH 49 DEGREES EAST FROM STATION 327 + 43 OF THE CENTER LINE OF THE LOS ANGELES AND INDEPENDENCE RAILROAD; THENCE NORTH 82 DEGREES 30' EAST (MAGNETIC) FIFTY (50) FEET DISTANT FROM AND PARALLEL TO SAID CENTER LINE FOR A DISTANCE OF 9665 FEET TO A POINT ON THE BOUNDARY BETWEEN SAID HIGUERRA AND MRS. AGUILAR; THENCE NORTHERLY ALONG SAID BOUNDARY LINE BETWEEN SAID HIGUERRA AND AGUILAR ONE HUNDRED (100) FEET; THENCE SOUTH 82 DEGREES 30' WEST FIFTY (50) FEET FROM AND PARALLEL TO AFOREMENTIONED CENTER LINE FOR A DISTANCE OF 9665 FEET; THENCE SOUTH 49 DEGREES EAST ONE HUNDRED (100} FEET TO POINT OF BEGINNING;

BOUNDED ON THE SOUTHWEST BY THE NORTHWESTERLY LINE OF WASHINGTON STREET (NOW WASHINGTON BOULEVARD), 60 FEET WIDE, AS SHOWN ON THE MAP OF THE SUBDIVISION OF THE SOUTHERN PORTION OF THE RANCHO RINCON DE LOS BUEYES, RECORDED IN BOOK 53, PAGE 25 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

BOUNDED ON THE WEST BY THE EASTERLY LINE OF THE LAND DESCRIBED AS PARCEL 2 IN THE DEED TO THE CITY OF LOS ANGELES, A MUNICIPAL CORPORATION, RECORDED IN BOOK 12951, PAGE 323, OF OFFICIAL RECORDS;

AND BOUNDED ON THE NORTHWEST BY THE SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF LOS ANGELES, A MUNICIPAL CORPORATION, RECORDED IN BOOK 4801, PAGE 100 OF OFFICIAL RECORDS.

LEGAL DESCRIPTION
(continued)

EXCEPT THEREFROM ALL MINERALS AND MINERAL RIGHTS, INTERESTS AND ROYALTIES, INCLUDING WITHOUT LIMITATION, ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS OF WHATEVER KIND OR CHARACTER, WHETHER NOW KNOWN OR HEREAFTER DISCOVERED, IN AND UNDER SAID LAND BELOW A DEPTH OF 500 FEET UNDER THE SURFACE WITHOUT REGARD TO THE MANNER IN WHICH THE SAME MAY BE PRODUCED OR EXTRACTED FROM THE LAND, BUT WITHOUT ANY RIGHT TO ENTER UPON OR THROUGH THE SURFACE DOWN TO 500 FEET BELOW THE SURFACE TO EXTRACT, DRILL, EXPLORE OR OTHERWISE EXPLOIT SUCH MINERALS OR MINERAL RIGHTS AND WITHOUT ANY RIGHT TO REMOVE OR IMPAIR LATERAL OR SUBJACENT SUPPORT, AS RESERVED BY SOUTHERN PACIFIC TRANSPORTATION COMPANY, A DELAWARE CORPORATION, IN DEED RECORDED JANUARY 15, 1991 AS INSTRUMENT NO. 91-63428, OF OFFICIAL RECORDS.

PARCEL 2:

A PORTION OF THAT PART OF RANCHO RINCON DE LOS BUEYES, PROPERTY OF CLEMENTE C. DE CORONEL, PARTLY IN THE CITY OF LOS ANGELES AND PARTLY IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13 PAGE 18 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS DESCRIBED IN THAT CERTAIN DEED FROM CLEMENTA CRUZ DE CORONEL, WIFE OF MANUEL CORONEL, TO LOS ANGELES & INDEPENDENCE RAILROAD COMPANY, RECORDED IN BOOK 53 PAGE 535 OF DEEDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ONE HUNDRED (100) FEET NORTHERLY FROM ENGINEER STATION 379 + 50 OF THE LOS ANGELES & INDEPENDENCE RAILROAD (NOW THE S.P.R.R.) AT THE POINT WHERE SAID RAILROAD CROSSES WASHINGTON STREET, AS SHOWN ON MAP OF A PORTION OF SAID RANCHO RINCON DE LOS BUEYES, RECORDED IN BOOK 13, PAGE 18, OF MISCELLANEOUS RECORDS; THENCE WESTERLY PARALLEL WITH AND ONE HUNDRED (100) FEET FROM THE CENTER LINE OF THE S.P.R.R. CO. RIGHT OF WAY NINE HUNDRED FIFTY (950) FEET TO A POINT OPPOSITE STATION 370 OF SAID RAILROAD; THENCE AT RIGHT ANGLES SOUTHERLY FIFTY (50) FEET TO THE NORTHERLY LINE OF THE RIGHT OF WAY OF SAID RAILROAD COMPANY; THENCE EASTERLY ALONG SAID NORTHERLY LINE NINE HUNDRED FIFTY (950) FEET TO A POINT OPPOSITE STATION 379 + 50; THENCE NORTHERLY FIFTY (50) FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION, IF ANY, INCLUDED IN THE LINES OF WASHINGTON STREET.

LEGAL DESCRIPTION
(continued)

ALSO EXCEPT THEREFROM ALL MINERALS AND MINERAL RIGHTS, INTERESTS AND ROYALTIES, INCLUDING WITHOUT LIMITATION, ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS OF WHATEVER KIND OR CHARACTER, WHETHER NOW KNOWN OR HEREAFTER DISCOVERED, IN AND UNDER SAID LAND BELOW A DEPTH OF 500 FEET UNDER THE SURFACE WITHOUT REGARD TO THE MANNER IN WHICH THE SAME MAY BE PRODUCED OR EXTRACTED FROM THE LAND, BUT WITHOUT ANY RIGHT TO ENTER UPON OR THROUGH THE SURFACE DOWN TO 500 FEET BELOW THE SURFACE TO EXTRACT, DRILL, EXPLORE OR OTHERWISE EXPLOIT SUCH MINERALS OR MINERAL RIGHTS AND WITHOUT ANY RIGHT TO REMOVE OR IMPAIR LATERAL OR SUBJACENT SUPPORT, AS RESERVED BY SOUTHERN PACIFIC TRANSPORTATION COMPANY, A DELAWARE CORPORATION, IN DEED RECORDED JANUARY 15, 1991 AS INSTRUMENT NO. 91-63428, OF OFFICIAL RECORDS.

END OF LEGAL DESCRIPTION

ATTACHMENT NO. 3

SCOPE OF DEVELOPMENT

The Project will include a multi-level high quality transit orientated development compliant with the PD Zone Requirements with a maximum 55% site coverage consisting of 120-200 residential dwelling units; 159,734-200,000 square feet of office uses; 25,000-85,000 square feet of retail and restaurant uses; a high end boutique hotel with 142-148 rooms; at least one third (1/3) of an acre dedicated to open space; with a minimum of two (2) levels of below grade parking (the "***Parking Garage***")that will include 300 EXPO parking spaces up to a maximum of 1,567 total parking spaces in compliance with the PD Zone Requirements and potentially limited podium parking away from visible street frontage; and a transit plaza at the Phase 1 EXPO Station connecting the second story EXPO Station platform to the shops and plaza below, as more particularly described in this Agreement and consistent with the Project Entitlements.

ATTACHMENT NO. 4

SCHEDULE OF PERFORMANCE

[See Attached]

ATTACHMENT NO. 4

SCHEDULE OF PERFORMANCE

ITEM OF PERFORMANCE		TIME FOR COMPLETION
1.	Opening of Escrow. The Parties open Escrow and execute Escrow Instructions (§ 302.1)	Within 10 days after the Effective Date
2.	Developer Submit Relocation LC. Developer to deliver to City a Letter of Credit for [$900,000] (301.4(c))	Within 30 days after the Effective Date
3.	Notice of Proposed Conceptual Plan. Developer to deliver to City its proposed conceptual plan for the Project	Within 90 days after Effective Date
4.	Initial Presentation of Conceptual Plan to LACMTA.	Within 30 days after submission to City
5.	Preparation of 30% Drawings for LACMTA Approval Areas and Submission to LACMTA. Per Option Agreement Section 5.b.ii	Within 60 days after City staff's approval of proposed Conceptual Plan
6.	LACTMA Approval of 30% Drawings for LACMTA Approval Areas. Per Option Agreement Section 5.b.ii	Within 60 days after Developer's submission of 30% Drawings
7.	Submit Preliminary Project Review application-Conceptual Site Plan. Under PD Zone Requirements, submission goes to Project Review Committee	Within 45 days after LACMTA Approval of 30% Drawings
8.	Submit Preliminary Vesting Tentative Tract Map application. Under Vesting Tentative Tract Map provisions, this submission goes to the City Planner	Within 45 days after LACMTA Approval of 30% Drawings
9.	Submit Application for the Comprehensive Plan. Under PD Zone Requirements. Application would also include tract map (including street vacations), Design for Development approval under Redevelopment Plan; also, Environmental Assessment Form.	Target within 60 days after Project Review Committee sign off

ITEM OF PERFORMANCE		TIME FOR COMPLETION
10.	Submit Application for the City of Los Angeles Entitlements. Application would include General Plan Amendment, zone change, site plan review, possibly tract map [including street vacations], Conditional use permits for alcohol	Within 10 days after City notifies Developer that Culver City application is complete.
11.	Submit Application for CalTrans Parking Encroachments (if applicable).	Within 10 days after City notifies Developer that Culver City application is complete.
12.	Evidence of Financing. Developer to submit Evidence of Financing to City (§314; 406)	Thirty (30) days prior to Closing
13.	City Approval of Financing. City to approve or disapprove Evidence of Financing (§314; 406)	Within 20 days after Developer's submission of Evidence of Financing to City
14.	Submission – Construction Contract. Developer to submit Construction Contract to City (§§314, 407)	30 days prior to Close of Escrow
15.	City Approval of Construction Contract. City to approve or disapprove Construction Contract (§314)	Within 20 days after Developer's submission of Construction Contract to City
16.	Exercise of Option for Perpetual Easement Agreement. City and Successor Agency to give Option Notice to LACMTA of exercise of Option for Perpetual Easement Agreement	30 days prior to Close of Escrow
17.	Permits. Developer submits to necessary governmental agencies all applications, pays all fees for, and obtains, all permits and approvals required for the initial construction (i.e., demolition and site work) (§403)	60 days prior to Close of Escrow
18.	Submission – Construction Loan Documents. Developer to submit Construction Loan Documents to City for initial Phase (§§314, 406)	Prior to Closing
19.	City Approval of Construction Loan Documents. City to approve or disapprove Construction Loan Documents (§314; 406)	Within 20 days after Developer's submission of Construction Loan Documents to City

	ITEM OF PERFORMANCE	TIME FOR COMPLETION
20.	Developer and City Establish City Parcels Purchase Price Credit. (§301.2(c))	30 days prior to Close of Escrow
21.	Outside Closing Date. Closing to occur by Outside Closing Date (§§101, 301.3, 302.5, 302.6,	***August 31, 2017***
22.	Deposit of Closing Documents and Funds. Developer, City and Successor Agency to deposit into Escrow the documents and funds for which each is responsible, and any other required closing documents (§303.1, 303.2)	One (1) Business Day prior to the Close of Escrow
23.	Commencement of Construction. Developer commences construction of Project	Within 30 days after the Close of Escrow.
24.	Completion of Project. Developer completes construction of the Improvements and all related landscaping and common area improvements (§____)	Within 30 months after commencement
25.	Release of Construction Covenants. City to deliver following completion (§413)	Within 15 days after Developer's Notice to City of Completion of Construction

ATTACHMENT NO. 5-A

SUCCESSOR AGENCY GRANT DEED

[See Attached]

ATTACHMENT NO. 5-A

SUCCESSOR AGENCY GRANT DEED

OFFICIAL BUSINESS
Document entitled to free recording
per Government Code Section 27383

RECORDING REQUESTED BY:

SUCCESSOR AGENCY TO THE
CULVER CITY REDEVELOPMENT AGENCY
9770 Culver Boulevard
Culver City, California 90232-0507
Attn: Redevelopment Project Manager

WHEN RECORDED MAIL TO AND SEND
TAX STATEMENTS TO:

LOWE ENTERPRISES REAL ESTATE GROUP
11777 San Vicente Boulevard, Suite 900
Los Angeles, California 90049
Attention: Thomas W. Wulf, Senior Vice President

SPACE ABOVE THIS LINE FOR RECORDING USE

Parcel Number:

Separate Statement of tax due submitted
per Revenue and Taxation Code Section 11932

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, herein called "**Grantor**", acting to carry out the Redevelopment Plan under the Community Redevelopment Law of the State of California, hereby grants to LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation, herein called "**Grantee**", the real property, hereinafter referred to as the "**Property**", described in the document attached hereto, labeled Exhibit A and incorporated herein by this reference.

(1) Said Property is conveyed in accordance with and subject to the Redevelopment Plan, which was approved and adopted on November 23, 1998 by Ordinance No. 98-014 of the City Council of the City of Culver City, as amended, and the Implementation Agreement (the "**Implementation Agreement**") entered into by and between Grantor, the CITY OF CULVER CITY, a municipal corporation ("**City**") and Grantee as of ______________________, 2014, both of which documents are public records on file in the offices of the City Clerk of City and

the Secretary of Grantor. "Implementation Agreement" as used herein shall mean, refer to and include the Implementation Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the Implementation Agreement. Any capitalized term not herein defined shall have the same meaning as set forth in the Implementation Agreement. The Implementation Agreement is hereby incorporated herein by this reference.

(2) Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees to (i) construct the Project as required by the Implementation Agreement; (ii) devote the Property to the uses required by, and use the Property and conduct all activities undertaken pursuant to the Implementation Agreement in conformity with, all applicable provisions of the Redevelopment Plan, the Comprehensive Plan approved by City pursuant to the PD Zone Requirements, the Project Entitlements, all conditions of approval of the Project Entitlements, the Culver City Municipal Code and any other applicable Governmental Requirements; (iii) use such property in conformity with and abide by the covenants and restrictions set forth in the City Grant Deed and this Grant Deed; and (iv) perform all obligations of Grantee the set forth in the Participation Agreement (Attachment No. 7 to the Implementation Agreement).

(3) Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees to (i) maintain the Property and all Improvements thereon, including landscaping, lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with the terms of the Redevelopment Plan and with all applicable provisions of the Culver City Municipal Code and in accordance with the "Maintenance Standards," as hereinafter defined; (ii) contract with and hire licensed and qualified personnel or contractors to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of the Implementation Agreement; (iii) obtain the prior written approval of the City of any declaration of easements and restrictions or any reciprocal easement agreement entered into by and between Grantee and the owner or owners of other privately owned portions of the Property, and obtain the prior written approval of the City of any amendment to any such declaration or reciprocal easement agreement; and (iv) comply with the following standards ("**Maintenance Standards**") and to cause its contractors and subcontractors to adhere to the Maintenance Standards:

(a) The Maintenance Standards shall apply to all buildings, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Property and any and all other common area of the Improvements on the Property. The Property shall be maintained in conformance and in compliance with the approved building permit drawings, and reasonable maintenance standards for similar, neighboring structures, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curbline. The Property shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable developments.

(b) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(c) Clean up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

City has agreed to notify Grantee in writing if the condition of the Property does not meet with the Maintenance Standards specified herein and to specify the deficiencies and the actions required to be taken by Grantee to cure the deficiencies. Upon notification of any maintenance deficiency, Grantee shall have thirty (30) Days within which to correct, remedy or cure the deficiency, unless such deficiency cannot be reasonably corrected, remedied or cured within such period, in which case, such period shall be extended for such time as is necessary to accomplish the same provided that Grantee is diligently pursuing such correction, remedy or cure. If the written notification states the problem is urgent relating to the public health and safety of the City of Culver City, then Grantee shall have forty-eight (48) hours to commence curing the problem. In the event Grantee does not maintain the Property in the manner set forth herein and in accordance with the Maintenance Standards specified herein, City shall have, in addition to any other rights and remedies hereunder, the right to maintain the Property, or to contract for the correction of such deficiencies, after written notice to Grantee, and Grantee shall be responsible for the payment of all such out of pocket third party costs incurred by City.

(4) Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees that:

(a) The qualifications and identities of Grantee and its members are of particular concern to City. It is because of those unique qualifications and identities that City has entered into the Implementation Agreement with Grantee and is imposing restrictions upon any Change of Control of Grantee and any Transfer which is not a Permitted Transfer until City issues the Release of Construction Covenants. Grantee represents that it is purchasing the Property to Develop and Cause Construction of the Project on the Property, and that it is not purchasing the Property for purposes of resale of the Property to a third party prior to the Completion of construction of the Project. Accordingly, Grantee agrees not to Transfer the Property prior to the Completion of construction of the Project. No voluntary or involuntary successor in interest to Grantee shall acquire any rights or powers in the Property or under the Implementation Agreement except as expressly set forth herein.

(i) Without the prior written approval of City, which approval may be granted or withheld in the discretion of City, but which approval shall not be unreasonably withheld or delayed, Grantee shall not (i) Transfer all or any part of its interest in or rights under the Implementation Agreement or the Property other than a Permitted Transfer, or (ii) effect any Change of Control. Any Permitted Transfer shall require notice to, but not the consent of, City.

(ii) Notwithstanding the foregoing, if control or ownership of Grantee must be changed in order to obtain financing to construct the Project, City shall grant or withhold its approval in its reasonable discretion provided that Robert Lowe, Sr., Robert Lowe, Michael Lowe, Richard Newman and/or Thomas Wulf or other employees of Grantee reasonably approved by City, remain the individuals exercising management control over the Project and the implementation of the Implementation Agreement (subject to oversight by Grantee's or Grantee's parent entity's Board of Directors) and remain Grantee's primary contact with City.

(iii) Any Transfer or Change of Control in violation hereof will constitute a breach and entitle City to use any remedy available to it at law or equity, including, but not limited to, the right to terminate the Implementation Agreement.

(iv) The restrictions on a Change of Control set forth herein shall terminate 5 years subsequent to the issuance of the Release of Construction Covenants.

(b) Mortgages and deeds of trust through an Institutional Lender for the purpose of securing loans of funds are to be used for (i) financing the acquisition, predevelopment or development of the Property or other costs of development of the Property, (ii) financing the construction of the Improvements (including architecture, engineering, legal, and related direct costs as well as indirect hard and soft costs such as real property taxes, insurance premiums, closing costs, loan carrying costs, costs of financing and overhead) on or in connection with the Property, or (iii) any other purposes necessary and appropriate in connection with the Project under the Implementation Agreement; and shall be permitted before issuance of the Release of Construction Covenants only with City's prior written approval in accordance with Section 206 of the Implementation Agreement. City shall cooperate with Grantee and will in good faith consider all reasonable requests by an Institutional Lender to modify the Implementation Agreement. Any mortgage or deed of trust or other grant of a security interest in the Property shall constitute a Transfer for purposes of the Implementation Agreement. The words "mortgage" and "trust deed" solely as used herein shall include sale and lease-back and other means of financing which involve the granting of a security interest.

(5) Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees that:

City shall have the right, at its option, to re-enter and take possession of the Property, with all improvements thereon, and revest in City the estate theretofore conveyed by Grantor to Grantee if, after Closing of title and prior to recordation of the Release of Construction Covenants, Grantee (or its successors in interest):

(a) Fails to proceed with the construction of Improvements as required by the Implementation Agreement for a period of three (3) months, plus any extension as may be granted pursuant to Section 706 of the Implementation Agreement, after written notice thereof from City.

(b) Abandons or substantially suspends construction of improvements for a period of three (3) months after written notice of such abandonment or suspension from City.

(c) Transfers or suffers any involuntary Transfer of the Property, or any part thereof, in violation of the Implementation Agreement.

Such right to repurchase, re-enter and repossess shall be subject to and be limited by and shall not defeat, render invalid, or limit: (i) any mortgage, deed or trust or other security instrument permitted by the Implementation Agreement; or (ii) any rights or interests provided in the Implementation Agreement for the protection of the holder of such mortgages, deeds of trust or other security instruments.

In the event it is determined by City or by a Court of competent jurisdiction that City does not have the legal authority to validly exercise the Right of Reverter as to the Property, then Grantor may proceed with the rights and remedies hereunder as to the Property, and all references in this paragraph to City shall be deemed to refer to Grantor as to the Property.

Upon issuance of a Release of Construction Covenants for the Improvements to be constructed on any applicable portion of the Property, City's right to reenter, terminate and revest as to such portion of the Property shall terminate, and City shall only be entitled to reenter, terminate and revest with respect to the other parcels within the Property for which no Release of Construction Covenants has been issued.

Upon the revesting in City of title to the Property as provided herein, City shall use its best efforts to resell the Property or part thereof as soon and in such manner as City shall find feasible to a qualified and responsible party or parties (as determined by City), who will assume the obligation of making or completing the Improvements, or such improvements in their stead as shall be satisfactory to City and in accordance with the uses specified for such Property or part thereof in the Implementation Agreement. Upon such resale of the Property, the proceeds thereof shall be applied:

(x) First, to reimburse City on its own behalf or on behalf of Grantor for all reasonable and necessary costs and expenses incurred by City, including but not limited to, salaries of personnel employed or utilized in connection with the recapture, management and resale of the Property or part thereof (but less any income derived by City from the Property or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership to such taxes, assessments or charges (as determined by City assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge to prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Grantee, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing City by Grantee and its successor or transferee; and

(y) Second, to reimburse Grantee, its successor or transferee up to the amount equal to (1) the sum of the purchase price paid to Grantor by Grantee for the Property; (2) the costs incurred for the development of the Property and for the improvements existing on the Property at the time of the re-entry and repossession, less (3) any gains or income withdrawn or made by Grantee from the Property or the improvements thereon; and

(z) Finally, any balance remaining after such reimbursements shall be retained by City as its sole property.

To the extent that the rights established in this paragraph involves forfeiture, the rights of City hereunder must be strictly interpreted in favor of City, the Party for whose benefit the right of reverter is created. The right of reverter and other rights established in this paragraph are to be interpreted in light of the fact that Grantor will convey the Property to Grantee for development of the Project as set forth herein and not for speculation.

(6) Grantee covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

(7) All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

   Notwithstanding the paragraph, with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the above paragraph.

2. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

   That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

   Notwithstanding the above paragraph, with respect to familial status, paragraph (2) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (2) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the above paragraph.

3. In contracts entered into by Grantee relating to the sale, transfer, or leasing of land or any interest therein acquired by Grantee within any survey area of redevelopment project the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

(8) All conditions, covenants and restrictions contained in this Grant Deed shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City and its successors and assigns, against Grantee, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

(9) The covenants contained in this Grant Deed shall remain in effect as follows:

(a) The covenants pertaining to the Improvements shall remain in effect for forty-five (45) years as set forth in paragraph 2 above, provided, however, that after twenty-five (25) years, such covenants shall be deemed amended to reflect any changes to the Project Entitlements that may be approved by City.

(b) The covenants pertaining to Change in Control of Developer and Transfer, shall remain in effect with respect to Transfers of portions of the Site that include the Parking Garage, open space and Transit Plaza for three (3) years following the issuance of the Release of Construction Covenants and with respect to other portions of the Site shall terminate upon issuance of the Release of Construction Covenants.

(c) The covenants pertaining to maintenance of the Property and all Improvements thereon set forth in paragraph 3, above, shall remain in effect for forty-five (45) years, provided, however, that after twenty-five (25) years, such covenants shall be deemed amended to reflect any changes to the Project Entitlements that may be approved by City.

(d) The covenants against discrimination set forth in paragraph 7, above, shall remain in effect in perpetuity.

(10) Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees that:

(a) In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that City shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. City shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

(b) Grantor hereby assigns to City the rights of Grantor to enforce the covenants set forth in in this Grant Deed.

(11) No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by paragraph (4)(b) of this Grant Deed; provided, however, that any subsequent owner of the Property shall be bound by such remaining covenants, conditions, restrictions, limitations, and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

(12) None of the terms, covenants, agreements or conditions heretofore agreed upon in writing in other instruments between the parties to this Grant Deed with respect to obligations to be performed, kept or observed by Grantee or Grantor in respect to said Property or any part thereof after this conveyance of said Property shall be deemed to be merged with this Grant Deed until such time as a Release of Construction Covenants issued by City is recorded for the Property, or such part thereof, conveyed hereby.

(13) The covenants contained in this Grant Deed shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title, except for the covenant and condition contained in paragraph (5) of this Grant Deed.

[signatures on following page]

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this ____ day of ___________, 201__.

GRANTOR

SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic

Date: _________________

By: ________________________
John Nachbar
Executive Director

APPROVED AS TO FORM:

KANE, BALLMER & BERKMAN

By: ________________________
Murray O. Kane
Agency General Counsel

APPROVED AS TO CONTENT:

By: ________________________
Sol Blumenfeld
Assistant Executive Director

Grantee hereby accepts the written deed, subject to all of the matters hereinbefore set forth.

GRANTEE

LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation

Date: ________________

By: ________________________
Thomas W. Wulf
Senior Vice President

State of California)
)
County of Los Angeles)

On __________________, 201__ before me, ______________________(here insert name of the officer), Notary Public, 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.

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.

Signature of Notary Public

[Seal]

State of California)
)
County of Los Angeles)

On __________________, 201__ before me, ______________________(here insert name of the officer), Notary Public, 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.

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.

Signature of Notary Public

[Seal]

EXHIBIT A

LEGAL DESCRIPTION

[behind this page]

ATTACHMENT NO. 5-B

CITY GRANT DEED

[See Attached]

ATTACHMENT NO. 5-B

CITY GRANT DEED

OFFICIAL BUSINESS
Document entitled to free recording
per Government Code Section 27383

RECORDING REQUESTED BY:

CITY OF CULVER CITY
9770 Culver Boulevard
Culver City, California 90232-0507
Attn: Community Development Director

WHEN RECORDED MAIL TO AND SEND
TAX STATEMENTS TO:

LOWE ENTERPRISES REAL ESTATE GROUP
11777 San Vicente Boulevard, Suite 900
Los Angeles, California 90049
Attention: Thomas W. Wulf, Senior Vice President

SPACE ABOVE THIS LINE FOR RECORDING USE

Parcel Number:

Separate Statement of tax due submitted
per Revenue and Taxation Code Section 11932

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the CITY OF CULVER CITY, a municipal corporation, herein called "**Grantor**", acting to carry out the Redevelopment Plan under the Community Redevelopment Law of the State of California, hereby grants to LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation, herein called "**Grantee**", the real property, hereinafter referred to as the "**Property**", described in the document attached hereto, labeled Exhibit A and incorporated herein by this reference.

(1) Said Property is conveyed in accordance with and subject to the Redevelopment Plan, which was approved and adopted on November 23, 1998 by Ordinance No. 98-014 of the City Council of Grantor, as amended, and the Implementation Agreement (the "**Implementation Agreement**") entered into by and between Grantor, Grantee and the SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic ("**Successor Agency**") as of ______________________, 2014, both of which documents are public records on file in the offices of the City Clerk of Grantor. "Implementation Agreement"

as used herein shall mean, refer to and include the Implementation Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the Implementation Agreement. Any capitalized term not herein defined shall have the same meaning as set forth in the Implementation Agreement. The Implementation Agreement is hereby incorporated herein by this reference.

(2) Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees to (i) construct the Project as required by the Implementation Agreement; (ii) devote the Property to the uses required by, and use the Property and conduct all activities undertaken pursuant to the Implementation Agreement in conformity with, all applicable provisions of the Redevelopment Plan, the Comprehensive Plan approved by Grantor pursuant to the PD Zone Requirements, the Project Entitlements, all conditions of approval of the Project Entitlements, the Culver City Municipal Code and any other applicable Governmental Requirements; (iii) use such property in conformity with and abide by the covenants and restrictions set forth in the Successor Agency Grant Deed and this Grant Deed; and (iv) perform all obligations of Grantee the set forth in the Participation Agreement (Attachment No. 7 to the Implementation Agreement).

(3) Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees to (i) maintain the Property and all Improvements thereon, including landscaping, lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with the terms of the Redevelopment Plan and with all applicable provisions of the Culver City Municipal Code and in accordance with the "Maintenance Standards," as hereinafter defined; (ii) contract with and hire licensed and qualified personnel or contractors to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of the Implementation Agreement; (iii) obtain the prior written approval of Grantor of any declaration of easements and restrictions or any reciprocal easement agreement entered into by and between Grantee and the owner or owners of other privately owned portions of the Property, and obtain the prior written approval of Grantor of any amendment to any such declaration or reciprocal easement agreement; and (iv) comply with the following standards ("**Maintenance Standards**") and to cause its contractors and subcontractors to adhere to the Maintenance Standards:

(a) The Maintenance Standards shall apply to all buildings, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Property and any and all other common area of the Improvements on the Property. The Property shall be maintained in conformance and in compliance with the approved building permit drawings, and reasonable maintenance standards for similar, neighboring structures, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curbline. The Property shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable developments.

(b) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(c) Clean up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

Grantor agrees to notify Grantee in writing if the condition of the Property does not meet with the Maintenance Standards specified herein and to specify the deficiencies and the actions required to be taken by Grantee to cure the deficiencies. Upon notification of any maintenance deficiency, Grantee shall have thirty (30) Days within which to correct, remedy or cure the deficiency, unless such deficiency cannot be reasonably corrected, remedied or cured within such period, in which case, such period shall be extended for such time as is necessary to accomplish the same provided that Grantee is diligently pursuing such correction, remedy or cure. If the written notification states the problem is urgent relating to the public health and safety of the City of Culver City, then Grantee shall have forty-eight (48) hours to commence curing the problem. In the event Grantee does not maintain the Property in the manner set forth herein and in accordance with the Maintenance Standards specified herein, Grantor shall have, in addition to any other rights and remedies hereunder, the right to maintain the Property, or to contract for the correction of such deficiencies, after written notice to Grantee, and Grantee shall be responsible for the payment of all such out of pocket third party costs incurred by Grantor.

(4) Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees that:

(a) The qualifications and identities of Grantee and its members are of particular concern to Grantor. It is because of those unique qualifications and identities that Grantor has entered into the Implementation Agreement with Grantee and is imposing restrictions upon any Change of Control of Grantee and any Transfer which is not a Permitted Transfer until Grantor issues the Release of Construction Covenants. Grantee represents that it is purchasing the Property to Develop and Cause Construction of the Project on the Property, and that it is not purchasing the Property for purposes of resale of the Property to a third party prior to the Completion of construction of the Project. Accordingly, Grantee agrees not to Transfer the Property prior to the Completion of construction of the Project. No voluntary or involuntary successor in interest to Grantee shall acquire any rights or powers in the Property or under the Implementation Agreement except as expressly set forth herein.

(i) Without the prior written approval of Grantor, which approval may be granted or withheld in the discretion of Grantor, but which approval shall not be unreasonably withheld or delayed, Grantee shall not (i) Transfer all or any part of its interest in or rights under the Implementation Agreement or the Property other than a Permitted Transfer, or (ii) effect any Change of Control. Any Permitted Transfer shall require notice to, but not the consent of, Grantor.

(ii) Notwithstanding the foregoing, if control or ownership of Grantee must be changed in order to obtain financing to construct the Project, Grantor shall grant or withhold its approval in its reasonable discretion provided that Robert Lowe, Sr., Robert Lowe, Michael Lowe, Richard Newman and/or Thomas Wulf or other employees of Grantee reasonably approved by Grantor, remain the individuals exercising management control over the Project and the implementation of the Implementation Agreement (subject to oversight by Grantee's or Grantee's parent entity's Board of Directors) and remain Grantee's primary contact with Grantor.

(iii) Any Transfer or Change of Control in violation hereof will constitute a breach and entitle Grantor to use any remedy available to it at law or equity, including, but not limited to, the right to terminate the Implementation Agreement.

(iv) The restrictions on a Change of Control set forth herein shall terminate 5 years subsequent to the issuance of the Release of Construction Covenants.

(b) Mortgages and deeds of trust through an Institutional Lender for the purpose of securing loans of funds are to be used for (i) financing the acquisition, predevelopment or development of the Property or other costs of development of the Property, (ii) financing the construction of the Improvements (including architecture, engineering, legal, and related direct costs as well as indirect hard and soft costs such as real property taxes, insurance premiums, closing costs, loan carrying costs, costs of financing and overhead) on or in connection with the Property, or (iii) any other purposes necessary and appropriate in connection with the Project under the Implementation Agreement; and shall be permitted before issuance of the Release of Construction Covenants only with Grantor's prior written approval in accordance with Section 206 of the Implementation Agreement. Grantor shall cooperate with Grantee and will in good faith consider all reasonable requests by an Institutional Lender to modify the Implementation Agreement. Any mortgage or deed of trust or other grant of a security interest in the Property shall constitute a Transfer for purposes of the Implementation Agreement. The words "mortgage" and "trust deed" solely as used herein shall include sale and lease-back and other means of financing which involve the granting of a security interest.

(5) Grantee, for itself and on behalf of its successors and assigns to all or any portion of the Property, or any interest therein, covenants and agrees that:

Grantor shall have the additional right, at its option, to re-enter and take possession of the Property, with all improvements thereon, and revest in Grantor the estate theretofore conveyed to Grantee if, after Closing of title and prior to recordation of the Release of Construction Covenants, Grantee (or its successors in interest):

(a) Fails to proceed with the construction of Improvements as required by the Implementation Agreement for a period of three (3) months, plus any extension as may be granted pursuant to Section 706 of the Implementation Agreement, after written notice thereof from Grantor.

(b) Abandons or substantially suspends construction of improvements for a period of three (3) months after written notice of such abandonment or suspension from Grantor.

(c) Transfers or suffers any involuntary Transfer of the Property, or any part thereof, in violation of the Implementation Agreement.

Such right to repurchase, re-enter and repossess shall be subject to and be limited by and shall not defeat, render invalid, or limit: (i) any mortgage, deed or trust or other security instrument permitted by the Implementation Agreement; or (ii) any rights or interests provided in the Implementation Agreement for the protection of the holder of such mortgages, deeds of trust or other security instruments.

Upon issuance of a Release of Construction Covenants for the Improvements to be constructed on any applicable portion of the Property, Grantor's right to reenter, terminate and revest as to such portion of the Property shall terminate, and Grantor shall only be entitled to reenter, terminate and revest with respect to the other parcels within the Property for which no Release of Construction Covenants has been issued.

Upon the revesting in Grantor of title to the Property as provided herein, Grantor shall use its best efforts to resell the Property or part thereof as soon and in such manner as Grantor shall find feasible to a qualified and responsible party or parties (as determined by Grantor), who will assume the obligation of making or completing the Improvements, or such improvements in their stead as shall be satisfactory to Grantor and in accordance with the uses specified for such Property or part thereof in the Implementation Agreement. Upon such resale of the Property, the proceeds thereof shall be applied:

(x) First, to reimburse Grantor on its own behalf or on behalf of the Successor Agency for all reasonable and necessary costs and expenses incurred by Grantor, including but not limited to, salaries of personnel employed or utilized in connection with the recapture, management and resale of the Property or part thereof (but less any income derived by Grantor from the Property or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership to such taxes, assessments or charges (as determined by Grantor assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge to prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Grantee, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing Grantor by Grantee and its successor or transferee; and

(y) Second, to reimburse Grantee, its successor or transferee up to the amount equal to (1) the sum of the purchase price paid to Grantor by Grantee for the Property; (2) the costs incurred for the development of the Property and for the improvements existing on the Property at the time of the re-entry and repossession, less (3) any gains or income withdrawn or made by Grantee from the Property or the improvements thereon; and

(z) Finally, any balance remaining after such reimbursements shall be retained by Grantor as its sole property.

To the extent that the rights established in this paragraph involves forfeiture, the rights of Grantor hereunder must be strictly interpreted in favor of Grantor, the Party for whose benefit the right of reverter is created. The right of reverter and other rights established in this paragraph are to be interpreted in light of the fact that Grantor will convey the Property to Grantee for development of the Project as set forth herein and not for speculation.

(6) Grantee covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

(7) All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

Notwithstanding the paragraph, with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the above paragraph.

(b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

Notwithstanding the above paragraph, with respect to familial status, paragraph (2) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (2) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the above paragraph.

(c) In contracts entered into by Grantee relating to the sale, transfer, or leasing of land or any interest therein acquired by Grantee within any survey area of redevelopment project the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

(8) All conditions, covenants and restrictions contained in this Grant Deed shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Grantor, its successors and assigns, against Grantee, its successors and assigns, to or of the Property conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof.

(9) The covenants contained in this Grant Deed shall remain in effect as follows:

(a) The covenants pertaining to the Improvements set forth in paragraph 2, above, shall remain in effect for forty-five (45) years, provided, however, that after twenty-five (25) years, such covenants shall be deemed amended to reflect any changes to the Project Entitlements that may be approved by Grantor.

(b) The covenants pertaining to Change in Control of Developer and Transfer, shall remain in effect with respect to Transfers of portions of the Site that include the Parking Garage, open space and Transit Plaza for three (3) years following the issuance of the Release of Construction Covenants and with respect to other portions of the Site shall terminate upon issuance of the Release of Construction Covenants

(c) The covenants pertaining to maintenance of the Property and all Improvements thereon set forth in paragraph 3, above, shall remain in effect for forty-five (45) years, provided, however, that after twenty-five (25) years, such covenants shall be deemed amended to reflect any changes to the Project Entitlements that may be approved by Grantor.

(d) The covenants against discrimination set forth in paragraph 7, above, shall remain in effect in perpetuity.

(10) In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that Grantor shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. Grantor shall have the right, in the event of any breach of any such agreement or covenant, to exercise all rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

(11) No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by paragraph (4)(b) of this Grant Deed; provided, however, that any subsequent owner of the Property shall be bound by

such remaining covenants, conditions, restrictions, limitations, and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

(12) None of the terms, covenants, agreements or conditions heretofore agreed upon in writing in other instruments between the parties to this Grant Deed with respect to obligations to be performed, kept or observed by Grantee or Grantor in respect to said Property or any part thereof after this conveyance of said Property shall be deemed to be merged with this Grant Deed until such time as a Release of Construction Covenants issued by Grantor is recorded for the Property, or such part thereof, conveyed hereby.

(13) The covenants contained in this Grant Deed shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title, except for the covenant and condition contained in paragraph (5) of this Grant Deed.

[signatures on following page]

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this ____ day of ___________, 201__.

GRANTOR

CITY OF CULVER CITY, a municipal corporation

Date: _________________ By: ________________________
John Nachbar
City Manager

APPROVED AS TO FORM: APPROVED AS TO CONTENT:

KANE, BALLMER & BERKMAN

By: ________________________
Murray O. Kane
City Special Counsel

By: ________________________
Sol Blumenfeld
Community Development Director

Grantee hereby accepts the written deed, subject to all of the matters hereinbefore set forth.

GRANTEE

LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation

Date: ________________ By: ________________________
Thomas W. Wulf
Senior Vice President

State of California)
)
County of Los Angeles)

On __________________, 201__ before me, ______________________(here insert name of the officer), Notary Public, 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.

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.

____
Signature of Notary Public

[Seal]

State of California)
)
County of Los Angeles)

On __________________, 201__ before me, ______________________(here insert name of the officer), Notary Public, 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.

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.

____
Signature of Notary Public

[Seal]

EXHIBIT A

LEGAL DESCRIPTION

[behind this page]

ATTACHMENT NO. 5-C

TRANSFER OF EASEMENT AREA DOCUMENTS

[See Attached]

ATTACHMENT NO. 5-C

TRANSFER OF EASEMENT AREA DOCUMENTS

OFFICIAL BUSINESS
Document entitled to free recording
per Government Code Section 27383

RECORDING REQUESTED BY:

CITY OF CULVER CITY
9770 Culver Boulevard
Culver City, California 90232-0507
Attn: Community Development Director

WHEN RECORDED MAIL TO AND SEND
TAX STATEMENTS TO:

LOWE ENTERPRISES REAL ESTATE GROUP
11777 San Vicente Boulevard, Suite 900
Los Angeles, California 90049
Attention: Thomas W. Wulf, Senior Vice President

SPACE ABOVE THIS LINE FOR RECORDING USE

Parcel Number:

Separate Statement of tax due submitted
per Revenue and Taxation Code Section 11932

TRANSFER OF EASEMENT AREA DOCUMENTS ASSIGNMENT AGREEMENT

This Transfer of Easement Area Documents Assignment Agreement (this "**Agreement**"), dated as of ______________________, 201__, is entered into by and between, on the one hand, the CITY OF CULVER CITY, a municipal corporation ("**City**") and the SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic ("**Successor Agency**") (collectively, the "**Assignor**") and, on the other hand, LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation ("**Assignee**"), with reference to the following facts:

RECITALS

A. Assignor and Assignee entered into that certain Implementation Agreement dated ______________________, 2014, a public record on file in the office of the City Clerk (the "**Implementation Agreement**"), relating to, among other things, that certain real property located in the County of Los Angeles, State of California and legally described in Exhibit A attached hereto and incorporated herein by this reference (the "**Property**"). "Implementation Agreement" as used herein shall mean, refer to and include the Implementation Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the Implementation Agreement. Any capitalized term not herein defined shall have the same meaning as set forth in the Implementation Agreement. The Implementation Agreement is hereby incorporated herein by this reference.

B. As more particularly set forth in the Implementation Agreement, Assignor obtained certain rights and obligations in and to the Parking License Agreement, the Construction License Agreement, the Perpetual Easement Agreement, the Reciprocal Easement Agreement and the LACMTA Parcel Private Use Lease (collectively, the "**Easement Area Documents**"). Assignor's respective rights and obligations in and to the Easement Area Documents (<u>excluding</u> therefrom (i) any obligations thereunder of Successor Agency with respect to relocation and maintenance of EXPO Station parking to the Ince Parking Structure and (ii) any rights of City and/or the public to use during non-peak hours the Temporary Parking and EXPO Spaces pursuant to the City Parking License) shall collectively be referred to herein as the "**Easement Area Documents Rights and Obligations**".

C. Assignor hereby desires to assign the Easement Area Documents Rights and Obligations to Assignee, and Assignee desires to assume the Easement Area Documents Rights and Obligations from Assignor.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

AGREEMENT

1. Assignor hereby assigns all of its right, title and interest in and to the Easement Area Documents (other than any rights of City and/or the public to use during non-peak hours the Temporary Parking and EXPO Spaces pursuant to the City Parking License) to Assignee, and Assignee hereby accepts such assignment and assumes all of the Easement Area Documents Rights and Obligations of Assignor under the Easement Area Documents arising and accruing from and after the date hereof and agrees to be bound thereby in accordance with the terms thereof. This Agreement is intended to be an assignment in accordance with Section 14.12 of the Perpetual Easement Agreement.

2. Assignee shall assume and perform all executory obligations of Assignor pursuant to the Easement Area Documents accruing from and after the date hereof, without exception, other than any obligations thereunder of Successor Agency with respect to relocation and

maintenance of EXPO Station parking to the Ince Parking Structure.

3. Assignee shall indemnify, defend and hold Assignor harmless from and against any and all claims, damages, losses, liabilities and costs, including, without limitation, reasonable attorneys' fees (including, without limitation, the reasonable value of the services rendered by the City Attorney Office), costs and disbursements, to the extent arising from or relating to any failure by Assignee, Assignee's Affiliates or any of their respective employees, officers, agents, contractors, guests or invitees to comply with any or all of the assumed Easement Area Documents Rights and Obligations. The indemnities set forth in this Paragraph 3 shall survive the expiration or earlier termination of this Agreement.

4. Assignee shall not make any sale, transfer, conveyance or assignment of the Property (a "**Transfers**"), the Easement Area and/or the Easement Area Documents Rights and Obligations or any part thereof or the buildings or structures thereon, without the prior written approval of City, except as expressly permitted by the Implementation Agreement. Assignee shall not place or suffer to be placed on the Property any lien or encumbrance other than any mortgages, deeds of trust, or any other form of conveyance permitted by the Implementation Agreement. Assignee shall not enter into any such conveyance for financing without prior written approval of City, which approval City agrees to give if any such conveyance is permitted by the Implementation Agreement and with a responsible financial or lending institution or other acceptable person or entity.

5. City shall have the right at its option to enter and take possession of the Property, the Easement Area and/or the Easement Area Documents Rights and Obligations hereby conveyed (or portion thereof) with all improvements thereon, and to terminate and revest in City the assigned rights in the Property, the Easement Area and/or the Easement Area Documents Rights and Obligations hereby conveyed (or portion thereof) to Assignee if Assignee (or its successors in interest):

(a) fails to proceed with the construction of Improvements as required by the Implementation Agreement for a period of three (3) months, plus any extension as may be granted under the Implementation Agreement, after written notice thereof from City.

(b) abandons or substantially suspends construction of improvements for a period of three (3) months after written notice of such abandonment or suspension from the City.

(c) Transfers or suffers any involuntary Transfer of the Property, or any part thereof, in violation of the Implementation Agreement.

Assignee agrees to cooperate with Assignor in connection with such termination and revesting, by, *inter alia*, promptly executing, delivering and recording any and all documents which may be reasonably necessary, helpful or appropriate in order to carry out such termination and revesting.

6. The right to reenter, repossess, terminate and revest shall be subject to and be limited by and shall not defeat, render invalid, or limit (i) any mortgage or deed of trust or other security interest permitted by Paragraph 4 of this Agreement or (ii) any rights or interests provided for the protection of the holders of such mortgages, deeds of trust, or other security interests.

7. To the extent that this right of reverter involves a forfeiture, it must be strictly interpreted against Assignor, the party for whose benefit it is created. This right is to be interpreted in light of the fact that Assignor hereby makes the assignments herein to Assignee for development and not for speculation in undeveloped land.

8. The principal address of Assignee for purposes of the Easement Area Documents is as follows:

   LOWE ENTERPRISES REAL ESTATE GROUP
   11777 San Vicente Boulevard, Suite 900
   Los Angeles, California 90049
   Attention: Thomas W. Wulf, Senior Vice President

9. Assignee covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Assignee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

10. All deeds, leases or contracts made relative to the Property, improvements thereon, or any part thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

    (i) In deeds: "The grantor herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantor or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

Notwithstanding the paragraph, with respect to familial status, subparagraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the above paragraph.

(ii) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

Notwithstanding the above paragraph, with respect to familial status, subparagraph (ii) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (2) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the above paragraph.

(iii) In contracts entered into by Assignee relating to the sale, transfer, or leasing of land or any interest therein acquired by Assignee within any survey area of redevelopment project the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

11. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns, against Assignee, its successors and assigns, to or of the Property, the Easement Area and/or the Easement Area Documents Rights and Obligations assigned herein or any portion thereof or any interest therein, and any party in possession or occupancy of said Property, the Easement Area and/or the Easement Area Documents Rights and Obligations or portion thereof.

12. All covenants in this Agreement shall remain in perpetuity, except as otherwise expressly provided herein.

13. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that City shall be deemed a beneficiary of the agreements and covenants provided hereinabove both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of City, and such covenants shall run in favor of City for the entire period during which such covenants shall be in force and effect, without regard to whether City is or remains an owner of any land or interest therein to which such covenants relate. City shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

14. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by Paragraph 4 of this Agreement; provided, however, that any subsequent owner of the Property shall be bound by such remaining covenants, conditions, restrictions, limitations, and provisions, whether such owner’s title was acquired by foreclosure, deed in lieu of foreclosure, trustee’s sale or otherwise.

15. The covenants contained in this Agreement shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title, except for the covenant and condition contained in Paragraph 5 of this Agreement.

16. This Agreement is made for the sole benefit and protection of the parties hereto and their successors and assigns, and no other person or persons shall have any right of action or right to rely hereon. As this Agreement contains all the terms and conditions agreed upon

between the parties, no other agreement regarding the subject matter thereof shall be deemed to exist or bind any party unless in writing and signed by the party to be charged.

17. Successor Agency hereby assigns to City the rights of Successor Agency under this Agreement to enforce the covenants set forth in this Agreement.

18. This Agreement may be executed in several duplicate originals, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective upon execution by the parties, as indicated by the signatures below. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original agreement. When fully executed, the date of this Agreement shall be the later of the dates indicated below.

19. This Agreement shall be governed by the laws of the State of California.

20. If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there be added as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible.

21. Time is expressly declared to be of the essence in this Agreement.

22. No provision in this Agreement is to be interpreted for or against either party because that party or its legal representatives drafted such provision.

23. The parties hereto hereby agree to execute such other documents and to take such other action as may be reasonably necessary to further the purposes of this Agreement.

24. The parties hereto further represent and declare that they carefully read this Agreement and know the contents thereof, and that they sign the same freely and voluntarily.

25. Each party hereto hereby represents that the person executing this Agreement on behalf of said party has full authority to do so and to bind the party to perform pursuant to the terms and conditions of this Agreement.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this ____ day of ___________, 201__.

ASSIGNOR

CITY

CITY OF CULVER CITY, a municipal corporation

Date: ________________

By: _______________________________________
John Nachbar
City Manager

APPROVED AS TO FORM:

KANE, BALLMER & BERKMAN

By: _________________________
Murray O. Kane
City Special Counsel

APPROVED AS TO CONTENT:

By: _______________________________________
Sol Blumenfeld
Community Development Director

SUCCESSOR AGENCY

SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic

Date: ________________

By: _______________________________________
John Nachbar
Executive Director

APPROVED AS TO FORM:

KANE, BALLMER & BERKMAN

By: _________________________
Murray O. Kane
Agency General Counsel

APPROVED AS TO CONTENT:

By: _______________________________________
Sol Blumenfeld
Assistant Executive Director

[signatures continue on following page]

ASSIGNEE

LOWE ENTERPRISES REAL ESTATE GROUP,
a California corporation

Date: ________________ By: ________________________________
Thomas W. Wulf
Senior Vice President

State of California)
)
County of Los Angeles)

On __________________, 201__ before me, ______________________(here insert name of the officer), Notary Public, 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.
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.

____
Signature of Notary Public

[Seal]

State of California)
)
County of Los Angeles)

On __________________, 201__ before me, ______________________(here insert name of the officer), Notary Public, 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.
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.

____
Signature of Notary Public

[Seal]

State of California)
)
County of Los Angeles)

On __________________, 201__ before me, ______________________(here insert name of the officer), Notary Public, 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.
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.

____
Signature of Notary Public

[Seal]

<u>CONSENT TO TRANSFER OF EASEMENT AREA DOCUMENTS ASSIGNMENT AGREEMENT</u>

In accordance with Section 14.12 of the Perpetual Easement Agreement and in reliance upon the assumption by LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation, as Assignee ("**Assignee**"), of all Easement Area Documents Rights and Obligations pursuant to the foregoing Transfer of Easement Area Documents Assignment Agreement, the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY ("**LACMTA**") does hereby consent to and approve of the assignment of the Easement Area Documents Rights and Obligations by the CITY OF CULVER CITY, a municipal corporation ("**City**") and the SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic ("**Successor Agency**"), collectively, as Assignor, to Assignee. Therefore, City and Successor Agency are hereby relieved and released from the Easement Area Documents Rights and Obligations.

"LACMTA"

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: ______________________________
Name: ____________________________
Title: _____________________________

State of California)
)
County of Los Angeles)

On __________________, 201__ before me, ______________________(here insert name of the officer), Notary Public, 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.
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.

____
Signature of Notary Public

[Seal]

EXHIBIT A

LEGAL DESCRIPTION

[behind this page]

ATTACHMENT NO. 6

RELEASE OF CONSTRUCTION COVENANTS

[See Attached]

ATTACHMENT NO. 6

RELEASE OF CONSTRUCTION COVENANTS

OFFICIAL BUSINESS
Document entitled to free recording
per Government Code Section 27383

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF CULVER CITY
9770 Culver Boulevard
Culver City, California 90232-0507
Attn: Community Development Director

SPACE ABOVE THIS LINE FOR RECORDING USE

Parcel Number:

RELEASE OF CONSTRUCTION COVENANTS

THIS RELEASE OF CONSTRUCTION COVENANTS (this "**Release**") is hereby made as of this ___ day of ________, 201__, by the CITY OF CULVER CITY, a municipal corporation ("**City**") in favor of LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation ("**Developer**").

RECITALS

WHEREAS, City, the SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, and Developer entered into that certain Implementation Agreement dated ______________________, 2014, a public record on file in the office of the City Clerk (the "**Implementation Agreement**"), relating to, among other things, that certain real property located in the County of Los Angeles, State of California and legally described in Exhibit A attached hereto and incorporated herein by this reference (the "**Property**"). "Implementation Agreement" as used herein shall mean, refer to and include the Implementation Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the Implementation Agreement. Any capitalized term not herein defined shall have the same meaning as set forth in the Implementation Agreement. The Implementation Agreement is hereby incorporated herein by this reference; and

WHEREAS, in accordance with and pursuant to Section 413 of the Implementation Agreement, upon notice from Developer of the completion of the construction of the Improvements, City shall issue for recordation against the Property a

Release of Construction Covenants acknowledging Developer's satisfactory completion of the construction of the Improvements in accordance with the Implementation Agreement; and

WHEREAS, Developer has satisfactorily completed the construction of the Improvements as required by the Implementation Agreement and has requested that City issue this Release; and

WHEREAS, City has inspected and determined that the construction required by the Implementation Agreement has satisfactorily been completed and now desires to issue this Release pursuant to the terms and conditions of the Implementation Agreement.

NOW THEREFORE, it is hereby acknowledged and certified by City that:

1. The construction of the Improvements has been fully and satisfactorily performed and completed in accordance with the Implementation Agreement.

2. After the recordation of this Release, any person or entity then owning or thereafter purchasing, or otherwise acquiring any interest in the Property will not (because of such ownership, purchase, or acquisition) incur any obligation or liability under the Implementation Agreement to construct the Improvements; however, such party shall be bound by any and all of the Implementation Agreement's covenants, conditions, and restrictions concerning the Property which survive the recordation of this Release.

3. Nothing contained in this instrument shall modify any provisions of the Implementation Agreement.

4. This Release is not a notice of completion as referred to in Section 3093 of the California Civil Code.

[signatures on following page]

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, City has executed this Release as of the date set forth above.

"CITY"

CITY OF CULVER CITY,
a municipal corporation

By: ___________________________________
John M. Nachbar
City Manager

APPROVED AS TO CONTENT:

By: _________________________________
Sol Blumenfeld
Community Development Director

ATTEST:

By: _________________________________
City Clerk

APPROVED AS TO FORM:

By: ___________________________________
Carol Schwab
City Attorney

By: ___________________________________
KANE, BALLMER & BERKMAN
City Special Counsel

State of California)
)
County of Los Angeles)

On ___________________, 201__ before me, _______________________(here insert name of the officer), Notary Public, 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.

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. ____

Signature of Notary Public

[Seal]

EXHIBIT A

LEGAL DESCRIPTION

[behind this page]

ATTACHMENT NO. 7

PARTICIPATION AGREEMENT

[See Attached]

OFFICIAL BUSINESS
Document entitled to free
recording per Government Code
Section 6103

Recording Requested by
and when Recorded Return to:

CITY OF CULVER CITY
9770 Culver Boulevard
Culver City, California 90232
Attention: Community Development Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (this "Agreement") is entered into as of __________________________, 20__, by and between THE CITY OF CULVER CITY, a municipal corporation and charter city of the State of California (the "City"), and _______________________________________, a ____________________________ limited liability company (the "Developer").

The City and Developer hereby agree as follows:

1. PURPOSE OF AGREEMENT

a. The City, the Successor Agency to the Culver City Redevelopment Agency and Lowe Enterprises Real Estate Group, a California corporation ("Original Developer"), are parties to that certain Implementation Agreement dated as of _________ ___, 2014, (the "Implementation Agreement"), concerning the sale, transfer, assignment and development of that certain real property described and referred to in the Implementation Agreement as the Site. Concurrently with the recordation of this Agreement, pursuant to that certain Assignment and Assumption Agreement dated as of _________________________________, 20__, recorded concurrently herewith, Original Developer's interest in, to and under the Implementation Agreement was assigned to and assumed by Developer. The Site is legally described in "Exhibit A" attached hereto, incorporated herein by this reference and made a part hereof. A true and correct copy of the Implementation Agreement is on file as a public record in the office of the City Clerk of the City.

b. Pursuant to the Implementation Agreement and concurrently with the recordation of this Agreement: (i) the City Parcels were conveyed by the City to Developer; (ii) the Agency Parcels were conveyed by the Successor Agency to Developer; and (iii) the City assigned and transferred to Developer, and Developer assumed the City's obligations under (A) that certain Perpetual Easement Agreement dated as of ________________________________, 20__ (the "Perpetual Easement Agreement"), between the City and the Los Angeles County Metropolitan Transportation Agency ("LACTMA"), recorded concurrently herewith, (B) that certain Reciprocal Easement Agreement dated as of ________________________________, 20__ (the "REA"), between the City and LACMTA, recorded concurrently herewith, and (C) that certain LACMTA Parcel Private Use Lease dated as of ________________________________, 20__ (the "LACMTA Parcel Private Use Lease"), recorded concurrently herewith.

c. As additional consideration for the performance by the City of its obligations under the Implementation Agreement, including without limitation the conveyance of the City Parcels to Developer and the Transfer of Easement Area Documents, in recognition of the City's past efforts in providing for the development of the community that has made the Project possible, in order to permit the City to recover all or part of the expenses incurred which will not otherwise be recovered by the City, and to participate in the values created in the City Parcels, the Implementation Agreement provided that Developer shall pay to the City the City Parcels Participation Payments in amounts equal to twenty percent (20%) profit sharing above twenty five percent (25%) of Net Return to the Project Equity Investment upon Capital Events following Completion and Stabilization. The purpose of this Agreement is to set forth as a matter of record the terms and conditions upon which such additional consideration will be paid.

d. The City incurred substantial public expenses for City Parcels acquisition, negotiation of the Perpetual Easement Agreement, the REA and the LACMTA Parcel Private Use Lease, the relocation, demolition, clearance, public improvements and financing costs in connection with the assembly and preparation for development of the land comprising the City Parcels and the Easement Area.

e. In addition, the City is engaged in activities to renew and revitalize downtown Culver City in a manner which is intended to further enhance the Site as part of a revitalized urban community.

f. Accordingly, the parties desire to provide in this Agreement for the terms and conditions under which Developer will pay the Participation Payments to the City.

2. DEFINITIONS

All capitalized terms not defined herein shall have the meaning ascribed to them in the Implementation Agreement. For the purposes of this Agreement, the following capitalized terms shall have the following respective meanings:

"Above-Threshold Net Return" shall mean, for each Project Component (or for the Project as a whole, as applicable) that portion, if any, of Net Profit which is above Threshold Net Return calculated for that Project Component (or for the Project as a whole, as applicable) at the time of the Capital Event which triggers the payment to the City of the Participation Payment.

"Affiliate" shall mean any corporation, limited liability company, limited partnership or other entity which is owned and controlled by __________________. The term "control" as used in the immediately preceding sentence, shall mean the power to direct the management or the power to control election of the board of directors. It shall be a presumption that control with respect to a corporation or limited liability company is the right to exercise or control, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the controlled corporation or limited liability company, and, with respect to any individual, partnership, trust, other entity or association, control is the possession, indirectly or directly, of the power to direct or cause the direction of the management or policies of the controlled entity.

"Apartment Parcel" shall mean (a) the legally subdivided portion of the Site containing the Apartments; provided that, if the legally required parking spaces for the Apartments are provided for by easement from the owner of another Parcel (as opposed to ownership of direct fee, leasehold and/or easement from LACMTA in the portion of Site on which such spaces are situated), then such easement rights shall be deemed to be a part of the Apartment Parcel, (b) the Apartments, and (c) all rights and easements appurtenant to such legally subdivided parcel under the Perpetual Easement Agreement, the REA, the LACMTA Private Use Lease and any and all other easements, agreements, covenants, conditions and restrictions encumbering the Site.

"Apartments" shall mean collectively, (a) all buildings, structures, equipment and other improvements located on the Site containing or appurtenant to residential dwelling units, (b) retail improvements located within such buildings, structures, equipment and other improvements, (c) fire/life/safety, HVAC, storage, office and maintenance facilities located within such buildings, structures, equipment and other improvements and used in connection therewith, and (d) parking spaces for the exclusive use of the owner, tenants and invitees of such residential dwelling units, all constructed and/or installed by Developer on the Site pursuant to the Implementation Agreement and Project Entitlements.

"Bona Fide Arm's Length Third Party Sale" shall mean the bona fide arm's-length sale of the entirety of one or more of the Hotel Parcel, the Apartment Parcel and/or the Office Parcel after Stabilization from Developer to any person who is not an Affiliate of Developer.

"Capital Event" shall mean any of the following: (a) each refinancing of the Construction Loan or any loan, or any portion thereof, encumbering any Project Component or portion thereof or interest therein prior to the first Bona Fide Arm's Length Third Party Sale or Pre-Stabilization Sale of that Project Component; (b) the first Bona Fide Arm's Length Third Party Sale of a Project Component after Stabilization, or (c) the first Pre-Stabilization Sale of a Project Component.

"City" shall mean the City of Culver City, a municipal corporation and charter city of the State of California.

"City Net Return Share" shall mean for each Project Component (or for the Project as a whole, as applicable) an amount if any equal to twenty percent (20%) of Above-Threshold Net Return, as calculated pursuant to Section 3 of this Agreement.

"Commencement of Construction" shall mean the date following the Close of Escrow on which physical work of a significant nature begins on the Site to construct the Project; such definition shall exclude preliminary activities such as clearing the site, surveying, securing the site, or testing such as soil, geologic and hazardous materials testing.

"Developer" shall mean "Developer" named in the header paragraph hereof, and its successors to the Site or any portion thereof, or any interest therein, other than any successor in interest with respect to a portion of the Site acquired through either (a) foreclosure or deed in lieu of foreclosure of the lien securing the Construction Loan (including any extension or modification thereof) or any loan made to Developer to refinance or repay the Construction Loan, or (b) a Bona Fide Arm's Length Third Party Sale following Stabilization, or (c) a Pre-Stabilization Sale.

"Expiration Date" shall mean the date by which Developer has paid to the City all Participation Payments payable under this Agreement either, as applicable, with respect to any particular Project Component or all Project Components.

"Final Capital Event" shall mean for each Project Component the participation close-out on the Final Capital Event Date in accordance with Section 3.F below, which shall be applicable only if during such 10 year period there was neither a Bona Fide Arm's Length Third Party Sale of the Project Component or portion thereof or interest therein after Stabilization, nor a Pre-Stabilization Sale of the Project Component or portion thereof or interest therein.

"Final Capital Event Date" shall mean the tenth (10th) anniversary of Completion of the Project.

"Financial Statement" shall mean the Project Cost Statement and each Annual Statement, each prepared at Developer's expense, which shall form the basis for determining the Participation Payments.

"Gross Hotel Revenue" shall mean, for each Operating Year following Completion of the Project, as determined on a cash basis in accordance with GAAP, consistently applied, all revenues of any kind or nature paid to Developer from the rental, lease, licensing, operation, use or ownership of the Hotel and any other revenue of any kind or nature received by or on behalf of Developer associated with the operation of the Hotel. Gross Hotel Revenues shall include without limitation the following:

(1) all revenue of any kind or nature, paid to Developer and/or the operator of the Hotel for the rental, licensing and/or use of the Hotel guest rooms and suites (including meeting and banquet rooms, common areas and similar areas in the Hotel) rented, licensed or otherwise provided whether on cash basis or credit by Developer and/or the operator of the Hotel to third parties, the total revenues received from the letting of rooms in the Hotel, the letting of Hotel banquet facilities (including food, beverage and service revenues) and other uses (including fees or rents paid for carts, kiosks and temporary users, antennae licensee fees, and fees paid for signage or other advertising);

(2) all room payments of any kind, room deposits forfeited, room cancellation fees;

(3) proceeds of business interruption and similar insurance payable as a result of loss of room revenues;

(4) fees for use of any Hotel facilities, including without limitation food, beverage, mini-bar, health club, parking, telephone, internet usage and rentals for equipment.

(5) payments for any services provided by Developer for room guests;

(6) all amounts from facilities, including but not limited to, laundry facilities, recreational facilities, health facilities, special activities, furniture rentals and vending machines;

(7) interest and other investment income earned on funds received in connection with the operation of the Hotel while such funds remain on deposit;

(8) miscellaneous revenue, including without limitation revenue from ATM’s, pay phones, internet service etc.; and

(9) all items in clauses (1) through (9) in the definition of Gross Rents relating to the rental of retail space within the Hotel Parcel.

Gross Hotel Revenue shall not include:

(a) advance bookings of any kind prior to such amounts being forfeited or applied as room payments;

(b) tenant security deposits, prior to their application in accordance with the terms of the leases to which they relate;

(c) insurance or condemnation proceeds to the extent used for repair and reconstruction purposes; and/or

(d) proceeds from any Capital Event.

"Gross Rents" means, for each Operating Year following Completion of the Project, as determined on a cash basis in accordance with GAAP, consistently applied, all revenues of any kind or nature paid to Developer or an agent of Developer from the rental, lease, licensing, operation, use or ownership of the Apartments or Offices and any other revenue of any kind or nature received by or on behalf of Developer associated with the operation of the Apartments or Offices. Gross Rents shall include without limitation the following:

(1) total rent and other payments paid by each tenant, subtenant and licensee (including, without limitation, fees or rents paid for carts, kiosks and temporary users, antennae licensee fees, and fees paid for signage or other advertising), whether designated as base rent, percentage rent, or additional rent, including Developer's markup on rent or charges;

(2) payments for any services provided by Developer for tenants (unless such services are required to be performed by tenants and are not the landlord's responsibility under the applicable lease) ;

(3) all amounts from facilities, including but not limited to, laundry facilities, recreational facilities, health facilities, special activities, furniture rentals and vending machines;

(4) all amounts for utility payments or pass-throughs, including but not limited to, electric, water, natural gas, telephone and cable television;

(5) telecommunications revenue, including without limitation, revenue derived from licenses or rental of rooftop access, and/or riser access;

(6) interest and other investment income earned on funds received in connection with operations such funds remain on deposit;

(7) operating expense reimbursements, including amortized capital maintenance expenses passed back to the tenants as an operating expense;

(8) miscellaneous revenue, including without limitation revenue from ATM's, pay phones, internet service etc.; and

(9) proceeds of business interruption and similar insurance payable as a result of any loss.

Gross Rents shall not include:

(a) tenant security deposits, prior to their application in accordance with the terms of the leases to which they relate;

(b) insurance or condemnation proceeds to the extent used for repair and reconstruction purposes; and/or

(c) proceeds from any Capital Event.

"Gross Revenues" shall mean, as to the Apartments and Offices, Gross Rents, and as to the Hotel, Gross Hotel Revenue.

"Hotel" shall mean all collectively, (a) all buildings, structures, equipment and other improvements located on the Site containing or appurtenant to hotel rooms, (b) retail improvements located within such buildings, structures, equipment and other improvements, (c) fire/life/safety, HVAC, storage, office and maintenance facilities located within such buildings, structures, equipment and other improvements and used in connection therewith, (d) parking spaces for the exclusive use of the owner, tenants and invitees of such buildings, structures, equipment and other improvements, all constructed and/or installed by Developer on the Site pursuant to the Implementation Agreement and Project Entitlements.

"Hotel Parcel" shall mean (a) the legally subdivided portion of the Site containing the Hotel; provided that, if the legally required parking spaces for the Hotel is provided for by easement from the owner of another Parcel (as opposed to ownership of direct fee, leasehold and/or easement from LACMTA in the portion of Site on which such spaces are situated), then such easement rights shall be deemed to be a part of the Hotel Parcel, (b) the Hotel, and (c) all rights and easements appurtenant to such legally subdivided parcel under the Perpetual Easement Agreement, the REA, the Private Use Lease and any and all other easements, agreements, covenants, conditions and restrictions encumbering the Site.

"Implementation Agreement" is defined in Section 1.a above.

"Net Profit" shall mean and include all of the following for each Project Component (or for the Project as a whole, as applicable): (a) Gross Revenues for each Operating Year less Operating Expenses for that Operating Year; (b) Net Refinancing Proceeds payable to or for the credit of Developer from each refinancing of the Project Component and prior to the first Bona Fide Arm's Length Third Party Sale of the Project Component or Pre-Stabilization Sale thereof; and (c) Net Sales Proceeds payable to or for the credit of Developer from either the first Bona Fide Arm's Length Third Party Sale of the Project Component or a Pre-Stabilization Sale thereof.

"Net Refinancing Proceeds" shall mean gross refinancing proceeds net of closing costs, escrow fees, documentary transfer taxes, recording charges, real estate brokerage commissions, finder's fees paid by (and not reimbursed to or on behalf of) Developer, loan fees, commitment fees, interest charges, title insurance premiums, legal fees and costs of the lender and Developer, and repayment of all Outstanding Debt and Liabilities.

"Net Sales Proceeds**"** shall mean gross sale proceeds net of closing costs, escrow fees, documentary transfer taxes, recording charges, real estate brokerage commissions, loan fees, commitment fees, interest charges, title insurance premiums, legal fees and repayment of all Outstanding Debt and Liabilities.

"Office Parcel" shall mean (a) the legally subdivided portion of the Site containing the Offices; provided that, if the legally required parking spaces for the Offices are provided for by easement from the owner of another Parcel (as opposed to ownership of direct fee, leasehold and/or easement from LACMTA in the portion of Site on which such spaces are situated), then such easement rights shall be deemed to be a part of the Office Parcel, (b) the Offices, and (c) all rights and easements appurtenant to such legally subdivided parcel under the Perpetual Easement Agreement, the REA, the Private Use Lease and any and all other easements, agreements, covenants, conditions and restrictions encumbering the Site.

"Offices" shall mean collectively, (a) all buildings, structures, equipment and other improvements located on the Site containing office improvements, other than the office improvements included within the definitions of "Apartments" and "Hotel", (b) retail improvements located within such buildings, structures, equipment and other improvements, (c) fire/life/safety, HVAC, storage, office and maintenance facilities located within such buildings, structures, equipment and other improvements and used in connection therewith, (d) parking spaces for the exclusive use of the owner, tenants and invitees of the Offices, all constructed and/or installed by Developer on the Site pursuant to the Implementation Agreement and Project Entitlements.

"Operating Expenses" shall mean, with respect to each Project Component, the following items actually incurred: (a) costs paid in connection with maintenance, non-capital repair (but only if any and all accumulated reserves for repairs have been exhausted), management or operation; (b) general, administrative and overhead costs paid as part of the operation of the improvements involved, including but not limited to: (i) fees and costs for computer service, supplies, telephone costs, cable television, and data transmission of any kind; (ii) marketing, advertising, public relations and promotion costs, legal and other fees related to the operation of the improvements; (iii) the cost of any insurance claims, CAM audits or other disputes; (iv) general accounting fees; (v) utility payments and amounts paid for any facilities (such as laundry, recreational, health, spa, banquet, entertainment, special activities, furniture rentals and vending machines) that are not reimbursed by any tenants; (vi) bank fees and service charges pertaining to accounts for such Project Component; (vii) the costs of accounting fees and other charges paid in connection with filing reports with or responding to inquiries from governmental authorities relating to such Project Component; (viii) overnight delivery, messenger and similar charges with respect to correspondence related to such Project Component, and (ix) costs of services provided by Developer for tenants, guests and invitees; (c) ordinary and customary payroll costs, including benefits whether or not legally required to be provided, incurred in connection with employees working on or for such Project Component on a full-time or part-time basis; (d) gross receipts tax and annual tax paid to the State of California as to such Project Component; (e) transient occupancy taxes paid to the City with respect to the Hotel Parcel; (f) utility taxes, business license taxes and all other similar taxes paid to the City of Los Angeles and/or the City; (g) a reasonable and customary management fee not to exceed four percent (4%) of Gross Rents (as to the Apartments or Offices) or Gross Hotel Revenues (as to the Hotel); (h) any deposits paid into reserve and/or impound accounts; (i) costs of outside accounting services and consulting fees (including but not limited to tax, elevator, environmental and engineering consultants); (j) any deposits paid into reserve and/or impound accounts; (k) rental payments and other payments due under the franchise/license fees and other payments required to be paid pursuant to any franchise/license agreement then in effect with respect to such Project Component; (l) costs, expenses, fees and reimbursements with respect to such Project Component paid by Developer pursuant to the Perpetual Easement Agreement, the REA, the LACMTA Parcel Private Use Lease and/or any other agreement between Developer and LACMTA; (m) costs, expenses, fees and reimbursements with respect to such Project Component paid by Developer to the owner of another Project Component (which may be Developer) pursuant to any reciprocal easement agreement, declaration of covenants, conditions and restrictions, or similar instrument(s) between or among the owners of the Project Components relating to the integrated operation and maintenance of the Project as a whole; (m) insurance; (n) real estate and personal property taxes and assessments; (n) all costs of leasing the Project (including tenant improvements (to the extent not included in Project Costs)), costs of collecting delinquent rentals and leasing commissions); and (o) the following payments with respect to Outstanding Debts and Liabilities (to the extent not included in Project Costs or not paid for with Construction Loan proceeds): (1) interest; (2) impounds; (3) appraisals; (4) environmental site assessments; (5) other written reports or studies required by the lender thereof; (6) extension fees; and (7) any reimbursable third party expenses of the lender thereof.

Operating Expenses shall not include:

(a) any Participation Payments to City under this Agreement;

(b) any payments or prepayments of principal on any Project loan or late charges, fees, penalties and/or default interest differential paid by Developer as a result of any delinquency under any loan;

(c) costs incurred as a seller or buyer of Developer's interest in the Site and the Improvements, and costs incurred in connection with any financing or refinancing thereof, to the extent deducted in the calculation of Net Refinancing Proceeds or Net Sales Proceeds;

(d) local, state and federal income, corporate franchise or excise taxes, except business and similar taxes that are directly attributable to the operation, management, leasing, repair and renovation of the improvements;

(e) depreciation, cost recovery and other non-cash items;

(f) payment for any audit by City due to underpayment of Participation Payments;

(g) any fees, charges, penalties or interest which are assessed against or incurred by Developer (including without limitation any delinquent impositions and attorneys' fees) as a result of its failure to timely comply with any law, regulation or contract obligation;

(h) deposits into any reserve fund until such funds are disbursed from such reserve fund for payment of an Operating Expense;

(i) any amounts paid to an Affiliate which are (i) not reasonable and customary and/or (ii) not at or below market rate;

(j) repairs of a capital nature, as determined in accordance with GAAP; and

(k) payments for Project Costs.

"Operating Year" shall mean each calendar year; provided, however, that the first Operating Year to occur after the Completion shall include both (i) the period of time between the Completion and the first January 1 to occur after the Completion, and (ii) the first full calendar year to occur after the Completion.

"Outstanding Debt and Liabilities" shall mean the outstanding loan balance as of the date of the sale or refinancing of all obligations secured by an encumbrance or lien on the Project Component(s) involved, including the Construction Loan.

"Parcel" shall mean, as applicable, the Apartment Parcel, the Hotel Parcel, or the Office Parcel.

"Parking Facility" shall mean the parking garage and all structures, equipment and other improvements constructed or installed on the Site pursuant to the Implementation Agreement and Project Entitlements. Each portion of the Parking Facility that is legally subdivided from the balance of the Parking Facility and included with a Project Component (for example, the Apartments) that is the subject of a Capital Event shall be deemed to be included within the Parcel for such Project Component (for example, the Apartment Parcel).

"Participation Payments" shall mean for each Project Component (or for the Project as a whole, as applicable) an amount if any equal to twenty percent (20%) of Above-Threshold Net Return, as calculated pursuant to Section 3 of this Agreement, which amounts constitute the shall mean the "City Parcels Participation Payments" required by Section 301.5 of the Implementation Agreement.

"Pre-Stabilization Payment" shall mean an amount to be paid to the City pursuant to Section 3 hereof upon a Pre-Stabilization Sale of the entirety of one or more of the Hotel Parcel, the Apartment Parcel and/or the Office Parcel, equal to the higher of (a) the Participation Payment that would be required to be paid to the City by this Agreement if the Pre-Stabilization Sale had been a Bona Fide Arm's Length Third Party Sale, or (b) a dollar amount calculated by multiplying the sum of Four Hundred Thousand Dollars ($400,000) times the percentage of Project Costs that have been allocated under this Agreement to the Project Component(s) involved.

"Pre-Stabilization Sale" shall mean the bona fide arm's-length sale of the entirety of one or more of the Hotel Parcel, the Apartment Parcel and/or the Office Parcel prior to Stabilization from Developer to any person who is not an Affiliate of Developer.

"Project Component" shall mean, as applicable, the Apartments, the Offices, and the Hotel.

"Project Costs" for any Project Component shall mean the total verified development, construction and capital improvement costs for each such Project Component as determined and allocated pursuant to Section 4 below, that are not otherwise included in Operating Expenses or actually credited to Developer pursuant to the City Parcels Purchase Price Credits. No Project Cost shall be counted twice in determining the amount of total Project Costs for purposes of this Agreement. Without limitation, the Project Costs shall include those listed below, and it is the intention of the parties that all out-of-pocket costs of Developer to develop, construct or make capital improvements to the Project shall be included in Project Costs.

a. The City Parcels Purchase Price less the City Parcels Purchase Price Credits;
b. The Agency Parcels Purchase Price;
c. All transaction costs directly related to the acquisition of the Site and the negotiation and execution of the REA, the Perpetual Easement Agreement, the LACMTA Private Use Lease, and all other agreements entered into in connection with or pursuant to the foregoing, including, without limitation, all costs of due diligence, market studies, costs of designs and plans, consultant and engineering fees and charges, escrow fees and charges, title insurance and endorsements, legal fees, and other similar or related costs;
d. All costs of obtaining Project Entitlements, including, without limitation, all costs of due diligence, costs of designs and plans, consultant and engineering fees and charges, the City's and City of Los Angeles's application fees and charges, indemnity expenses, legal fees, and other similar or related costs;

e. All on-site and off-site improvement costs for engineering, consultants, bonds, grading, wet utilities, dry utilities, street improvements, walls and fences, landscaping, and any other facilities, and other similar or related costs;

f. All costs of design, permitting and construction of the Project including construction materials, equipment, labor and subcontractors, and other similar or related costs;

g. All costs of leasing the Project until Stabilization;

h. Property taxes and Insurance premiums and deductibles paid prior to Stabilization;

i. Costs to obtain the Construction Loan and the initial take-out loan therefor (excluding any repayment or prepayments of principal, whether voluntary or mandatory), including all amounts that are paid by Developer for points, costs and requirements such as those which are conditions precedent to the closing of the loan, or other charges, and also including commissions paid to brokers for services performed on behalf of Developer in obtaining the loans, and payments to third parties, such as appraisers and legal counsel, for services required in order to meet the requirements of a lender or the requirements of such lender's loan commitment, and Developer's legal fees;

j. the following payments with respect to the Construction Loan: (1) interest; (2) impounds; (3) appraisals; (4) environmental site assessments; (5) other written reports or studies required by the lender thereof; (6) extension fees; (7) any reimbursable third party expenses of the lender thereof; and (8) loan balancing payments;

k. Any amount of Relocation Costs in excess of the amount of the Relocation Cost Credit received by Developer;

l. Repairs of a capital nature, as determined in accordance with GAAP, and only to the extent that any and all accumulated capital reserve funds are spent first; and

m. Capital costs for the construction, improvement, expansion, alteration or reconstruction of Improvements.

"Project Equity Investment" for any Project Component (or the entire Project as applicable) shall mean the Project Costs expended for and allocated to that Project Component (or the entire Project as applicable) as of the date of calculation less the amount of proceeds of the Construction Loan allocated to that Project Component (or the entire Project as applicable), using the same allocation as set forth in Section 5.

"Stabilization" shall mean for each Project Component a period of time ending at forty-eight (48) months after the Commencement of Construction.

"Threshold Net Return" shall mean, for each Project Component (or the entire Project as applicable), Net Profit equal to a return of Project Equity Investment together with an additional return equal to twenty-five percent (25%) per annum, compounded annually, from the date invested.

"Transfer" shall mean the sale, long term lease, transfer, conveyance, or assignment of any kind however effected of any or all of the Apartment Parcel, the Hotel Parcel, and the Office Parcel, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, or any agreement to do so; the execution of any installment land sale contract or similar instrument affecting all or a portion of any or all of the Project Component parcels; or the lease of all or substantially all of any or all of the Project Component parcels, other than the short-term (i.e. 25 years or less with options) lease of space for occupancy by a tenant. "Transfer" shall also mean the transfer, assignment, hypothecation or conveyance of legal or beneficial ownership of any interest in Developer, or any conversion of Developer to an entity form other than that of Developer at the time of execution of this Agreement, except for the following: (A) a cumulative change in the ownership interests of any individual limited liability company member or partnership partner or corporate shareholder of forty-nine percent (49%) or less shall not be deemed a "Transfer" for purposes of this Agreement; and (B) a transfer of a portion or a majority of stock of any corporation to a trust formed in connection with a qualified employee ownership plan shall not, by itself, be deemed to constitute a change in ownership for purposes of this Agreement.

3. PARTICIPATION PAYMENTS AND PAYMENT PROCEDURES

Developer covenants and agrees for itself and its applicable successors and assigns to pay to the City the Participation Payments in accordance with the following provisions:

A. INTENTIONALLY OMITTED

B. Notice of Capital Event

If Developer elects to effectuate or enter into an agreement providing for the effectuation of any Capital Event, it shall deliver to City a written notice of such Capital Event and such agreement and supporting documentation at least thirty (30) days prior to the scheduled close of such Capital Event (the "Capital Event Notice").

Concurrently with delivery of the Capital Event Notice to the City, Developer shall provide the City with Developer's calculation of Net Refinancing Proceeds or Net Sales Proceeds or Pre-Stabilization Payment as may be applicable to the Capital Event involved, together with Developer's calculation of Net Profit, Threshold Net Return, Above-Threshold Net Return and City Participation Payment, if any, generated by such Capital Event (collectively, a "Proposed Capital Event Report").

The City shall review and approve such Proposed Capital Event Report, or request revisions, within 30 days after receipt, which approval shall not be unreasonably withheld, conditioned or delayed. Without limiting the generality of the foregoing, it shall not be reasonable for the City to withhold its approval of the Proposed Capital Event Report because it believes that it would be entitled to a greater Participation

Payment if the proposed Capital Event was deferred. The City's failure to send written notice objecting to any aspect of the Proposed Capital Event Report within such 30 day period shall be deemed approval of such Proposed Capital Event Report.

Any Proposed Capital Event Report that is approved or deemed approved by the City shall be referred to herein an "Approved Capital Event Report". In the event that City disapproves of any aspect of a Proposed Capital Event Report, Developer may still proceed with the proposed Capital Event described in the Proposed Capital Event Report, provided that Developer causes to be held in escrow an amount equal to 200% of the amount by which the City claims in writing that its proposed Participation Payment is understated in the Proposed Capital Event Report, and instructs the holder thereof in writing not to release such proceeds without the prior written consent of the City (collectively, an "Escrow Holdback Agreement"). Within thirty (30) days after resolution of any such dispute pursuant to the procedures described in Section 8 below, Developer and the City agree to deliver to the escrow holder under the Escrow Holdback Agreement written instructions to release such held back amount consistent with the resolution of the dispute resolution procedures set forth in Section 8 below.

C. Participation Payments

On or before the closing of each Capital Event, Developer shall pay to the City (and/or make an Escrow Holdback Agreement payment to the escrow holder) an amount equal to the City Net Return Share relating to such Capital Event, if any, consistent with the procedures for payment set forth herein (or in the case of a Pre-Stabilization Sale, the higher of such City Net Return or the applicable Pre-Stabilization Amount, allocated to the Project Component(s) involved).

Illustrative examples related to the implementation of this Section 3 are set forth in the attached Exhibit "B". Such examples are for purposes of illustration only and in the event of a conflict between said Exhibit "B" and this Agreement, the provisions of this Agreement shall prevail.

D. Partial Releases of Agreement

This Agreement, as to each Project Component and each Project Component Parcel, shall be released upon the closing of the first Bona Fide Arm's Length Third Party Sale or first Pre-Stabilization Sale or the Final Capital Event, as applicable, of such Project Component and the payment to the City of the applicable Participation Payments or Pre-Stabilization Amount, as applicable, due in connection therewith; provided that if such amounts are in dispute then only the undisputed amounts shall be payable upon such closing, provided the City receives an Escrow Holdback Agreement with respect thereto. The City agrees to execute and record any release documentation reasonably requested by Developer to release of record this Agreement with respect to the covenants and obligations of Developer pertaining to such Project Component upon receipt of such payment in full.

In the event of a Transfer prior to the Final Capital Event Date of any or all of the Project Components or any portions thereof which is neither a Bona Fide Arm's Length Third Party Sale nor a Pre-Stabilization Sale, Developer shall have no right to terminate the payment of Participation Payments, and Participation Payment shall continue as required under this Agreement without change or adjustment of any kind until the Expiration Date.

E. Notice of Transfer

If Developer elects to effectuate or enter into any agreement providing for a Transfer of any Project Component or portion thereof or interest therein, it shall deliver to City a written notice of such proposed Transfer and any such agreement at least thirty (30) days prior to the close of such Transfer (the "Transfer Notice") and a Capital Event Notice and the Proposed Capital Event Report pursuant to Section 3(B) of this Agreement for the City's approval and shall make the payments to the City as and when required by this Agreement for the Capital Event involved.

Nothing in this Agreement is intended to expand the limitation on Developer's Transfer rights or expand the City's approval rights with respect thereto beyond those set forth in the Implementation Agreement, and Developer shall, notwithstanding anything to the contrary in this Agreement, comply with transfer limitations and procedures set forth in the Implementation Agreement.

F. Final Release of Participation Agreement Upon Final Capital Event

Notwithstanding the foregoing, as to any Project Component that has not been the subject of a Pre-Stabilization Sale or Bona Fide Arm's Length Third Party Sale during the ten (10) year period following Completion of the Project, then the final Participation Payment shall be paid to the City in connection with the Final Capital Event and the procedures set forth in this Section 3.F. The Participation Payment for the Final Capital Event shall be calculated as if the remaining unsold Project Component(s) had been sold on the Final Capital Event Date for an amount equal to the fair market value as established below, and yielded Net Sales Proceeds consistent with such value (assuming customary costs of such sale, as listed in the definition of Net Sales Proceeds).

Developer shall deliver to City a Capital Event Notice of such Final Capital Event, including a Proposed Capital Event Report (the "Final Report") that includes an independent MAI appraisal ("Developer's Appraisal") of the final fair market value of the remaining unsold Project Components at least sixty (60) days prior to the Final Capital Event Date.

City will have the right to obtain an independent MAI appraisal of the final fair market value of the remaining unsold Project Component(s) (the "City's Appraisal"). If City desires to obtain a City's Appraisal, then City shall so notify Developer within the thirty (30) -day period set forth above. If Developer does not receive a written notice demanding an audit and City's Appraisal from City within thirty (30) days after it receives the Final Report, then City will be deemed to have waived its right to obtain a City Appraisal. If, having received a notice of City's desire to obtain a City's Appraisal within such thirty (30) -day period, thereafter City fails to deliver City's Appraisal to Developer within one hundred twenty (120) more days, City will be deemed to have waived its right to obtain a City's Appraisal. If City's Appraisal is obtained by the City and timely delivered to Developer in accordance hereof, and such City's Appraisal reveals a final fair market value of the remaining unsold Project Component(s) higher than the value shown in the Developer's Appraisal, then, within thirty (30) days following Developer's receipt thereof, City, Developer and their appraisers will meet and confer to resolve any differences, and agree upon a resolution with regard to the final fair market value of the remaining unsold Project Component(s). If following such meeting, City and Developer are unable to agree upon the final fair market value of the remaining unsold Project Component(s), then Developer and City shall each instruct its appraiser to select and agree with the other on a third appraiser, which will be retained by Developer to conduct an appraisal (the "Third Appraisal") of the final fair market value of the remaining unsold Project Component(s). If the Third Appraisal reveals final fair market value of the remaining unsold Project Component(s) closer to the final fair market value of the remaining unsold Project Component(s) shown in Developer's Appraisal, then (a) the average of the final fair market value of the remaining unsold Project Component(s) shown in Developer's Appraisal and in the Third Appraisal shall be the final fair market value of the remaining unsold Project Component(s) Value hereunder, and (b) City will be responsible for the cost of the City's Appraisal and the Third Appraisal, and will within thirty (30) days after written demand reimburse Developer for its actual out of pocket expenses incurred in connection therewith. If the Third Appraisal reveals the final fair market value of the remaining unsold Project Component(s) closer to the amount shown in City's Appraisal, then (a) the average of the final fair market value of the remaining unsold Project Component(s) shown in City's Appraisal and in the Third Appraisal shall be the final fair market value of the remaining unsold Project Component(s) hereunder, and (b) Developer will be responsible for the cost of the City's Appraisal and the Third Appraisal, and will within thirty (30) days after written demand reimburse City for its actual out of pocket expenses incurred in connection therewith.

This Agreement, as to each Project Component and each Project Component Parcel remaining unsold as of the Final Capital Event shall be released upon the payment to the City of the Participation Payments due in connection with the Final Capital Event.

G. Final Participation Payment Adjustment.

Notwithstanding the foregoing, the final Participation Payment shall be reduced, if applicable, such that the sum of the Participation Payments to the City equals twenty percent (20%) of Above-Threshold Net Return for the Project taken as a whole; provided that in no event shall City be obligated to repay Developer any amounts previously paid in respect of Participation Payments by reason of any such Participation reduction.

4. DETERMINATION AND ALLOCATION OF PROJECT COSTS

The Project Costs, the proceeds of the Construction Loan and Project Equity Investment shall be allocated _________ percent (___%) to the Apartments, _________ percent (___%) to the Offices, and to _________ percent (___%) to the Hotel, which allocation to the Project Components was established in Developer's Evidence of Financing approved by the City in connection with the Closing. Project Costs as of Completion of the Project shall be the amount of Project Costs calculated by Developer (subject to the City's right to dispute such calculation as set forth below) as set forth on a financial statement of Project Costs as of Completion of the Project, including, without limitation, change orders and the like (the "Project Cost Statement") delivered to the City within one (1) year following Completion of the Project.

In the event the City disputes Developer's Project Cost Statement, the City shall send written notice to Developer of same within thirty (30) days following receipt of the Project Cost Statement. The City shall have the right to inspect the books and records of Developer and/or conduct an audit as set forth in Section 8, and the resolution of any such dispute shall be determined generally in accordance with the terms and provisions of Section 8 applicable to the calculation of Participation Payments and any deficiencies or overpayments thereto; provided, however, that the terms and provisions of Section 8 regarding audits and disputes shall instead be interpreted to apply to the calculation of Project Costs and the amount of the Project Costs paid for with the proceeds of the Construction Loan for each Project Component, rather than the Participation Payments due, and no payments shall be required as a result of the Ruling by the auditors from either party and instead, the auditor's Ruling shall determine and conclusively establish the final amount of the Project Costs as of the date specified in such audit.

Project Costs incurred following Completion shall be allocated as follows: (a) to the extent they relate to improvements located on a Project Component Parcel, then 100% to such Project Component, and (b) to the extent located on the EXPO parking spaces or Transit Plaza, then they shall be allocated to the three Project Components in the ratio set forth above in this Section.

5. ELIGIBILITY OF REVENUES AND EXPENSES AND POST COMPLETION COSTS

All actually received revenues and actually paid expenses which are to be included in Gross Rents, Gross Hotel Revenues, Operating Expenses and post Completion Project Costs, as applicable, shall be computed on a cash accounting basis and shall include, for each Operating Year, only those revenues, expenses and post Completion Project Costs applicable to such Operating Year. Gross Rents, Gross Hotel Revenues, Operating Expenses and post Completion Project Costs shall be included in the Operating Year to which they are properly allocated in accordance with generally accepted accounting principles consistently applied. There shall be no double counting of the expenses (or revenues) described above, and if any expenses (or revenues) incurred in any Operating Year could be placed in more than one category, it shall be placed in only one of the applicable categories for that Operating Year and accounted for one time in that Operating Year. There shall be no double counting of the Operating Expenses and post Completion Project Costs described above, and if any item of expense or cost incurred in any Operating Year could be placed in either such category, it shall be placed in only one of such categories for that Operating Year and accounted for one time in that Operating Year.

6. MANAGEMENT

Developer agrees to conduct itself in the development and operation of the Improvements and in the computation of the amounts and payments referred to in this Agreement in a reasonable and customary manner that is consistent with other comparable developments, or comparable development components, and consistent with other developments of Developer, so as not to cause a distortion of costs, revenue or expenses, or distortion of allocations among categories of costs, revenues and expenses, to the detriment of the City in the calculation of the amounts and payments referred to in this Agreement.

1. All operating expenses shall be those directly paid to employees and to third party vendors, suppliers, utilities, insurers, contractors, consultants, taxing entities, regulatory and permitting agencies and others for goods and services provided to, and for the direct benefit of, the project's on-going operations and maintenance.

2. Developer and its managers and operators shall not enter into any agreement governing the management of any Project Component, or any lease of commercial, retail, parking or residential space, or any agreement for the purchase of goods and services, unless such agreement or lease is the result of an arm's-length transaction, and the rents, fees and charges are generally comparable to industry standards in the County of Los Angeles. Any such agreement or lease which is with an Affiliate shall be submitted for review by the City for consistency with the criteria of this Section 6.

The City acknowledges and agrees that except as expressly stated in the Implementation Agreement, and without the City waiving any rights to seek enforcement of the duties of Developer and its successors and assigns to perform their obligations under the Implementation Agreement or any document entered into pursuant to the Implementation Agreement, it shall have no management or consent rights with respect to any decisions relating to the Project, it being agreed that all of such rights and decision making authority shall at all times remain with Developer acting in its sole discretion.

7. [INTENTIONALLY BLANK]

8. BOOKS AND RECORDS; AUDIT; DISPUTES

A. Annual Statements. Commencing in the first (1st) calendar year following Completion, Developer shall annually, within one hundred twenty (120) days after the end of the preceding calendar year, provide City with complete financial statements for the preceding calendar year of each Project Component for which a Bona Fide Arm's Length Transfer has not theretofore occurred (collectively for each year, an "Annual Statement"), setting forth Developer's calculation of the amount of Operating Expenses, Gross Revenues, Project Costs and Net Profit, if any, generated in the preceding Operating Year for each such Project Component. The Annual Statement shall be broken down amongst the Project Components by specific line items consistent with the definitions set forth in this Agreement. The City shall review and approve such Annual Statement, or request revisions in writing, within thirty (30) days after receipt, and shall not unreasonably withhold or delay such approval. In the event Developer objects to any requested revisions, it shall send written notice thereof to the City within ten (10) Business Days and thereafter, the City shall have the right, by giving written notice to Developer within ten (10) Business Days following Developer's notice of objection, to initiate the Dispute Resolution Procedures set forth in Section 8, and the resolution of any such dispute shall be determined in accordance with the terms and provisions of Section 8.

B. Records. Developer shall make available in the offices of the Developer full and accurate books and accounts, records, cash receipts and other pertinent data reasonably satisfactory to the City showing the operation of each Project Component. Such books of account, records, cash receipts and other pertinent data shall be kept by Developer until the later of (a) a ten (10) year period after the applicable Operating Year, and (b) upon the first Bona Fide Arm's Length Third Party Sale for each Project Component. The City shall be entitled during such period during normal business hours and upon reasonable prior written notice to Developer to inspect, examine and to copy at the City's expense, Developer's books of account, records, cash receipts and other pertinent data as necessary or appropriate for the purpose of this Agreement. Developer shall reasonably cooperate with the City during any such inspection.

C. Audit. The City shall be entitled at its expense, once within sixty (60) days after receipt of any Annual Statement or the Project Cost Statement, to perform an independent audit of Developer's books of account, records, cash receipts, and other pertinent data applicable to up to three (3) immediately preceding calendar years, by a certified public accountant to be designated by the City. Any such audit shall be conducted during normal and usual business hours. A copy of any such audit shall be provided to Developer and Developer shall be provided with an opportunity to address the findings of the audit. If the audit discloses errors in such Annual Statement(s) and/or Project Cost Statements, then all calculations of Participation Payments thereafter made shall be undertaken as if such errors were corrected in accordance with such audit findings, unless Developer disputes such audit findings, in which case, Developer shall notify the City of such dispute and the Dispute Resolution Procedures shall be initiated. If the audit discloses there was a deficiency in the Participation Payments previously paid to the City, the deficiency amount shall be due and payable to the City within fifteen (15) business days following written notice thereof to Developer, unless Developer disputes such deficiency, in which case, Developer shall notify the City of such dispute and the Dispute Resolution Procedures shall be initiated. However, if the audit discloses that the

Developer overpaid Participation Payments to the City, such overage amounts shall be due and payable to Developer within fifteen (15) business days following receipt of the findings of the audit by the City. If any such deficiency payable to the City exceeds five percent (5%) of the amount of Participation Payments actually paid to the City, or if Developer fails to pay the deficiency amount within fifteen (15) business days after written notice from the City requesting payment of the deficiency amount, Developer shall, in addition to paying the deficiency amount to the City, reimburse the City for the cost of the audit plus five percent (5%) of the deficiency amount as compensation to the City for administrative costs and loss of interest on the deficiency amount. In the event the City audit discloses that such deficiency is less than five percent (5%) of the actual City Participation Payments paid to the City for the applicable Operating Year and Developer pays such deficiency amount within fifteen (15) business days after written notice from the City requesting such payment, only the deficiency amount shall be due and payable to the City. In the event the City audit discloses that Developer overpaid Participation Payments to the City for the applicable Operating Year, the City shall, in addition to paying the overage amount to Developer, reimburse Developer for the cost of the audit plus five percent (5%) of the overage amount as compensation to Developer for administrative costs and loss of interest on the overage amount.

Each party agrees to pay all such deficiency amounts and further agrees that any administrative or late charges applicable thereto represent a fair and reasonable estimate of the costs that the City will incur from Developer's late payment. Acceptance of late charges and any portion of the late payment of the deficiency amount by a party shall in no event constitute a waiver of any other default under this Agreement with respect to any other late payments by the other party nor prevent the aggrieved party from exercising any of its other rights and remedies granted in this Agreement or under operation of law.

D. Dispute Resolution Procedures. In the event Developer disputes the City's objections to any Project Cost Report or Annual Financial Statement or any audit conducted by the City, Developer shall have the right to conduct its own audit by a certified public accountant designated by Developer and a copy of such audit shall be provided to the City. In the event such audit reveals either (a) there is a deficiency in the Participation Payments due and payable to the City, the deficiency amount set forth in Developer's audit report (or, if the City has also obtained an audit report, the deficiency amount within the two reports that is closest to the actual Participation Payments paid to the City shall be immediately due and payable to the City, or (b) Developer overpaid Participation Payments to the City, such overage amounts set forth in Developer's audit report (or, if the City has also obtained an audit report, the deficiency amount within the two reports that is yields the smaller overage) shall be immediately due and payable to Developer following receipt of the findings of the audit by the City; provided, however, in the event the City disputes the findings of Developer's auditor, it shall give notice thereof within five (5) Business Days of receipt of the audit conducted by Developer, and the parties shall so notify both auditors of the continuing dispute. Upon receipt of such notice, the auditors designated by the City and Developer shall each mutually agree upon and appoint a third auditor who shall be a certified public accountant from a nationally recognized accounting firm and shall have recognized experience of not less than ten (10) years in the financial analysis and real estate accounting principles with respect to real estate construction and development for major projects comparable to the nature of the Project. The three auditors shall consult with one another regarding the issues involved and within thirty (30) days of the appointment of the third auditor, shall each reach a decision. The average of the three decisions shall be calculated and shall constitute the ruling (the “Ruling’) indicating whether the City’s audit or Developer’s audit is closest to the actual Participation Payments due to the City. Following such ruling, any deficiency or overpayment shall be immediately due and payable by Developer or the City, as applicable. The party obligated to make a payment following such dispute resolution process shall also be obligated to reimburse the other party’s audit costs. The procedures set forth in the preceding paragraph shall be referred to herein as the “Dispute Resolution Procedures”.

9. BINDING ON SUCCESSORS

All covenants, conditions and agreements contained in this Agreement shall be covenants running with the land, and shall, until the Expiration Date, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by, the City and its successors and assigns, against Developer and its successors and assigns to or of the Site or any portion thereof or any interest therein.

All references in this Agreement to “Developer” shall apply to Developer and its successors and assigns to or of the Site or any portion thereof or any interest therein.

In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that the City shall be deemed a beneficiary of the covenants provided for in this Agreement both for and in its own right and also for the purposes of protecting the interests of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of the City, and such covenants shall run in favor of the City for the entire period during which such covenant shall be in force and effect, without regard to whether the City is or remains an owner of any land or interest therein to which such covenants relate.

10. REMEDIES OF CITY

Developer shall pay the amounts of Participation Payments for each Operating Year, on or before the dates provided herein for each such payment, in lawful money of the United States at the City's office at the address set forth in this Agreement. Each payment due the City hereunder shall be due without any right of offset or retention for any reason whatsoever.

Each such amount, if not paid, shall become delinquent on the specified due date. Any delinquencies may be enforced and/or collected by an action at law against Developer, or in any other manner provided in this Agreement.

Each remedy provided for in this Agreement is separate, distinct and nonexclusive. Failure to exercise a particular remedy shall not be construed as a waiver thereof. Failure or delay to enforce any provision hereof (including collection of any particular payment due) shall not constitute a waiver of the right to enforce said provision (or collect such payment) or any other provision (or payment) hereof.

The City shall have the right, in the event of any breach of any such covenant, agreement or condition, to exercise all the rights and remedies provided by law, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of covenant, agreement or condition. To the extent required, the Successor Agency shall join in the exercise of any of such rights and remedies pursuant to the Joinder of Successor Agency set forth in Section 12.K below.

11. GENERAL PROVISIONS

A. Irrevocability; Term of Agreement

This Agreement shall be irrevocable by Developer, its successors and assigns to the Site and all improvements developed thereon, or any portion thereof or interest therein in accordance with its terms. The provisions of this Agreement shall continue in effect until the Expiration Date.

B. Amendment of Agreement

Only the City, its successors and assigns, and Developer, and the successors and assigns of Developer in and to the Site shall have the right to consent and agree in writing to changes in, or to eliminate in whole or in part, any of the covenants or conditions contained in this Agreement.

C. Validity

Developer, its successors and assigns, shall not contest, directly or indirectly, the validity of this Agreement and/or any payment to the City hereunder.

D. Applicable Law

This Agreement shall be governed by and construed according to the laws of the State of California.

E. Number, Gender, and Headings

As used in this Agreement, the singular shall include the plural and the masculine shall include the feminine and the neuter, unless the context requires the contrary. All headings are not a part hereof, and shall not affect the interpretation of any provision.

F. Notices

Any formal notices, demands or communications given pursuant to this Agreement shall be deemed sufficiently given when delivered personally to the City or Developer, or any duly authorized officer of the City or Developer respectively, or upon deposit in the U.S. mail postage prepaid, certified mail and return receipt requested, addressed respectively to:

To City:	The City of Culver City Attn: Sol Blumenfeld, Community Developer Director 9770 Culver Boulevard Culver City, California 90232-0507
Copy to:	The City of Culver City Attn: Carol Schwab, City Attorney 9770 Culver Boulevard Culver City, California 90232-0507
To Developer:	______________________________, LLC
Copy to:	Lowe Enterprises Real Estate Group Attn: Thomas W. Wulf Senior Vice President and Attn: John DeMarco, Esq. General Counsel 11777 San Vicente Boulevard; Suite 900 Los Angeles, California 90049
Copy to:	Liner LLP Attn: Michael J. Kiely 1100 Glendon Avenue, 14th Floor Los Angeles, California 90024

Such notices, demands or communications may be sent in the same manner to such other addresses as either party may from time to time designate in a notice give pursuant to this Section.

Any notice delivered pursuant to a section of this Agreement that provides for a City approval or disapproval to such notice shall contain the following warning printed in bold type not smaller than 12 point on the first page thereof:

NOTICE IS HEREBY GIVEN THAT FAILURE TO DISAPPROVE THE REQUESTED MATTER WITHIN 30 CALENDAR DAYS SHALL BE DEEMED AN APPROVAL THEREOF PURSUANT TO SECTION ___ OF THE PARTICIPATION AGREEMENT DATED AS OF __________, __, 20__ AMONG THE CITY OF

CULVER CITY, THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY AND ______________________________ (Insert name of Developer).

G. Developer Waivers. Developer waives presentment for payment, demand, protest, and notices of dishonor and of protest; the benefits of all waivable exemptions; and all defenses and pleas on the ground of any extension or extensions of the time of payment or of any due date under this Agreement, in whole or in part, whether before or after maturity and with or without notice.

H. Rights Held Invalid. If the rights created by this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid.

I. Discrepancies. In the case of any inconsistency between the provisions of this Agreement and the Implementation Agreement, the provisions of this Agreement shall prevail.

J. Covenants of Developer with Respect to Agency Parcels. Developer covenants and agrees for itself, its successors, its assigns, and all persons claiming under or through them that all of the covenants, restrictions, provisions and agreements set forth in this Agreement applicable to the City Parcels formerly owned by the City shall apply with the same force and effect as to the Agency Parcels formerly owned by the Successor Agency, and Developer acknowledges and agrees that all such covenants, restrictions, provisions and agreements binding on Developer hereunder that would be enforceable by Successor Agency rather than the City, if any, shall be deemed enforceable by the City on the Successor Agency's behalf, and Developer hereby recognizes, to the fullest extent permitted by law, the City's right to act on behalf of the Successor Agency to the extent required to take any necessary steps and sign any necessary documents in order to enable the enforcement of the covenants of Developer pertaining to the Agency Parcels.

K. Joinder of Successor Agency. The joinder of the Successor Agency to this Agreement and the execution of this Agreement are limited to the performance of the obligation of the Successor Agency to the extent required to take any necessary steps and sign any necessary documents in order to enable the enforcement of the covenants of Developer pertaining to the Agency Parcels.

L. Subordination and Estoppel.

This Agreement shall be subject and subordinate to the lien of any mortgages or deeds of trust in favor of the Construction Lender and upon Completion of the Project any other lender extending financing secured by the Site, now or hereafter in force against the Site, if any, and/or renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or deeds of trust. The City shall, within fifteen (15) business days following receipt of the request of Developer, execute a commercially reasonable subordination in favor of mortgage holders or lienholders of Developer who later come into existence at any time prior to the Expiration Date or earlier termination of this Agreement.

The City shall, upon the reasonable request of Developer, issue to any actual or prospective lender, mortgagee, equity investor, purchaser, or ground lessee with respect to the Site, within fifteen (15) Business Days after receipt of any such request, estoppel letters indicating whether this Agreement has been duly assigned, modified or amended in any way (and if it has then stating the nature thereof), the absence of any default of Developer, if such be the case, and the effectiveness of this Agreement, if such be the case.

M. No Partnership. Nothing in this Agreement is intended to create a partnership or joint venture between City and Developer nor shall City be deemed to be a member of Developer or its Affiliates for any purpose whatsoever, including without limitation, any voting rights with respect to Developer or its Affiliates or the operation, maintenance, sale, refinance or other disposition of the Property.

N. Attorneys' Fees. In any action between the parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action or other proceeding shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs, expert witness fees and reasonable attorneys' fees and costs. As used in the Agreement, the terms "attorneys' fees" or "attorneys' fees and costs" means the reasonable fees and expenses of counsel to the Parties hereto (including, without limitation, in-house or other counsel employed by the City or Developer) which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and others not admitted to the bar but performing services under the supervision of an attorney. The terms "attorneys' fees" or "attorneys' fees and costs" shall also include, without limitation, all such fees and expenses incurred with respect to enforcement of judgments, appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred.

O. Entire Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereto.

[Signatures begin on following page]

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be executed on their behalf by their respective officers hereunto duly authorized, and the Successor Agency has joined in the execution of this Agreement pursuant to Section 11.K above.

CITY OF CULVER CITY

Dated: _______________ By: ___________________________

Its: ___________________________

KANE, BALLMER & BERKMAN
City Special Counsel

By: ___________________________
Murray O. Kane

[Signatures continue on following page]

THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY

Dated: _______________

By: ___________________________

Its: ___________________________

KANE, BALLMER & BERKMAN
Successor Agency Special Counsel

By: ___________________________
Murray O. Kane

LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation

Dated: _______________

By: ________________________
Thomas W. Wulf
Its: Senior Vice President

STATE OF CALIFORNIA)
)ss.
COUNTY OF ____________)

On _____________________ before me, ______________________________, a Notary Public, 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.

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.

Signature_______________________________________ (Seal)

STATE OF CALIFORNIA)
)ss.
COUNTY OF ____________)

On _____________________ before me, ______________________________, a Notary Public, 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.

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.

Signature_______________________________________ (Seal)

Exhibit "A"

"Legal Description of the Site"

[behind this page]

Exhibit "B"

Illustrative Examples of Participation Payments

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Entitlements					
		Execution Date 11/1/14	Month 1 12/1/14	Month 2 1/1/15	Month 3 2/1/15	Month 4 3/1/15	Month 5 4/1/15
I.	**Project Costs Funded With Equity**	($1,000,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
II.	**Operating Cash Flow**						
	Gross Revenues						
	Less: Operating Expenses						
	Net Profit from Project Operations	$0	$0	$0	$0	$0	$0
III.	**Refinancing Proceeds**						
	Gross Refinancing Proceeds						
	(Less) Repayment of Existing Loan						
	(Less) Costs Associated with Refinancing						
	Net Refinancing Proceeds						
IV.	**Sale Proceeds**						
	Gross Sales Proceeds						
	(Less) Repayment of Refinanced Loan						
	(Less) Return of Equity						
	(Less) Costs Associated with Sale						
	Net Sale Proceeds						
V.	**Cash Flow**	($1,000,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
VI.	**Internal Rate of Return**						
VII.	**Participation Calculation**						
	Net Present Value of Cash Flow @ 25%						
	City Net Return Share @ 20% of a Positive Amount						

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Entitlements						
		Month 6 5/1/15	Month 7 6/1/15	Month 8 7/1/15	Month 9 8/1/15	Month 10 9/1/15	Month 11 10/1/15	Month 12 11/1/15
I.	**Project Costs Funded With Equity**	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
II.	**Operating Cash Flow**							
	Gross Revenues							
	Less: Operating Expenses							
	Net Profit from Project Operations	$0	$0	$0	$0	$0	$0	$0
III.	**Refinancing Proceeds**							
	Gross Refinancing Proceeds							
	(Less) Repayment of Existing Loan							
	(Less) Costs Associated with Refinancing							
	Net Refinancing Proceeds							
IV.	**Sale Proceeds**							
	Gross Sales Proceeds							
	(Less) Repayment of Refinanced Loan							
	(Less) Return of Equity							
	(Less) Costs Associated with Sale							
	Net Sale Proceeds							
V.	**Cash Flow**	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
VI.	**Internal Rate of Return**							
VII.	**Participation Calculation**							
	Net Present Value of Cash Flow @ 25%							
	City Net Return Share @ 20% of a Positive Amount							

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Entitlements						
		Month 13 12/1/15	Month 14 1/1/16	Month 15 2/1/16	Month 16 3/1/16	Month 17 4/1/16	Month 18 5/1/16	Month 19 6/1/16
I.	**Project Costs Funded With Equity**	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
II.	**Operating Cash Flow**							
	Gross Revenues							
	Less: Operating Expenses							
	Net Profit from Project Operations	$0	$0	$0	$0	$0	$0	$0
III.	**Refinancing Proceeds**							
	Gross Refinancing Proceeds							
	(Less) Repayment of Existing Loan							
	(Less) Costs Associated with Refinancing							
	Net Refinancing Proceeds							
IV.	**Sale Proceeds**							
	Gross Sales Proceeds							
	(Less) Repayment of Refinanced Loan							
	(Less) Return of Equity							
	(Less) Costs Associated with Sale							
	Net Sale Proceeds							
V.	**Cash Flow**	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
VI.	**Internal Rate of Return**							
VII.	**Participation Calculation**							
	Net Present Value of Cash Flow @ 25%							
	City Net Return Share @ 20% of a Positive Amount							

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Entitlements						
		Month 20 7/1/16	Month 21 8/1/16	Month 22 9/1/16	Month 23 10/1/16	Month 24 11/1/16	Month 25 12/1/16	Month 26 1/1/17
I.	**Project Costs Funded With Equity**	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
II.	**Operating Cash Flow**							
	Gross Revenues							
	Less: Operating Expenses							
	Net Profit from Project Operations	$0	$0	$0	$0	$0	$0	$0
III.	**Refinancing Proceeds**							
	Gross Refinancing Proceeds							
	(Less) Repayment of Existing Loan							
	(Less) Costs Associated with Refinancing							
	Net Refinancing Proceeds							
IV.	**Sale Proceeds**							
	Gross Sales Proceeds							
	(Less) Repayment of Refinanced Loan							
	(Less) Return of Equity							
	(Less) Costs Associated with Sale							
	Net Sale Proceeds							
V.	**Cash Flow**	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
VI.	**Internal Rate of Return**							
VII.	**Participation Calculation**							
	Net Present Value of Cash Flow @ 25%							
	City Net Return Share @ 20% of a Positive Amount							

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Entitlements						
		Month 27 2/1/17	Month 28 3/1/17	Month 29 4/1/17	Month 30 5/1/17	Month 31 6/1/17	Month 32 7/1/17	Month 33 8/1/17
I.	**Project Costs Funded With Equity**	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
II.	**Operating Cash Flow**							
	Gross Revenues							
	Less: Operating Expenses							
	Net Profit from Project Operations	$0	$0	$0	$0	$0	$0	$0
III.	**Refinancing Proceeds**							
	Gross Refinancing Proceeds							
	(Less) Repayment of Existing Loan							
	(Less) Costs Associated with Refinancing							
	Net Refinancing Proceeds							
IV.	**Sale Proceeds**							
	Gross Sales Proceeds							
	(Less) Repayment of Refinanced Loan							
	(Less) Return of Equity							
	(Less) Costs Associated with Sale							
	Net Sale Proceeds							
V.	**Cash Flow**	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)	($200,000)
VI.	**Internal Rate of Return**							
VII.	**Participation Calculation**							
	Net Present Value of Cash Flow @ 25%							
	City Net Return Share @ 20% of a Positive Amount							

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Entitlements		
		Month 34 9/1/17	Month 35 10/1/17	Month 36 11/1/17
I.	**Project Costs Funded With Equity**	($200,000)	($200,000)	($200,000)
II.	**Operating Cash Flow**			
	Gross Revenues			
	Less: Operating Expenses			
	Net Profit from Project Operations	$0	$0	$0
III.	**Refinancing Proceeds**			
	Gross Refinancing Proceeds			
	(Less) Repayment of Existing Loan			
	(Less) Costs Associated with Refinancing			
	Net Refinancing Proceeds			
IV.	**Sale Proceeds**			
	Gross Sales Proceeds			
	(Less) Repayment of Refinanced Loan			
	(Less) Return of Equity			
	(Less) Costs Associated with Sale			
	Net Sale Proceeds			
V.	**Cash Flow**	($200,000)	($200,000)	($200,000)
VI.	**Internal Rate of Return**			
VII.	**Participation Calculation**			
	Net Present Value of Cash Flow @ 25%			
	City Net Return Share @ 20% of a Positive Amount			

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Construction						
		Month 37 12/1/17	Month 38 1/1/18	Month 39 2/1/18	Month 40 3/1/18	Month 41 4/1/18	Month 42 5/1/18	Month 43 6/1/18
I.	**Project Costs Funded With Equity**	($10,000,000)	($10,000,000)	($10,000,000)	($10,000,000)	($10,000,000)	($10,000,000)	($10,000,000)
II.	**Operating Cash Flow**							
	Gross Revenues							
	Less: Operating Expenses							
	Net Profit from Project Operations	$0	$0	$0	$0	$0	$0	$0
III.	**Refinancing Proceeds**							
	Gross Refinancing Proceeds							
	(Less) Repayment of Existing Loan							
	(Less) Costs Associated with Refinancing							
	Net Refinancing Proceeds							
IV.	**Sale Proceeds**							
	Gross Sales Proceeds							
	(Less) Repayment of Refinanced Loan							
	(Less) Return of Equity							
	(Less) Costs Associated with Sale							
	Net Sale Proceeds							
V.	**Cash Flow**	($10,000,000)	($10,000,000)	($10,000,000)	($10,000,000)	($10,000,000)	($10,000,000)	($10,000,000)
VI.	**Internal Rate of Return**							
VII.	**Participation Calculation**							
	Net Present Value of Cash Flow @ 25%							
	City Net Return Share @ 20% of a Positive Amount							

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Construction						
		Month 44 7/1/18	Month 45 8/1/18	Month 46 9/1/18	Month 47 10/1/18	Month 48 11/1/18	Month 49 12/1/18	Month 50 1/1/19
I.	**Project Costs Funded With Equity**	($10,000,000)	($10,000,000)	($10,000,000)	$0	$0	$0	$0
II.	**Operating Cash Flow**							
	Gross Revenues							
	Less: Operating Expenses							
	Net Profit from Project Operations	$0	$0	$0	$0	$0	$0	$0
III.	**Refinancing Proceeds**							
	Gross Refinancing Proceeds							
	(Less) Repayment of Existing Loan							
	(Less) Costs Associated with Refinancing							
	Net Refinancing Proceeds							
IV.	**Sale Proceeds**							
	Gross Sales Proceeds							
	(Less) Repayment of Refinanced Loan							
	(Less) Return of Equity							
	(Less) Costs Associated with Sale							
	Net Sale Proceeds							
V.	**Cash Flow**	($10,000,000)	($10,000,000)	($10,000,000)	$0	$0	$0	$0
VI.	**Internal Rate of Return**							
VII.	**Participation Calculation**							
	Net Present Value of Cash Flow @ 25%							
	City Net Return Share @ 20% of a Positive Amount							

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Construction						
		Month 51 2/1/19	Month 52 3/1/19	Month 53 4/1/19	Month 54 5/1/19	Month 55 6/1/19	Month 56 7/1/19	Month 57 8/1/19
I.	**Project Costs Funded With Equity**	$0	$0	$0	$0	$0	$0	$0
II.	**Operating Cash Flow**							
	Gross Revenues							
	Less: Operating Expenses							
	Net Profit from Project Operations	$0	$0	$0	$0	$0	$0	$0
III.	**Refinancing Proceeds**							
	Gross Refinancing Proceeds							
	(Less) Repayment of Existing Loan							
	(Less) Costs Associated with Refinancing							
	Net Refinancing Proceeds							
IV.	**Sale Proceeds**							
	Gross Sales Proceeds							
	(Less) Repayment of Refinanced Loan							
	(Less) Return of Equity							
	(Less) Costs Associated with Sale							
	Net Sale Proceeds							
V.	**Cash Flow**	$0	$0	$0	$0	$0	$0	$0
VI.	**Internal Rate of Return**							
VII.	**Participation Calculation**							
	Net Present Value of Cash Flow @ 25%							
	City Net Return Share @ 20% of a Positive Amount							

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Construction		
		Month 58 9/1/19	Month 59 10/1/19	Month 60 11/1/19
I.	**Project Costs Funded With Equity**	$0	$0	$0
II.	**Operating Cash Flow**			
	Gross Revenues			
	Less: Operating Expenses			
	Net Profit from Project Operations	$0	$0	$0
III.	**Refinancing Proceeds**			
	Gross Refinancing Proceeds			
	(Less) Repayment of Existing Loan			
	(Less) Costs Associated with Refinancing			
	Net Refinancing Proceeds			
IV.	**Sale Proceeds**			
	Gross Sales Proceeds			
	(Less) Repayment of Refinanced Loan			
	(Less) Return of Equity			
	(Less) Costs Associated with Sale			
	Net Sale Proceeds			
V.	**Cash Flow**	$0	$0	$0
VI.	**Internal Rate of Return**			
VII.	**Participation Calculation**			
	Net Present Value of Cash Flow @ 25%			
	City Net Return Share @ 20% of a Positive Amount			

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Operations						
		Year 1 11/1/20	Year 2 11/1/21	Year 3 11/1/22	Year 4 11/1/23	Year 5 11/1/24	Year 6 11/1/25	Year 7 11/1/26
I.	**Project Costs Funded With Equity**	$0	$0	$0	$0	$0	$0	$0
II.	**Operating Cash Flow**							
	Gross Revenues	$26,618,129	$42,589,007	$53,236,259	$54,833,346	$56,478,347	$58,172,697	$59,917,878
	Less: Operating Expenses	(7,623,927)	(12,198,283)	(15,247,853)	(15,705,289)	(16,176,447)	(16,661,741)	(17,161,593)
	Net Profit from Project Operations	$18,994,203	$30,390,724	$37,988,405	$39,128,058	$40,301,899	$41,510,956	$42,756,285
III.	**Refinancing Proceeds**							
	Gross Refinancing Proceeds					$374,232,000		
	(Less) Repayment of Existing Loan					(275,000,000)		
	(Less) Costs Associated with Refinancing					(11,227,000)		
	Net Refinancing Proceeds					$88,005,000		
IV.	**Sale Proceeds**							
	Gross Sales Proceeds							
	(Less) Repayment of Refinanced Loan							
	(Less) Return of Equity							
	(Less) Costs Associated with Sale							
	Net Sale Proceeds							
V.	**Cash Flow**	$18,994,203	$30,390,724	$37,988,405	$39,128,058	$128,306,899	$41,510,956	$42,756,285
VI.	**Internal Rate of Return**					16.9%		
VII.	**Participation Calculation**							
	Net Present Value of Cash Flow @ 25%					($15,778,000)		
	City Net Return Share @ 20% of a Positive Amount					$0		

EXHIBIT B
PARTICIPATION FORMULA CALCULATION ILLUSTRATION
WASHINGTON NATIONAL TOD PROJECT
CULVER CITY, CALIFORNIA

		Operations		
		Year 8 11/1/27	Year 9 11/1/28	Year 10 11/11/29
I.	**Project Costs Funded With Equity**	$0	$0	$0
II.	**Operating Cash Flow**			
	Gross Revenues	$61,715,414	$63,566,877	$65,473,883
	Less: Operating Expenses	(17,676,441)	(18,206,734)	(18,752,936)
	Net Profit from Project Operations	$44,038,974	$45,360,143	$46,720,947
III.	**Refinancing Proceeds**			
	Gross Refinancing Proceeds			
	(Less) Repayment of Existing Loan			
	(Less) Costs Associated with Refinancing			
	Net Refinancing Proceeds			
IV.	**Sale Proceeds**			
	Gross Sales Proceeds			$778,682,000
	(Less) Repayment of Refinanced Loan			(374,232,000)
	(Less) Return of Equity			(108,200,000)
	(Less) Costs Associated with Sale			(54,508,000)
	Net Sale Proceeds			$241,742,000
V.	**Cash Flow**	$44,038,974	$45,360,143	$288,462,947
VI.	**Internal Rate of Return**			26.7%
VII.	**Participation Calculation**			
	Net Present Value of Cash Flow @ 25%			$5,183,000
	City Net Return Share @ 20% of a Positive Amount			$1,037,000

Attachment No. 7

ATTACHMENT NO. 8

ASSIGNMENT OF CONSTRUCTION CONTRACT

[See Attached]

ATTACHMENT NO. 8

ASSIGNMENT OF CONSTRUCTION CONTRACT

ASSIGNMENT OF CONSTRUCTION CONTRACT

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation ("**Developer**"), as additional security for its obligations under that certain Implementation Agreement (the "**Implementation Agreement**"), dated ______________________, 2014, to which Developer, the CITY OF CULVER CITY, a municipal corporation ("**City**"), and the SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, are parties, hereby assigns to City all of Developer's rights, title and interest, but not its obligations, in, under and to a construction contract between Developer and _________________________, a _________________________ ("**Contractor**") dated ______________________, 201__ upon the following terms and conditions. "Implementation Agreement" as used herein shall mean, refer to and include the Implementation Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the Implementation Agreement. Any capitalized term not herein defined shall have the same meaning as set forth in the Implementation Agreement. The Implementation Agreement is hereby incorporated herein by this reference.

A. Pursuant to the Implementation Agreement, Developer intends to construct certain Improvements on that certain real property described in Exhibit A attached hereto and incorporated herein by this reference (the "**Property**").

B. As a requirement of the Implementation Agreement and in order to protect City's right in the event the Property reverts to City, City has required that Developer execute and deliver this Assignment of Construction Contract (this "**Assignment**") to City as security for the performance of Developer's obligations under the Implementation Agreement. All of the terms and agreements contained in this Assignment shall be binding upon Developer and Developer's successors and assigns.

NOW THEREFORE, Developer hereby agrees, for itself and its successors and assigns, as follows:

1. (a) Developer agrees to obtain and deliver to City, concurrently with delivery of this Assignment, a Consent to Assignment of Construction Contract from Contractor substantially in the form attached hereto as Exhibit B and incorporated herein by this reference (the "**Consent**").

(b) This Assignment and the Consent do not relieve Developer of its obligations under the Construction Contract (as hereinafter defined). City does not hereby assume any of Developer's obligations or duties concerning any Construction Contract including, without limitation, any obligation to pay for the work done pursuant thereto.

2. Developer hereby assigns, conveys and transfers to City, as security for Developer's obligations under the Implementation Agreement, all of Developer's rights, title, interest, privilege, benefit and remedies in, to and under the following:

(a) the construction contract and any other agreements with Contractor listed in Exhibit C attached hereto and incorporated herein by this reference (collectively, the "**Construction Contract**"); and

(b) all other agreements now or hereafter entered into by Developer with Contractor in connection with construction of the Improvements; and

(c) any and all present and future amendments, modifications, supplements, change orders and addenda to any of the items described in clauses (a) and (b) above.

A complete copy of each document listed on Exhibit C shall be provided to City concurrently with delivery of this Assignment. Each of the agreements described above in this Section 2 is referred to herein as an "**Agreement**".

3. Upon the occurrence of a triggering event specified in Section 612 under the Implementation Agreement (a "**Trigger Event**")resulting in City's exercise of its right of reverter under Section 612 of the Implementation Agreement, City may, at its option and with no obligation, upon written notice to the appropriate Contractor, exercise any or all of the rights and remedies granted to Developer under the Construction Contract as if City had been an original party to such Construction Contract. City may elect to assume some or all of the obligations of Developer under the Construction Contract by giving notice to that effect to Contractor; provided, however, that City shall not be responsible for any default, liability, or obligation of Developer under the Construction Contract occurring prior to the time that City gives such notice to Contractor.

4. Upon the occurrence of a Trigger Event, Developer shall be deemed to have irrevocably constituted and appointed City as its attorney in fact, which power is coupled with an interest so that City shall have the right to demand, receive and enforce Developer's rights with respect to the Construction Contract, to give appropriate receipts, releases and satisfactions for and on behalf of Developer, and to do any and all acts in the name of Developer or in the name of City with the same force and effect as Developer could have done.

5. Developer hereby represents and warrants to City that, except for any assignment as may be required by Developer's construction lender for the Improvements, Developer has not made any previous assignment of the Construction Contract, and Developer agrees not to assign, sell, pledge, transfer or otherwise encumber its interest in the Agreements so long as this Assignment is in effect. Developer represents and warrants that the copy of the Construction Contract provided by Developer to City shall be the complete and entire agreement between the parties thereto. Developer agrees not to modify the Construction Contract without City's written consent, except to the extent otherwise permitted in the Implementation Agreement.

6. If any provision of this Assignment shall be invalid, illegal or unenforceable, then it shall not affect or impair the validity, legality and enforceability of the other provisions of this Assignment or of the Implementation Agreement. This Assignment may not be amended,

modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought.

7. Developer shall indemnify and hold harmless City against any liabilities, claims, costs or expenses, including reasonable attorneys' fees (including the reasonable value of the services of in-house counsel), incurred by City as a result of this Assignment or City's exercise of its rights hereunder. The indemnity contained in this section shall not extend to any actions, suits, claims, demands, liabilities, losses, damages, obligations, costs or expenses caused as a result of City's gross negligence or willful misconduct.

8. This Assignment shall be binding upon Developer and Developer's successors, legal representatives and assigns, and shall inure to the benefit of City, its successors and assigns, including any purchaser upon foreclosure of the deed of trust securing any loan contemplated by the Implementation Agreement, any receiver in possession of the property described therein, and any corporation formed by or on behalf of City which assumes City's rights and obligations under the Implementation Agreement.

9. Upon the due recordation of a Release of Construction Covenants in accordance with the Implementation Agreement, this Assignment shall automatically terminate.

10. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

[signatures on following page]

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Developer has caused this Assignment to be executed as of the date first set forth above.

DEVELOPER

LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation

Date: ____________________

By: ____
Thomas W. Wulf
Senior Vice President

EXHIBIT A

LEGAL DESCRIPTION

[behind this page]

EXHIBIT B

CONSENT TO ASSIGNMENT OF CONSTRUCTION CONTRACT

The undersigned hereby consents to that certain Assignment of Construction Contract (the "**Assignment**") dated as of even date herewith, executed by LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation ("**Developer**") for the benefit of the CITY OF CULVER CITY, a municipal corporation ("**City**"), and agrees to perform pursuant to the terms and conditions of the undersigned's Construction Contract and/or Agreement with Developer described in Exhibit C attached to the Assignment. If requested by City in the exercise of its rights under the Assignment, the undersigned shall continue to perform its obligations under its Construction Contract and/or Agreement for which the undersigned shall be compensated in accordance with such document. The undersigned agrees that, upon request by City, the undersigned shall provide a complete list of all of its subcontractors in connection with work for or on the Property done or to be done pursuant to the Implementation Agreement and shall cooperate to provide and permit access to City or its agents for inspection of the Property and the work in process. The undersigned also agrees that, in the event of a breach by Developer of any of the terms and conditions of said Construction Contract and/or Agreement, the undersigned will give prompt written notice of such breach to City at City's address set forth below. City shall have sixty (60) calendar days from the receipt of such notice of default to remedy or cure said default; provided, however, that neither the Assignment nor this Consent shall require City to cure said default, but City shall, in its sole discretion, have the option to do so but without the obligation therefor. The undersigned acknowledges that City is relying on this Consent and the assurances herein in approving the Implementation Agreement and that this Consent shall also be for the benefit of and bind any assignee or successors of City and the undersigned. All capitalized terms used in this Consent shall have the same meaning as in the Assignment. The Construction Contract and/or Agreement between Developer and the undersigned is in full force and effect as of the date hereof.

Dated as of ________________, 201__

___________________________________,
a ___________________________________

By: _________________________________
Name: ______________________________
Title: _______________________________

Contractor's Address:

____
____
____
____

City's Address:

CITY OF CULVER CITY
9770 Culver Boulevard
Culver City, California 90232-0507
Attn: Community Development Director

EXHIBIT C

LIST OF CONSTRUCTION CONTRACTS

[behind this page]

ATTACHMENT NO. 9

ASSIGNMENT OF PLANS, REPORTS AND DATA

[See Attached]

ATTACHMENT NO. 9

ASSIGNMENT OF PLANS, REPORTS AND DATA

ASSIGNMENT OF PLANS, REPORTS AND DATA

FOR VALUE RECEIVED, the receipt and sufficiency of which are hereby acknowledged, LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation ("**Developer**"), does hereby, pursuant to this Assignment of Plans, Reports and Data (this "**Assignment**"), to the extent assignable, assign, pledge, transfer and set over to the CITY OF CULVER CITY, a municipal corporation ("**City**"), all of its rights, title and interest in and to the following (collectively, "**Plans, Reports and Data**"): any and all plans, drawings, studies, reports and related documents concerning that certain real property described in Exhibit A attached hereto and incorporated herein by this reference (the "**Property**"), and all amendments, modifications, supplements, general conditions and addenda thereto, including, without limitation, Environmental Reports (defined below), all architectural and engineering plans, any architect's agreement entered into hereafter (the "**Architect's Agreement**") by and between Developer and any architect engaged to perform services with respect to the Property ("**Architect**") and those certain plans and specifications referred to therein, and all amendments, modifications, supplements, general conditions and addenda thereto (collectively, the "**Architectural Plans**") prepared by Architect for the account of Developer in connection with the development of certain real property located on the Property. The Plans, Reports and Data, including, without limitation, the Architect's Agreement and the Architectural Plans, are hereby assigned as consideration for City's execution of that certain Implementation Agreement (the "**Implementation Agreement**"), dated ______________________, 2014 and entered into by and among Developer, City and the SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic. "Implementation Agreement" as used herein shall mean, refer to and include the Implementation Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the Implementation Agreement. Any capitalized term not herein defined shall have the same meaning as set forth in the Implementation Agreement. The Implementation Agreement is hereby incorporated herein by this reference. For purposes hereof, "**Environmental Reports**" means any "Phase I" and/or "Phase II" investigations of the Property, and all final reports and test results (not including drafts) provided by Developer's environmental consultant.

Upon the occurrence of any triggering event specified in Section 612 of the Implementation Agreement, City shall have the right, but not the obligation, at any time, in its own name or in the name of Developer, or otherwise, to take such action as City may at any time or from time to time determine to be necessary or desirable in order to cure any default by Developer under the Architect's Agreement, including, without limitation, the protection of Developer's rights with respect to the Architectural Plans or to protect the rights of Developer thereunder. Developer hereby indemnifies and agrees to hold City harmless from and against any and all loss, claim, demand, cost, liability, damage or expense, including, without limitation, reasonable attorneys' fees and expenses in connection with any such action or actions. The indemnity contained in this section shall not extend to any actions, suits, claims, demands, liabilities, losses, damages, obligations, costs or expenses caused as a result of City's gross negligence or willful misconduct. Developer agrees to have each Architect engaged to perform services in connection with the Property execute a Consent in the form attached hereto.

Upon a termination of the Implementation Agreement, City may exercise its rights hereunder and take possession of and title to the Plans, Reports and Data. Developer shall deliver possession of and title to the Plans, Reports and Data to City promptly upon City's request.

Developer and Architect, by executing the Consent to this Assignment, agree that City does not assume any of Developer's obligations or duties concerning the Architect's Agreement and the Architectural Plans, including, without limitation, the obligation to pay for the preparation of the Architect's Agreement and the Architectural Plans, until and unless City shall exercise its rights hereunder.

Developer hereby represents and warrants to City that, except for any assignment as may be required by Developer's construction lender for the Improvements, no previous assignment of its interest in the Plans, Reports and Data, including, without limitation, the Architect's Agreement and the Architectural Plans, has been made, and Developer agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the Plans, Reports and Data, including, without limitation, the Architect's Agreement and the Architectural Plans, so long as this Assignment is in effect.

Upon the due recordation of a Release of Construction Covenants in accordance with the Implementation Agreement, this Assignment shall automatically terminate.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, or successors in interest of Developer and City.

[signatures on following page]

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Developer has caused this Assignment of Plans, Reports and Data to be executed as of ______________________, 201__.

DEVELOPER

LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation

Date: __________________

By: ____________________________________
Thomas W. Wulf
Senior Vice President

CONSENT

The undersigned has prepared or will prepare the Architectural Plans and hereby consents to the above Assignment. The undersigned also agrees that in the event of a breach by Developer of any of the terms and conditions of the Architect's Agreement or any other agreement entered into with the undersigned in connection with the Architectural Plans, that so long as Developer's interest in the Architectural Plans is assigned to City, the undersigned shall give written notice to City of such breach. City shall have sixty (60) calendar days from the receipt of such notice of default to remedy or cure said default; however, nothing herein shall require or obligate City to cure said default, but only gives it the option to do so.

The undersigned also agrees that in the event of default by Developer under any of the documents or instruments entered into in connection with said Architect's Agreement, the undersigned, at City's request, shall continue performance under the Architect's Agreement in accordance with the terms hereof, provided that the undersigned shall be reimbursed in accordance with the Architect's Agreement for all services rendered on City's behalf.

Dated:__________________________

ARCHITECT:

____

By:___________________________________
Name:________________________________
Title:_________________________________

EXHIBIT A

LEGAL DESCRIPTION

[behind this page]

ATTACHMENT NO. 10

ASSIGNMENT AND ASSUMPTION AGREEMENT

[See Attached]

ATTACHMENT NO. 10

ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "**Agreement**"), dated as of ______________________, 20____, is entered into by and between LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation ("**Assignor**") and _____________________________, a _____________________________ ("**Assignee**"), with reference to the following facts:

RECITALS

A. Assignor, the CITY OF CULVER CITY, a municipal corporation ("**City**"), and the SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, entered into that certain Implementation Agreement dated ______________________, 2014, a public record on file in the office of the City Clerk (the "**Implementation Agreement**"), relating to, among other things, that certain real property located in the City of Culver City, County of Los Angeles, State of California and legally described in Exhibit A attached hereto and incorporated herein by this reference (the "**Property**"). "Implementation Agreement" as used herein shall mean, refer to and include the Implementation Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the Implementation Agreement. Any capitalized term not herein defined shall have the same meaning as set forth in the Implementation Agreement. The Implementation Agreement is hereby incorporated herein by this reference.

B. Assignor hereby desires to assign all of its rights and delegate all of its duties under the Implementation Agreement to Assignee, and Assignee intends to assume all rights and obligations of Assignor thereunder.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

AGREEMENT

1. Assignor hereby assigns all of its right, title and interest in and to the Implementation Agreement and any and all related agreements to Assignee.

2. Assignee hereby expressly acknowledges the existence and description of the Improvements within the Project, all of the written agreements among the parties affecting the Improvements or related thereto, the obligations of Assignee under such agreements, and the rights of City and its successors and of the owner, lessee and/or

operator of the Improvements under such agreements, and hereby expressly accepts such assignment and agrees to assume, perform and comply with such obligations and rights, without exception.

3. Approval of this Agreement by City shall not be construed to relieve or release Assignor from its duty to comply with any of its obligations.

4. The principal address of Assignee for purposes of the Implementation Agreement and any and all related agreements is as follows:

   ____
   ____
   ____
   Attn: __________________

5. This Agreement is made for the sole benefit and protection of the parties hereto and their successors and assigns, and no other person or persons shall have any right of action or right to rely hereon. As this Agreement contains all the terms and conditions agreed upon between the parties, no other agreement regarding the subject matter thereof shall be deemed to exist or bind any party unless in writing and signed by the party to be charged.

6. This Agreement may be executed in several duplicate originals, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective upon execution by the parties, as indicated by the signatures below. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original agreement. When fully executed, the date of this Agreement shall be the later of the dates indicated below.

7. This Agreement shall be governed by the laws of the State of California.

8. If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there be added as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible.

9. Time is expressly declared to be of the essence in this Agreement.

10. No provision in this Agreement is to be interpreted for or against either party because that party or its legal representatives drafted such provision.

11. The parties hereto hereby agree to execute such other documents and to take such other action as may be reasonably necessary to further the purposes of this Agreement.

12. The parties hereto further represent and declare that they carefully read this Agreement and know the contents thereof, and that they sign the same freely and voluntarily.

13. Each party hereto hereby represents that the person executing this Agreement on behalf of said party has full authority to do so and to bind the party to perform pursuant to the terms and conditions of this Agreement.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, Assignor and Assignee have signed this Agreement as of the date set opposite their signatures.

"**ASSIGNOR**"

LOWE ENTERPRISES REAL ESTATE GROUP,
a California corporation

Date: ____________________ By: ____
Thomas W. Wulf
Senior Vice President

"**ASSIGNEE**"

____,
a ____

Date: ____________________ By: ____
Name: ____
Title: ____

CONSENT TO ASSIGNMENT AND ASSUMPTION AGREEMENT

In reliance upon the assumption by ______________________________, a ______________________________, as Assignee, of all rights and obligations pursuant to the foregoing Assignment and Assumption Agreement, the CITY OF CULVER CITY, a municipal corporation ("**City**") does hereby consent to and approve of the assignment of the rights and obligations by LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation, as Assignor, to Assignee. Approval thereof by City shall not be construed to relieve or release LOWE ENTERPRISES REAL ESTATE GROUP, a California corporation, from its duty to comply with any of its obligations.

"CITY"

CITY OF CULVER CITY,
a municipal corporation

By: ________________________________
John M. Nachbar
City Manager

APPROVED AS TO CONTENT:

By: ______________________________
Sol Blumenfeld
Community Development Director

ATTEST:

By: ______________________________
City Clerk

APPROVED AS TO FORM:

By: ________________________________
Carol Schwab
City Attorney

By: ________________________________
KANE, BALLMER & BERKMAN
City Special Counsel

EXHIBIT A

<u>LEGAL DESCRIPTION</u>

[behind this page]

ATTACHMENT NO. 11

TITLE OBJECTION LETTER

[See attached]

Attachment No. 11

ATTACHMENT NO. 11

TITLE OBJECTION LETTER

LOWE ENTERPRISES
WASHINGTON NATIONAL TOD
Title Review Chart
August 20, 2014

<table>
<tr><td colspan="2">First American Title Company
Commitment dated as of March 17, 2014
Commitment No.: NCS-661365-LA2
Title Officer: Sharon K. Ryan/ Craig Mitchell
Telephone: (213) 271-1748/ (213) 271-1770; E-Mail: skryan@firstam.com</td></tr>
<tr><td colspan="2">TITLE COMPANY - PLEASE PREPARE A PROFORMA POLICY INCORPORATING THE FOLLOWING TITLE POLICY REQUIREMENTS AND CLTA ENDORSEMENTS AND DELIVER THE SAME TO COUNSEL AS SOON AS POSSIBLE.</td></tr>
<tr><td colspan="2">TITLE POLICY REQUIREMENTS:</td></tr>
<tr><td>OWNER:</td><td>• The City of Culver City (the “<u>City</u>”), a public body corporate and politic, as to Lots 1 through 9, inclusive and Lots 11 through 18, inclusive of Parcel A;
• The Successor Agency to the Redevelopment Agency of the City of Culver City (the “<u>SA</u>”), a public entity, as to Lots 19 through 52, inclusive of Parcel A; and
• Los Angeles County Transportation Commission (the “<u>MTA</u>”), a county transportation commission, as to Parcel B.

NOTE: Lot 10 (APN: 4312-014-270) is not shown as either “owned” by either City, SA, MTA. Pursuant to Quitclaim Deed (Doc. No. 2012-1530395), City deeded to SA (contrary to what is stated above).</td></tr>
<tr><td>LIABILITY AMOUNT:</td><td></td></tr>
<tr><td>ESTATE</td><td>Fee</td></tr>
<tr><td>LEGAL DESCRIPTION
(the “Property”):</td><td>PARCEL A:

LOTS 1 THROUGH 52, INCLUSIVE OF TRACT NO. 5461, PARTLY IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 57, PAGE 76 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, OIL RIGHTS, NATURAL GAS RIGHTS, MINERAL RIGHTS, ALL OTHER HYDROCARBON SUBSTANCES BY WHATSOEVER NAME KNOWN, AND ALL WATER, CLAIMS OR RIGHTS TO WATER, TOGETHER WITH APPURTENANT RIGHTS THERETO, WITHOUT HOWEVER, THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND AS RESERVED BY DEEDS OF RECORD.

PARCEL B:

ALL THE PARCEL OF LANDS SITUATED, LYING AND BEING IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING THAT PORTION OF THAT PART OF RANCHO RINCON DE LOS BUEYES, AS SHOWN ON A MAP RECORDED IN BOOK 1, PAGES 207 AND 208 OF PATENTS, AS DESCRIBED IN THAT CERTAIN DEED FROM FRANCISCO HIGUERRA TO THE LOS ANGELES AND INDEPENDENCE RAILROAD COMPANY, RECORDED IN BOOK 47, PAGE 152 AND IN BOOK 53, PAGE 522 BOTH OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY, AND THAT PORTION OF THAT PART OF RANCHO RINCON DE LOS BUEYES, PROPERTY OF CLEMENTE C. DE CORONEL, AS PER MAP RECORDED IN BOOK 13, PAGE 18 OF</td></tr>
</table>

	MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS DESCRIBED IN THAT CERTAIN DEED FROM CLEMENTA CRUZ DE CORONEL, WIFE OF MANUEL CORONEL TO THE LOS ANGELES AND INDEPENDENCE RAILROAD COMPANY, RECORDED IN BOOK 53, PAGE 535 OF DEEDS OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING NORTHWESTERLY OF SOUTHEASTERLY LINE OF VENICE BOULEVARD 155 FEET WIDE AND THAT PORTION OF SAID LAND LYING WESTERLY OF THE EASTERLY LINE OF ROBERTSON BOULEVARD OF VARIOUS WIDTH AS BOTH STREETS SHOWN ON PARCEL MAP NO. 16367, PARCEL MAP NO. L.A. NO. 5735 FILED IN BOOK 203, PAGES 57 AND 58 OF PARCEL MAPS. ALSO EXCEPTH THEREFROM THAT PORTION LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINES OF WASHINGTON BOULEVARD 60 FEET WIDE. APN(s): 4312-014-270 thru 4312-014-281; 4213-014-900 thru 4213-014-920; and 4213-031-900 and 4213-031-901.
POLICY JACKET REQUIREMENTS:	**AMERICAN LAND TITLE ASSOCIATION EXTENDED COVERAGE TITLE INSURANCE POLICY (2006),**
ENDORSEMENTS:	Required Endorsements are set forth below
SCHEDULE B EXCEPTIONS:	Title Policy may include only those exceptions listed below as "**APPROVED**". All **conditionally approved** exceptions may be shown, provided that the language required for each such exception as set forth herein is added or the action required herein with respect to each such exception is carried out and satisfied.

PROPOSED CLTA ENDORSEMENTS TO BE ISSUED:

100	Comprehensive (modified for Owner)	
100.18	CC&Rs – No Right of Reverter	With respect to 6 and 8.
100.20	CC&Rs	With respect to Exceptions Nos. 6, 8, 33, 45 (modified for Owner and insuring against past, present or future violations of such CC&Rs)
100.23	Oil/Gas Lease (modified for Owner)	With respect to Exceptions Nos. 12-14, 17-19, and 22-25
100.29	Mineral Rights	With respect to Exceptions Nos. 12-14, 17-19, and 22-25, and 39
103.2	Easement Damage	With respect to Exceptions Nos. 5, 7, 9-11, 16, 31, 33, 39
103.5	Water Rights	With respect to Exception No. 4
103.10	Damage by Subsurface Owners	With respect to Exceptions Nos. 12-14, 17-19, and 22-25
103.11	Access	*As to Parcel A* Insuring Access to Venice, National, Washington, and Exposition Boulevard As to Parcel B Insuring Access to Venice, Exposition, Washington and Robertson
110.1	Arbitration	Deleting arbitration provisions
110.9	No Environmental Protection Liens	
116	Improvements	

116.1	Survey	
116.7	Subdivision Map Act	
123.1	Zoning	
129.1	Multiple Tax Parcels	

SCHEDULE B EXCEPTIONS:

#	EXCEPTION DESCRIPTION	Date	Doc #	BUYER'S COMMENTS TO EXCEPTIONS/ NOTES TO TITLE COMPANY
1-3.	e.g. - Taxes	-	-	**APPROVAL CONDITIONED UPON** 1. Confirmation that general and special taxes for the tax year of closing (and all prior tax years) have been paid to date or are exempt from being paid. 2. Any exception referencing supplemental taxes will be show as follows: "The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code, resulting from changes of ownership or completion of construction on or after the date of the policy."
4.	Water Rights	-	-	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue a CLTA 103.5 endorsement.
5.	Easement for Sewer Lines	7/30/1889	Book 591, page 69	**APPROVAL CONDITIONED UPON** (a) the Title Company's agreement to issue CLTA 103.2 Endorsement (Easement, Damage – Use or Maintenance) (modified for Owner) and (b) modification of said exception to reference the fact that said easement is as depicted on the ALTA/ACSM Survey prepared by ___________________ as Job No. ________________. **Note:** Review Plotted Easement to Determine Impact on Development. (*Not identified on survey prepared by PSOMAS.*)
6.	Covenants, Conditions and Restrictions Grantor: Los Angeles-First National Trust & Savings Bank, a National Banking Association		Book 2285, Page 245	**DELETE** because duplicative of Exception Number 8. **Note**: This document is the same document identified in 7(k).
7.	Easement for Pipes, Conduits, Strom Drains Grantor: Los Angeles-First National Trust & Savings Bank, a National Banking Association (a)-(c), (f)-		7Book 7812, Page 338 (Lot 1)[4/28/28]; (a) Book 1708, Page 247 (Lot 2)[11/3/22]; (b) Book 6018, Page 456 (Lot 3)(2/18/26); (c) Book 10733, Page 148 (Lot 4)(3/14/31);	**APPROVAL CONDITIONED UPON** (a) the Title Company's agreement to issue CLTA 103.2 (Easement, Damage – Use or Maintenance) (modified for Owner) and (b) modification of said exception to reference the fact that said easement is as depicted on the ALTA/ACSM Survey

		(h), (j), (m)-(o), (r)-(s), (z), (cc), (gg), (kk) Security-First National Bank of Los Angeles (d)-(e), (i), (p)-(q), (t)-(u), (w)-(y), (ee)-(ff), (hh), (ll)-(mm), (pp)-(vv) Pacific-Southwest Trust & Savings Bank, forrmerly Los Angeles rust and Savings Bank (k)-(l), (v), (aa), (dd), (ii), (nn)-(oo)		(d) Book 3800, Page 261 (Lot 5)(6/10/29); (e) Book 2285, Page 245 (Lot 6)(3/31/23); (f) Book 7788, Page 37 (Lot 7)(10/4/27); (g) Book 7126, Page 109 (Lot 8)(5/28/28); (h) Book 11649, Page 368 (Lot 9)(6/6/32); (i) Book 7262, Page 137 (Lot 10)(8/13/28); (j) Book 6139, Page 231 (Lot 11)(12/16/26); (k) Book 2285, Page 245 (Lot 12); (l) Book 7817, Page 65 (Lot 13)(1/9/26); (m) Book 7047, Page 301 (Lot 14)(12/5/27); (n) Book 7860, Page 230 (Lot 15)(1/16/28); (o) Book 8124; Page 214 (Lot 16)(4/5/29); (p) Book 4453, Page 6 (Lots 17 and 18)(5/22/25); (q) Book 7106, Page 356 (Lot 19)(6/28/28); (r) Book 7136, Page 1 (Lot 20)(1/7/28); (s) Book 7701, Page 178 (Lot 21)(8/15/27); (t) Book 15238, Page 349 (Lot 22)(3/12/37); (u) Book 1854, Page 141 (Lot 23)(10/19/22); (v) Book 10702, Page 214 (Lot 24)(2/25/31); (w) Book 9376, Page 45 (Lot 25)(8/16/29); (x) Book 11484, Page 192 (Lot 26)(2/15/32); (y) Book 7723, Page 120 (Lot 27)(10/17/27); (z) Book 7752, Page 175 (Lot 28)(8/15/27); (za) Book 9246, Page 334 (Lot 29)(8/15/27); (zb) Book 7229, Page 204 (Lot 30)(8/25/28); (zc) Book 5594, Page 167 (Lot 31)(2/25/26); (zd) Book 11454, Page 293 (Lot 32)(3/21/32); (ze) Book 8263, Page 157 (Lot 33)(7/13/29); (zf) Book 10320, Page 104 (Lots 34 and 35)(12/28/28); (zg) Book 14534, Page 140 (Lot 36)(10/28/36); (zh) Book 2475, Page 77 (Lot 37)(5/24/23);	prepared by ___________________ as Job No. ________________. **Notes:** 1. Review Plotted Easements to Determine Impacts on Development. (*Not identified on survey prepared by PSOMAS.*) 2. For each parcel, a 3 ‘ wide easement under the lines of the premises for pipes, conduits, storm drains, poles, and wires except for Lots 12, 29, 36, 38, 41 and 42. 3. Delete 7(l) because it is duplicative of 7(f) and does not relate to Lot 12 – only relates to Lot 6. 4. Delete Exception 7(bb) because it refers to a 1929 lis pendens – not an easement. 5. Delete Exception 7(hh) because it is a quitclaim deed – not an exception and does not establish an easement. 6. Delete Exception 7(jj) because it is a court order with no ongoing relevance.

			(zi) Instrument No. 18659 (Lots 38, 41, and 42); (zj) Book 7730, Page 323 (Lot 39)(2/6/28); (zk) Book 9662, Page 272 (Lot 40)(1/16/30); (zl) Book 3796, Page 220 (Lot 43)(5/21/29); (zm) Book 2734, Page 28 (Lot 44 and 46)(7/27/23); (zn) Book 6756, Page 307 (Lot 45)(8/31/27); (zo) Book 10021, Page 168 (Lot 47)(1/9/30); (zp) Book 16290, Page 274 (Lot 48)(9/30/39); (zq) Book 16102, Page 311 (Lot 49)(1/18/39); (zr) Book 9995, Page 310 (Lot 50)(6/9/30); (zs) Book 11649, Page 368 (Lot 51)(6/10/32); and (zt) Book 16290, Page 274 (Lot 52)(1/5/39).	
8.	Covenants, Conditions, Restrictions **prohibiting the sale of alcohol or installation of advertising signs.** Grantor: Los Angeles-First National Trust & Savings Bank, a National Banking Association Covenants in favor of: Tract 5461 **NOTE**: **MAY BE POSSIBLE TO TERMINATE UPON CLOSING ON ALL PARCELS IN DEVELOPMENT**		See above	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue an endorsement insuring against any loss or damage arising from any attempted enforcement of the conditions, covenants and restrictions referenced in the document evidencing this exception arising from any past or present violation of such CC&Rs including specifically any exercise of the right of reverter. **Note:** Exception No. 8 relates to the same instruments as Exception 7. Accordingly, the same notes apply.
9.	Easement for street and incidental purposes [Lot 1] Easement in favor of: City of LA	1/23/32	Book 11417, Page 67	**APPROVED.** **Notes:** 1. Covers west corner of site at Exposition and Venice. We expect this easement to be vacated. 2. Review Plotted Easements to Determine Impacts on Development. (*Not identified on survey prepared by PSOMAS.*)
10.	Easement for pole lines [All lots excepting Lots 32, 33, 34 and 52] Grantor: Security-First National Bank	9/5/39	Book 16842, Page 307	**APPROVAL CONDITIONED UPON** (a) the Title Company's agreement to issue CLTA 103.2 (Easement, Damage – Use or Maintenance) (modified for Owner) and (b) modification of said exception to

	Easement in favor of: Southern California Telephone Company			reference the fact that said easement is as depicted on the ALTA/ACSM Survey prepared by ___________________ as Job No. ________________. **Note**: Easement runs along rear three ' of all lots excepting Lots 32, 33, 34 and 52. **Note**: Review Plotted Easements to Determine Impacts on Development. (*Not identified on survey prepared by PSOMAS.*)
11.	Easement for Public Utilities [Lot 36 – for aerial and underground telephone, telegraph] Grantor: Commonwealth Engineering Corporation Easement in favor of: The Pacific Telephone and Telegraph Company	12/16/49	Instrument No. 2282 in Book 31787, Page 134	**APPROVAL CONDITIONED UPON** (a) the Title Company's agreement to issue CLTA 103.2 (Easement, Damage – Use or Maintenance) (modified for Owner) and (b) modification of said exception to reference the fact that said easement is as depicted on the ALTA/ACSM Survey prepared by ___________________ as Job No. ________________. **Notes**: 1. Cannot place buildings on the easement. 2. Review Plotted Easements to Determine Impacts on Development.
12.	Oil and Gas Lease [Lot 44]	7/23/54	Book 45142, Page 269	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue (a) CLTA 100.29 (Mineral Rights), (b) CLTA 103.10 (Damage by Subsurface Owners) and (c) CLTA 103.23 (Oil/Gas Lease) (modified for Owner).
13.	Oil and Gas Lease [Lots 43 and 45] Lessee: Aladdin Oil Company	11/24/54	Book 46197, Page 185	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue (a) CLTA 100.29 (Mineral Rights), (b) CLTA 103.10 (Damage by Subsurface Owners) and (c) CLTA 103.23 (Oil/Gas Lease) (modified for Owner).
14.	Oil and Gas Lease [Lots 43 and 45] Lessee: Aladdin Oil Company	11/24/54	Instrument No. 2614	**DISAPPROVED**. Exception No. 14 is duplicative of Exception No. 13.
15.	Covenants and Agreement [Lots 14 and 15] – [Agreement that Lots 14 and 15 will not be sold separately] Covenant in favor of: City of LA	5/10/55	Instrument No. 3313 in Book 47733, Page 115	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue an endorsement insuring against any loss or damage arising from any attempted enforcement of the conditions, covenants and restrictions referenced in the document evidencing this exception arising from any past or present violation of such covenants.

16.	Easement [Lots 31, 32 and 36][General Right of Way] Easement in favor of: Dohrmann Commercial Group	7/29/59	Instrument No. 2230 in Book D-552, Page 715	**APPROVAL CONDITIONED UPON** (a) the Title Company's agreement to issue CLTA 103.2 (Easement, Damage – Use or Maintenance) (modified for Owner and to cover right of reverter in favor of Dohrmann Commerical Company) and (b) modification of said exception to reference the fact that said easement is as depicted on the ALTA/ACSM Survey prepared by ___________________ as Job No. ________________. **Note**: Right of way includes a condition that grantee and its successors and grantees shall not encroach or permit encroachment upon said right-of-way in any manner contrary to the provisions of that certain agreement between Dohrmann Commercial Company and Pacific Electric Company dated June 30, 1950.
17.	Oil and Gas Lease [Lots 10, 21, 47, 48, 49 and 52] Lessee: Standard Oil Company	8/10/62	Book M1081, Page 251	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue (a) CLTA 100.29 (Mineral Rights), (b) CLTA 103.10 (Damage by Subsurface Owners) and (c) CLTA 103.23 (Oil/Gas Lease) (modified for Owner).
18.	Oil and Gas Lease [Lot 40] Lessee: Aladdin Oil Company	12/4/62	Book M1081, Page 251	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue (a) CLTA 100.29 (Mineral Rights), (b) CLTA 103.10 (Damage by Subsurface Owners) and (c) CLTA 103.23 (Oil/Gas Lease) (modified for Owner).
19.	Oil and Gas Lease [Lot 40] Lessee: Aladdin Oil Company	12/4/62	Instrument No. 2697	**Note**: Title provided us with Document No. 18 and needs to provide referenced lease.
20.	Covenant [Lots 13, 14 and 15 shall be held as one parcel] Covenant in favor of: City of LA	10/24/66	Instrument No. 1821	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue an endorsement insuring against any loss or damage arising from any attempted enforcement of the conditions, covenants and restrictions referenced in the document evidencing this exception arising from any past or present violation of such agreement.
21.	Covenant and Agreement [Lots 10, 21, 47, 38, 39, 52] – Lot 10 shall be parking space until buildings no longer exist Covenant in favor of: City of Culver City	4/24/63	Instrument No. 2456	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue an endorsement insuring against any loss or damage arising from any attempted enforcement of the conditions, covenants and restrictions referenced in the document evidencing this exception arising from any past or present violation of such agreement.

22.	Oil and Gas Lease [Lots 16, 17, 18, 19, 20, 45, 46] Lessee: Aladdin Oil Company	8/20/68	Instrument No. 2176	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue (a) CLTA 100.29 (Mineral Rights), (b) CLTA 103.10 (Damage by Subsurface Owners) and (c) CLTA 103.23 (Oil/Gas Lease) (modified for Owner).
23.	Oil and Gas Lease [Lots 16, 17, 18, 19, 20, 45, 46] Lessee: Standard Oil Company	9/4/68	Instrument No. 2559 in Book M2973, Page 409	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue (a) CLTA 100.29 (Mineral Rights) and (b) CLTA 103.23 (Oil/Gas Lease) (modified for Owner).
24.	Oil and Gas Lease ***THE DOCUMENT IS ILLEGIBLE*** Lessee: Standard Oil Company	9/13/68	Instrument No. 3442	**APPROVAL CONDITIONED UPON** the (a) delivery of a legible copy of such document and (b) in the alternative, (i) deletion of this exception, or (ii) the Title Company's agreement to issue CLTA Title Company's agreement to issue (1) CLTA 100.29 (Mineral Rights), (2) CLTA 103.10 (Damage by Subsurface Owners) and (3) CLTA 103.23 (Oil/Gas Lease) (modified for Owner).
25.	Oil and Gas Lease [Lots 37, 38, 39] Lessee: Aladdin Oil Corporation	11/7/68	Instrument No. 2189	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue (a)CLTA 100.29 (Mineral Rights), (b) CLTA 103.10 (Damage by Subsurface Owners) and (c) CLTA 103.23 (Oil/Gas Lease) (modified for Owner).
26.	Full Reconveyance [Lot 55]	5/20/69	Instrument No. 2248	**DISAPPROVED**. Preliminary Title Report incorrectly references "Covenant and Agreement" and references a reconveyance of a loan that encumbered property that is not included in the Legal Description.
27.	Temporary Right of Entry [Lot 24] In favor of: City of LA	8/18/69	Instrument No. 2651	**DISAPPROVED**. Construction has been completed. Accordingly, temporary right of entry has expired.
28.	Temporary Right of Entry [Lot 21] In favor of: City of LA	8/21/69	Instrument No. 3173	**DISAPPROVED**. Construction has been completed. Accordingly, temporary right of entry has expired.
29.	Temporary Right of Entry [Lot 23] In favor of: City of LA	11/24/69	Instrument No. 1801	**DISAPPROVED**. Construction has been completed. Accordingly, temporary right of entry has expired.
30.	Temporary Right of Entry [Lot 27] In favor of: City of LA	1/15/70	Instrument No. 2858	**DISAPPROVED**. Construction has been completed. Accordingly, temporary right of entry has expired.
31.	Easement [Lot 34] In favor of: Culver City	8/21/69	Instrument No. 1647	**APPROVAL CONDITIONED UPON** (a) the Title Company's agreement to issue CLTA 103.2 (Easement, Damage – Use or Maintenance) (modified for Owner) and (b) modification of said exception to reference the fact that said easement is

				as depicted on the ALTA/ACSM Survey prepared by ____________________ as Job No. ________________.
32.	Covenant [Lots 1, 2 and 3 shall be held as one parcel] In favor of: City of LA	9/13/72	Instrument No. 2974	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue an endorsement insuring against any loss or damage arising from any attempted enforcement of the conditions, covenants and restrictions referenced in the document evidencing this exception arising from any past or present violation of such agreement.
33.	An Offer of Dedication for Public Street Purposes [Lot 1] In favor of: City of LA	9/26/72	Instrument No. 2769	**APPROVAL CONDITIONED UPON** (a) the Title Company's agreement to issue CLTA 103.2 (Easement, Damage – Use or Maintenance) (modified for Owner) and (b) modification of said exception to reference the fact that said offer of dedication is as depicted on the ALTA/ACSM Survey prepared by ____________________ as Job No. ________________.
34.	Covenant and Agreement Regarding Off-Site Parking [Lots 29, 30, 31, 32, 33, and 36] In favor of: Culver City	9/18/75	Instrument No. 3682	**DISAPPROVED**. Covenant and Agreement expired upon demolition of buildings on these lots.
35.	Land lies within the boundaries of the Washington – Culver No. 3 Redevelopment Project Area	11/26/75	Instrument No. 4313	**APPROVED**.
36.	Covenant Regarding Off-Site Parking [Lots 34 and 35] In favor of: Culver City	2/11/83	Instrument No. 83-170829	**DISAPPROVED**. Covenant and Agreement expired upon demolition of buildings on these lots.
37.	Covenant [Lots 4 and 5 shall be held as one parcel] In favor of: City of LA	3/1/88	Instrument No. 88-279126	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue an endorsement insuring against any loss or damage arising from any attempted enforcement of the conditions, covenants and restrictions referenced in the document evidencing this exception arising from any past or present violation of such agreement.
38.	Covenant [Lots 4, 5 and 6 shall be held as one parcel] In favor of: City of LA	7/7/89	Instrument No. 89-1085707	**APPROVAL CONDITIONED UPON** the Title Company's agreement to issue an endorsement insuring against any loss or damage arising from any attempted enforcement of the conditions, covenants and restrictions referenced in the document evidencing this exception arising from any past or present violation of such agreement.
39.	Grant Deed and Easement Agreement In favor of: MTA	1/15/91	Instrument No. 91-63428	**APPROVAL CONDITIONED UPON** (a) the Title Company's agreement to issue CLTA 103.2 (Easement, Damage – Use

				or Maintenance) (modified for Owner) and (b) modification of said exception to reference the fact that said easement is as depicted on the ALTA/ACSM Survey prepared by ___________________ as Job No. ________________.
40.	Deed of Trust [Lot 46] [Between Marc Chiat, as Trustor and Deanie Kramer as Beneficiary for $210,000.00] **Note**: Marc Chiat does not own the property anymore and the DOT should have been reconveyed during a previous transfer of the Property.	12/18/2002	Instrument No. 02-3104847	**DISAPPROVED**.
41.	Deed of Trust [Lots 34 and 35] [Between 8801 Limited, LLC, as Trustor, and California Environmental Redevelopment Fund, LLC, as Beneficiary] **Note**: Property no longer owned by 8801 Limited, LLC. Believe DOT should have been reconveyed through transfer of the Property.	1/4/05	Instrument No. 05-0027751	**DISAPPROVED**.
42.	Option Agreement [Lots 10, 21, 47, 48][Option in favor of City of Culver City]	3/10/11	Instrument No. 20110371813	**DISAPPROVED.**
43.	Deed of Trust [Culver City Redevelopment Agency, as Trustor and City of Culver City, as Beneficiary][[To Secure (a) Cooperation Agreement dated 1/15/09, (b) Cooperation Agreement dated 1/15/11, (c) Cooperating Agreement dated 2/22/11, and (d) Option Agreement. [Lots 10, 21, 47, 48]	3/10/11	Instrument No. 2011037184	**DISAPPROVED**.
44.	A financing statement recorded March 10, 2011 as Instrument No. 20110371817 recorded in California. [Lots 10, 21, 47, 48]	3/10/11	Instrument No. 20110371817	**DISAPPROVED**
45.	Grant Deed between Culver City Redevelopment Agency, as Grantor, and the City of Culver City as Grantor. [Lots 28 – 36, 46] All: Quitclaimed back to CCRA on 10/9/12 Conditions (1) Develop, use, operate and maintain the Property solely in accordance with the Purchase Agreement. (2) Not discriminate upon the basis of race, color, ancestry, national origin, etc. (NOTE: Sexual orientation not protected)	3/14/11	Instrument No. 20110388074	**DISAPPROVED**

	(3) All leases, deeds or contracts shall contain specific nondiscrimination or nonsegregation clauses.			
46.	Option Agreement for Perpetual Easement between LACMTA, Agency, and Culver City	10/3/11	Instrument No. 2011337175	**DISAPPROVED**.
47.	Lien for property tax ($178.96)	3/13/13	Instrument No. 20130376885	**DISAPPROVED**.
48.	Lien for property tax ($75.52)	3/13/13	Instrument No. 20130376886	**DISAPPROVED**.
49.	Lien for property tax ($178.96)	3/13/13	Instrument No. 20130376887	**DISAPPROVED**.
50.	Lien for property tax ($75.52)	3/13/13	Instrument No. 20130376888	**DISAPPROVED**.
51.	Lien for property tax ($184.56)	3/13/13	Instrument No. 20130376889	**DISAPPROVED**.
52.	Lien for property tax ($72.31)	3/13/13	Instrument No. 20130376890	**DISAPPROVED**.
53.	Lien for property tax ($392.60)	3/13/13	Instrument No. 20130376891	**DISAPPROVED**.
54.	Lien for property tax ($97.39)	3/13/13	Instrument No. 20130376892	**DISAPPROVED**.
55.	Rights of Parties in Possession			**DISAPPROVED**. Please either specify any of the “parties in possession” or delete this exception.

**SUMMARY REPORT PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433
ON AN
IMPLEMENTATION AGREEMENT
BY AND AMONG
THE CITY OF CULVER CITY
AND
THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY
AND
LOWE ENTERPRISES REAL ESTATE GROUP,
A CALIFORNIA CORPORATION**

The following Summary Report has been prepared pursuant to California Health and Safety Code Section 33433 (Section 33433). The Summary Report sets forth certain details of the proposed Implementation Agreement (Agreement) by and among the City of Culver City (City), the Successor Agency to the Culver City Redevelopment Agency (Successor Agency) and Lowe Enterprises Real Estate Group (Developer). The Agreement requires the City and the Successor Agency to convey an irregularly shaped property located at the intersections of Venice, Washington and National Boulevards to the Developer. In turn, the Developer is required to construct a mixed-use commercial and residential project that also includes a large-scale public open space, and parking to serve the adjacent Expo Line station.

The "Development Site" consists of the following properties:

1. Parcels totaling 98,486 square feet that were originally owned by the former Culver City Redevelopment Agency (Former Agency), and were transferred to the Successor Agency to the Culver City Redevelopment Agency (Successor Agency) on October 12, 2012 (Agency Parcels);[1]

2. A 41,700 square foot parcel that is owned by the City (City Parcel);

3. A 72,773 square foot "Easement Area" that is located on the northerly 91 feet of a right-of-way parcel owned by the Los Angeles County Metropolitan Transit Authority (LACMTA); and

4. The vacation of 33,255 square feet of Exposition Boulevard.

As a result of the dissolution of redevelopment throughout the State of California, the Successor Agency was required to submit a Long Range Property Management Plan (LRPMP) to the State of California Department of Finance (DOF). The LRPMP submitted by the Successor Agency included the sale of the Agency Parcels to the Developer based on the terms and conditions

[1] In June 2011, the State of California dissolved redevelopment agencies throughout California. The Agency Parcels were transferred by operation of law to the Successor Agency.

identified in the Agreement. In correspondence dated March 18, 2014, the DOF approved the Successor Agency's LRPMP. Thus, it can be concluded that the financial terms included in the Agreement have been approved by the DOF.

The Former Agency used property tax increment revenue to assemble the Agency Parcels over a multi-year period commencing in 2005. As a result, the proposed conveyance of the Agency Parcels to the Developer is subject to the reporting requirements imposed by Section 33433. Specifically, Section 33433 requires the conveying entity to prepare a report that summarizes the financial terms associated with the disposition transaction for the Agency Parcels. The following Summary Report is based upon the information contained within the Agreement, and is organized into the following seven sections:

I. **Salient Points of the Agreement:** This Section summarizes the major responsibilities imposed on the Developer, the Successor Agency and the City by the Agreement.

II. **Cost of the Agreement to the Former Agency:** This section details the costs incurred by the Former Agency to implement the Agreement.

III. **Estimated Value of the Interests to be Conveyed Determined at the Highest Uses Permitted under the Redevelopment Plan:** This section estimates the value of the Agency Parcels determined at the highest use permitted under the Redevelopment Plan for the Culver City Redevelopment Project, Component Area 3 (Project Area). This valuation is also based on the scope of development allowed by Planned Development Zone No. 11 for the Washington National Transit Oriented Development Planned Development (PD) Zone No. 11 adopted as an amendment to the Culver City Zoning Map and Zoning Code pursuant to Section 17.200.015 of the Culver City Municipal Code (PD Zone).

IV. **Estimated Reuse Value of the Interests to be Conveyed:** This section summarizes the valuation estimate for the Agency Parcels based on the required scope of development, and the other conditions and covenants required by the Agreement.

V. **Consideration Received and Comparison with the Established Value:** This section describes the compensation to be received by the Successor Agency, and explains any difference between the compensation to be received and the established value of the Agency Parcels.

VI. **Blight Elimination:** This section explains how the Agreement will assist in alleviating blight in the Project Area.

VII. **Conformance with the AB1290 Implementation Plan:** This section describes how the Agreement achieves goals identified in the adopted AB1290 Implementation Plan.

This Summary Report and the Agreement are to be made available for public inspection prior to the approval of the Agreement.

I. SALIENT POINTS OF THE AGREEMENT

Scope of Development

The required scope of development for the entire Development Site can be described as follows:

Land Use	Minimum	Maximum
Office	159,734 square feet	200,000 square feet
Retail / Restaurant	25,000 square feet	85,000 square feet
Hotel	128 rooms	148 rooms
Apartments	120 units	200 units
Parking	1,526 space	1,567 spaces

The “Project” must comport with the PD Zone in place on the Development Site. In addition to the land use requirements identified in the preceding table, the Project must comply with the following requirements:

1. The Developer must include at least 14,500 square feet of public open space in the Project;

2. The Project’s site coverage may not exceed 55%;

3. The Project’s height cannot exceed 56 feet; and

4. The Developer must provide 600 parking spaces to serve the adjacent Expo Line station during Phase I of the Expo Line construction process; the Expo Line parking requirement will be reduced to 300 spaces during the second phase of Expo Line construction.

Developer Responsibilities

The Agreement requires the Developer to accept the following responsibilities:

1. The Developer must purchase the Agency Parcels from the Successor Agency for a purchase price of $8.2 million.

2. The Developer must purchase the City Parcels at a base purchase price of $15.6 million. The purchase price for the City Parcels will be reduced to reflect the following extraordinary costs, which will be established in the construction contract approved by the City Manager at the close of escrow for the conveyance of the City Parcels:

   a. The Developer’s cost to undertake all necessary utilities relocation on or around the Development Site;

b. The Developer's cost to provide all necessary infrastructure improvements to the Development Site including curbs, gutters, sidewalks, street trees, lighting, and special paving at crosswalks abutting the Project; and

c. The costs incurred by the Developer to relocate existing tenants and occupants of businesses located on the City Parcels:

   i. The Developer must comply with all applicable federal, state and local laws pertaining to relocation benefits and assistance.

   ii. Within 30 days following the execution of the Agreement, the Developer must provide the City with a $900,000 irrevocable letter of credit to be used to assure the Developer's payment of the required relocation benefits.

   iii. The Developer must indemnify the City and the Successor Agency from any relocation cost liabilities, lawsuits, penalties and damages.

3. The Developer must provide the City with participation payments if the Project achieves cumulative annual returns that exceed 25% of the Developer's equity investment in the Project. The participation payment obligation will be calculated each time any component of the Project is refinanced, and upon the first sale of each component of the Project.

4. The Developer must accept conveyance of the Development Site in an as-is condition. The costs required to demolish the temporary parking lot located on the Development Site must be borne by the Developer.

5. The Developer must provide the following prior to the close of escrow on the conveyance of the Development Site:

   a. Executed copies of all documents to which the Developer is a party;

   b. The adjusted purchase price for the City Parcels;

   c. The Art in Public Places in-lieu fee, if applicable;

   d. The insurance certificates and endorsements required by the Agreement;

   e. An executed construction contract;

   f. Evidence that sufficient construction loan and equity funds have been committed to pay for the Project costs;

   g. Evidence that the project entitlements have been approved, that building permits are available for issuance, and the completion of plan check by the City; and

h. Conveyance of all encroachments required to permit the Developer to construct the scope of development required by the Agreement.

6. The Developer may not transfer ownership of the Development Site prior to the completion of the Project's construction. The Developer may request approval from the City to change control or ownership in order to obtain financing to construct the Project as long as the key members of the Developer continue to exercise management and operational control of the Project.

7. The Developer, and any contractors and subcontractors engaged to construct the Project, must comply with any applicable federal and state labor law requirements.

8. The Developer must construct the Project in accordance with the Scope of Development and Schedule of Performance Attachments to the Agreement. In addition to the Project scope previously described, the Developer must fulfill the following requirements:

    a. The Developer must construct a "Shoring Wall" or "Isolation Wall" to be located underground at the depth of the parking garage along the property line between the Easement Area and the Expo Light Rail project. This Wall must be constructed to protect the Expo Light Rail project from adverse impacts created by the construction of the Project's parking garage.

    b. In addition to the dedicated Expo Line parking spaces, the Developer must construct a sufficient number of parking spaces to fulfill the City's Parking Code requirements for the commercial and residential uses in the Project. No shared parking reductions will be provided by the City.

    c. The Project must be developed to meet the requirements to qualify for LEED certification from the United States Green Building Council under the Leadership in Energy and Environmental Design Green Building Rating System for New Construction and Major Renovations. However, the Developer will not be required to apply for certification.

    d. The Project must comply with the CalGreen requirements and sustainable development principles required by the Project's entitlements.

    e. The Developer must comply with the Art in Public Places Program requirement imposed by the City. A portion of the requirement can be fulfilled with art provided within the Project, and the balance can be fulfilled by the payment of an in-lieu fee to the City.

9. The Developer must maintain the Development Site and the Project in compliance with the terms of the Redevelopment Plan and the applicable provisions of the Culver City Municipal Code.

Successor Agency and City Responsibilities

The Agreement imposes the following responsibilities on the Successor Agency and the City:

1. The Successor Agency must convey the Agency Parcels to the Developer, in accordance with the terms of the Agreement, for a purchase price of $8.2 million.

2. The City must convey the City Parcels to the Developer for a base purchase price of $15.6 million minus the credits to the land price defined in the Agreement.

3. The City must make commercially reasonable efforts to assist the Developer in obtaining the necessary encroachments from the City of Los Angeles, the California Department of Transportation, and any other applicable governmental agencies.

4. During the Project's construction period, the City must provide temporary replacement parking in the Ince Parking structure to serve the Expo Line station.

II. COST OF THE AGREEMENT TO THE FORMER AGENCY

The Former Agency incurred the following costs associated with the Successor Agency Parcels:

Land Acquisition	$18,425,000
Demolition Costs	3,095,000
Relocation	1,393,000
Miscellaneous Assemblage Costs	329,000
Station Redesign/CIDH Piles Construction	3,237,000
Total Previously Incurred Costs	$26,479,000

Based on the terms of the Agreement, the Successor Agency will receive a land payment of $8,200,000. Thus the net cost associated with the Agency Parcels is $18,278,000.

III. ESTIMATED VALUE OF THE INTERESTS TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE REDEVELOPMENT PLAN

Section 33433 requires the Former Agency to identify the value of the interests being conveyed at the highest use allowed by the requirements imposed by the Redevelopment Plan. The valuation must be based on the assumption that near-term development is required, but the valuation does not take into consideration any extraordinary use, quality and/or income restrictions that are being imposed on the development.

The Agency Parcels are subject to the PD Zone development requirements, and to a parking license agreement with LACMTA that remains in effect through September 2031. In an appraisal dated June 10, 2013, Lea Associates, Inc. (Appraiser) concluded that the current fair market value of the Agency Parcels is $800,000. This conclusion is based on the following findings:

1. The requirement that 300 parking spaces be provided to serve the Expo Line station reduces the value supported by the Agency Parcels to a negative amount.

2. The current value of the Agency Parcels, before consideration of the LACMTA parking license agreement, is estimated at $9.5 million. This equates to $100 per square foot for the Agency Parcels.

3. The Appraiser escalated the current unencumbered value of $9.5 million at a 3% annual land value escalation rate through 2021. This 2031 value was then discounted to present value at a development land speculation rate of 15% to 20% per year. The resulting present value falls within the range of $500,000 to $1.1 million.

4. The Appraiser selected the $800,000 mid-point of the value range as the current fair market value of the Agency Parcels.

IV. ESTIMATED REUSE VALUE OF THE INTERESTS TO BE CONVEYED

Under the terms of the Agreement, the Agency Parcels are being combined with the City Parcels, the Easement Areas and the vacation of Exposition Boulevard to create the Development Site. The creation of this larger, more efficiently configured site, significantly enhances the value supported by the Agency Parcels.

The fair reuse value supported by the Agency Parcels is estimated at $8.3 million based on the following assumptions:

1. The Appraiser estimated the fair market value of the Agency Parcels at $9.5 million assuming no extraordinary encumbrances are imposed.

2. The Agreement imposes extraordinary requirements on the Developer that create the following impact on the supportable value for the Agency Parcels:

    a. The extraordinary costs are currently estimated at $3 million.

    b. When the $3 million in extraordinary costs are allocated across the Development Site, the costs equate to approximately $12 per square foot of land area.

    c. The Agency Parcels total 98,486 square feet of land area. At $12 per square of land area, the extraordinary costs attributable to the Agency Parcels equal $1.2 million.

    d. The resulting fair reuse value of the Agency Parcels is estimated at $8.3 million.

V. CONSIDERATION RECEIVED AND COMPARISON WITH THE ESTABLISHED VALUE

The Agreement requires the Successor Agency to convey the Agency Parcels to the Developer for $8.2 million. This is amount is $7.4 million greater than the fair market value supported by the Agency Parcels on a standalone basis, and $100,000 less than the estimated fair reuse value of the Agency Parcels.

The consideration to be received by the Successor Agency is approximately 1% less than the estimated reuse value, which can be considered an insignificant differential. This difference is further mitigated by the fact that the sales proceeds to be received by the Successor Agency are a fixed amount. Comparatively, the credits for extraordinary costs that will be applied to the purchase price for the City Parcels are not a capped amount. Therefore, if the extraordinary costs that are actually incurred by the Developer exceed $3 million, the excess costs will be completely absorbed in the form of a reduction to the compensation for the City Parcels.

It is clear that substantial value enhancement is created by consolidating the Agency Parcels with the adjacent properties that make up the Development Site. When that is considered in conjunction with the risk mitigation associated with the fixed purchase price payment that will be received for the Agency Parcels, it can be concluded that the Successor Agency is receiving fair compensation for the interests being conveyed to the Developer.

VI. BLIGHT ELIMINATION

The Agency Parcels consist of 31 blighted commercial properties that were assembled by the Former Agency over a multi-year period. The Former Agency demolished the existing improvements, and replaced these improvements on a temporary basis with a surface parking lot. Development of the Agency Parcels with a major transit oriented development will eliminate the blighting conditions caused by the improper use and underutilization of land.

The development of the Agency Parcels will address the following blighting conditions in Component Area No. 3 of the Project Area that were identified in the 2010 – 2014 Implementation Plan:

- Section 3.7 – Significant business vacancies were noted in the eastern end of Component Area 3; and

- Section 3.9 – Code enforcement issues were identified in the Washington and National Boulevards area.

Thus, the proposed Project fulfills the blight elimination requirement imposed by Section 33433.

VII. CONFORMANCE WITH THE AB1290 IMPLEMENTATION PLAN

The development of a transit oriented mixed-use development on the Agency Parcels, in concert with LACMTA, was specifically identified in the Five Year Implementation Plan for 2010 – 2014. The transit oriented development project was identified as the largest project proposed to be undertaken during the Implementation Plan term. The stated goal was to redirect the development of the Agency Parcels into a commercial/residential mixed-use complex that will synergistically integrate with the Expo Line station. The implementation of the Agreement fulfills the goals established in Five Year Implementation Plan for 2010 – 2014.

RESOLUTION NO. 2014-R____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA PURSUANT TO THE PROVISIONS OF CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433 APPROVING (1) ENTRY BY THE CITY AND THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY INTO A PROPOSED IMPLEMENTATION AGREEMENT BETWEEN THE CITY AND THE SUCCESSOR AGENCY AND LOWE ENTERPRISES REAL ESTATE GROUP IN ORDER TO CONVEY THE REAL PROPERTY LOCATED AT 8829, 8831, 8839, 8841, 8843 EXPOSITION BOULEVARD; 8801, 8803 WASHINGTON BOULEVARD; 8824, 8825, 8828, 8830-8834, 8836, 8838, 8840, 8842, 8846 NATIONAL BOULEVARD; 8900-8906, 8910-8912, 8914-8918, 8920, 8926, 8930, AND 8936 VENICE BOULEVARD FOR THE DEVELOPMENT OF A HIGH QUALITY TRANSIT ORIENTED DEVELOPMENT; AND (2) RELATED ACTIONS.

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) (referred to herein as “Dissolution Act”) was signed by the Governor of California on June 28, 2011, making certain changes to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the “Redevelopment Law”) and to the California Health and Safety Code (“H&S Code”) including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the H&S Code; and

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding the Dissolution Act largely constitutional and reformed certain deadlines set forth in the Dissolution Act; and

WHEREAS, pursuant to the Dissolution Act, as modified by the California Supreme Court on December 29, 2011 by its decision in California Redevelopment Association v. Matosantos, all California redevelopment agencies, including the Culver City Redevelopment Agency (“Former CCRA”), were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City of Culver City adopted Resolution No. 2012-R001 on January 9, 2012, pursuant to Part 1.85 of the Dissolution Act, accepting for the City the role of successor agency to the Former CCRA ("Successor Agency"); and

WHEREAS, on February 6, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. 2012-SA001 naming itself the "Successor Agency to the Culver City Redevelopment Agency", the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of the Dissolution Act and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, the Dissolution Act was amended by Assembly Bill No. 1484 ("AB 1484") on June 27, 2012, which, among other things, imposed procedures for the Successor Agency's disposition of certain Former CCRA-owned real property including the required preparation of a Long Range Property Management Plan specifying the use and disposition of all such property and for the required approval of the Long Range Property Management Plan by the California Department of Finance ("DOF"). The Dissolution Act has since been further amended by Assembly Bill No. 1585, Senate Bill No. 341 and Assembly Bill No. 471; and

WHEREAS, pursuant to H&S Code Section 34191.5(b) of the Dissolution Act, on July 18, 2013, the Successor Agency prepared and submitted to the DOF for approval its initial Long Range Property Management Plan, as approved by its Oversight Board, that addressed the disposition and use of certain real properties of the Former CCRA. On March 13, 2014, the Successor Agency prepared and submitted to the DOF for approval certain revisions to its initial Long Range Property Management Plan, as approved by its Oversight Board, that addressed changes to the disposition of certain parking parcels of the Former CCRA as described in the revised Long Range Property Management Plan; and

WHEREAS, the DOF, by letter dated March 18, 2014, issued its determination on the Successor Agency's Long Range Property Management Plan (comprised solely of the July 18, 2013 initial submittal as revised by the March 13, 2014 revision) ("LRPMP"), approving the Successor Agency's use and disposition of all the properties listed in the LRPMP. The DOF's letter states that its approval of the LRPMP took into account Resolution No. 2014-OB004 approving the March 13, 2014 revised LRPMP and accompanying Agenda Item Report and acknowledges the Successor Agency's submittal of its LRPMP on July 18, 2013 and the revised LRPMP on March 13, 2014; and

WHEREAS, the DOF-approved LRPMP provides for the Successor Agency's sale and transfer of that certain real property located at 8829 Exposition Boulevard, 8831 Exposition Boulevard, 8840 National Boulevard, 8841 Exposition Boulevard, 8843 Exposition Boulevard, 8824 National Boulevard, 8825 National Boulevard, 8828 National Boulevard, 8801 Washington Boulevard, 8803 Washington Boulevard, 8830-8834 National Boulevard, 8836 National Boulevard, 8838 National Boulevard, 8839 Exposition Boulevard, 8842 National Boulevard, and 8846 National Boulevard, Culver City, California, and 8920 Venice Boulevard, Los Angeles, California ("Agency Parcels") from the Successor Agency to Lowe Enterprises Real Estate Group ("Developer") for the development of a high quality transit oriented development ("Project"); and

WHEREAS, in furtherance of the LRPMP, the Successor Agency proposes to enter into an Implementation Agreement ("Implementation Agreement") with the City and the Developer for the development of the Project; and

WHEREAS, the City proposes to enter into the Implementation Agreement with the Successor Agency and the Developer for the development of the Project; and

WHEREAS, the Implementation Agreement also provides for the City's sale and transfer of that certain real property identified in the Implementation Agreement as the "City Parcels" from the City to the Developer for the development of the Project; and

WHEREAS, the Implementation Agreement contains all of the provisions, terms and obligations required by State and local law, and the Developer represents that it possesses the qualifications and financial resources necessary to develop and operate the Project as set forth in the Implementation Agreement, all of which development will be in accordance with the purposes and objectives of the Redevelopment Law; and

WHEREAS, pursuant to Section 33433 of the Redevelopment Law, the Successor Agency is authorized, with the consent of the City Council, to sell or lease for development pursuant to the applicable redevelopment plan property of the Successor Agency acquired in whole or in part, directly or indirectly, with tax increment moneys; and

WHEREAS, the site for the Project contains such property; and

WHEREAS, a copy of the Implementation Agreement and a summary of this transaction (which by this reference is incorporated herein as if set forth in full at this point) setting forth all of those matters required by the provisions of Section 33433 of the Redevelopment Law have been available for public inspection from and after June 26, 2014; and

WHEREAS, notice of the hearing to consider the Implementation Agreement was given in the manner required by law; and

WHEREAS, at said public hearing, the City Council received and considered a staff report (which by this reference is incorporated herein as if set forth in full at this point) and testimony; and

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA") set forth in California Public Resources Code Section 21000 et seq., the State CEQA Guidelines set forth in Title 14, California Code of Regulations Section 15000 et seq., and procedures adopted by the City relating to environmental evaluation of public and private projects, an environmental impact report was certified and adopted by the Former CCRA on November 2, 1998, which identified and analyzed the potential environmental impacts associated with the Project, among others; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the City Council of the City of Culver City DOES HEREBY RESOLVE as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The City Council has received and heard all oral and written objections to the Successor Agency's proposed sale and transfer of the Agency Parcels to the Developer in accordance with the terms set forth in the Implementation Agreement, pursuant to the authority of the DOF-approved LRPMP, and to other matters pertaining to this transaction, and that all such oral and written objections are hereby overruled.

SECTION 3. The Implementation Agreement will assist in the elimination of blight.

SECTION 4. The Implementation Agreement is consistent with the implementation plan adopted pursuant to Section 33490 of the Redevelopment Law.

SECTION 5. The consideration for the Agency Parcels is not less than the fair market value at its highest and best use in accordance with the redevelopment plan.

SECTION 6. The City Council hereby approves the Successor Agency's entry into the Implementation Agreement and the sale and transfer of the Agency Parcels located at 8829 Exposition Boulevard, 8831 Exposition Boulevard, 8840 National Boulevard, 8841 Exposition Boulevard, 8843 Exposition Boulevard, 8824 National Boulevard, 8825 National Boulevard, 8828 National Boulevard, 8801 Washington Boulevard, 8803 Washington Boulevard, 8830-8834 National Boulevard, 8836 National Boulevard, 8838 National Boulevard, 8839 Exposition Boulevard, 8842 National Boulevard, and 8846 National Boulevard, Culver City, California, and 8920 Venice Boulevard, Los Angeles, California from the Successor Agency to the Developer in accordance with the terms set forth in the Implementation Agreement, pursuant to the authority of the DOF-approved LRPMP.

SECTION 7. The City Council hereby approves the City's entry into the Implementation Agreement and the sale and transfer of the City Parcels from the City to the Developer in accordance with the terms set forth in the Implementation Agreement.

SECTION 8. The City Council hereby authorizes and directs the City Manager, of the City, or designee, (i) to take all actions and to execute any and all documents, instruments, and agreements necessary or desirable on behalf of the City, as approved by the City Manager of the City and the City Attorney, in order to implement and effectuate the sale and transfer of the City Parcels from the City to the Developer in accordance with the terms and conditions set forth in the Implementation Agreement and to effectuate all other actions approved by this Resolution, including, without limitation, approving extensions of deadlines, amendments, changes, implementations, or revisions to documents, instruments, and agreements as determined necessary by the City Manager, or designee, and executing all documents, instruments, and agreements on behalf of the City as necessary or required including, without limitation, the Implementation Agreement, the City Grant Deed, the Transfer of Easement Area Documents, the Release of Construction Covenants, the Participation Agreement, and the Consent to Assignment and Assumption Agreement and (ii) to administer the City's obligations, responsibilities, and duties to be performed pursuant to this Resolution and all documents, instruments, and agreements required by and for the sale and transfer of the City Parcels from the City to the Developer.

SECTION 9. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 10. The adoption of this Resolution is not intended to and shall not constitute a waiver by the City of any constitutional, legal or equitable rights that the City may have to challenge, through any administrative or judicial proceedings, the effectiveness and/or legality of all or any portion of the Dissolution Act, any determinations rendered or actions or omissions to act by any public agency or government entity or division in the implementation of the Dissolution Act, and any and all related legal and factual issues, and the City expressly reserves any and all rights, privileges, and defenses available under law and equity.

SECTION 11. The City hereby determines that an environmental impact report was certified and adopted by the Former CCRA on November 2, 1998, which identified and analyzed the potential environmental impacts associated with the Project, among others. As currently conceptualized, this activity has been determined to be adequately addressed in the EIR, and there is no substantial change in circumstances, new information of substantial importance, or project changes which would warrant additional environmental review at this time; therefore, no further environmental review is required at this time under CEQA pursuant to State CEQA Guidelines Section 15162. In the future, substantial change in circumstances, new information of substantial importance, or project changes will likely occur, warranting additional environmental review at that time under CEQA pursuant to State CEQA Guidelines Section 15162.

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SECTION 12. This Resolution shall take effect upon the date of its adoption.

APPROVED AND ADOPTED, this _____ day of _________________, 2014.

____
MEGHAN SAHLI-WELLS, Mayor
City of Culver City

ATTEST:

____
MARTIN R. COLE, City Clerk

APPROVED AS TO FORM:

____
CAROL SCHWAB, City Attorney

RESOLUTION NO. 2014-SA____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY APPROVING, AND RECOMMENDING TO ITS OVERSIGHT BOARD APPROVAL OF, (1) THE SUCCESSOR AGENCY'S ENTRY INTO AN IMPLEMENTATION AGREEMENT BETWEEN THE CITY OF CULVER CITY AND THE SUCCESSOR AGENCY AND LOWE ENTERPRISES REAL ESTATE GROUP IN ORDER TO CONVEY THE REAL PROPERTY LOCATED AT 8829, 8831, 8839, 8841, 8843 EXPOSITION BOULEVARD; 8801, 8803 WASHINGTON BOULEVARD; 8824, 8825, 8828, 8830-8834, 8836, 8838, 8840, 8842, 8846 NATIONAL BOULEVARD; 8900-8906, 8910-8912, 8914-8918, 8920, 8926, 8930, AND 8936 VENICE BOULEVARD FOR THE DEVELOPMENT OF A HIGH QUALITY TRANSIT ORIENTED DEVELOPMENT; (2) THE SUCCESSOR AGENCY'S REMITTANCE OF THE NET PURCHASE PRICE PROCEEDS RECEIVED BY THE SUCCESSOR AGENCY AFTER CLOSE OF ESCROW TO THE LOS ANGELES COUNTY AUDITOR-CONTROLLER FOR DISPOSITION TO TAXING ENTITIES; AND (3) RELATED ACTIONS.

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) (referred to herein as "Dissolution Act") was signed by the Governor of California on June 28, 2011, making certain changes to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law") and to the California Health and Safety Code ("H&S Code") including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the H&S Code; and

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding the Dissolution Act largely constitutional and reformed certain deadlines set forth in the Dissolution Act; and

WHEREAS, pursuant to the Dissolution Act, as modified by the California Supreme Court on December 29, 2011 by its decision in California Redevelopment

Association v. Matosantos, all California redevelopment agencies, including the Culver City Redevelopment Agency ("Former CCRA"), were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City of Culver City adopted Resolution No. 2012-R001 on January 9, 2012, pursuant to Part 1.85 of the Dissolution Act, accepting for the City the role of successor agency to the Former CCRA ("Successor Agency"); and

WHEREAS, on February 6, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. 2012-SA001 naming itself the "Successor Agency to the Culver City Redevelopment Agency", the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of the Dissolution Act and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, the Dissolution Act was amended by Assembly Bill No. 1484 ("AB 1484") on June 27, 2012, which, among other things, imposed procedures for the Successor Agency's disposition of certain Former CCRA-owned real property including the required preparation of a Long Range Property Management Plan specifying the use and disposition of all such property and for the required approval of the Long Range Property Management Plan by the California Department of Finance ("DOF"). The Dissolution Act has since been further amended by Assembly Bill No. 1585, Senate Bill No. 341 and Assembly Bill No. 471; and

WHEREAS, pursuant to the Dissolution Act, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and to the taxing entities that benefit from distributions of property taxes and other revenues pursuant to H&S Code Section 34188 of the Dissolution Act; and

WHEREAS, the oversight board has been established for the Successor Agency (hereinafter referred to as "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to H&S Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in H&S Sections 34179 through 34181 of the Dissolution Act; and

WHEREAS, pursuant to H&S Code Section 34191.5(b) of the Dissolution Act, on July 18, 2013, the Successor Agency prepared and submitted to the DOF for approval its initial Long Range Property Management Plan, as approved by its Oversight Board, that addressed the disposition and use of certain real properties of the Former CCRA. On March 13, 2014, the Successor Agency prepared and submitted to the DOF for approval certain revisions to its initial Long Range Property Management Plan, as approved by its Oversight Board, that addressed changes to the disposition of certain parking parcels of the Former CCRA as described in the revised Long Range Property Management Plan; and

WHEREAS, the DOF, by letter dated March 18, 2014, issued its determination on the Successor Agency's Long Range Property Management Plan (comprised solely of the July 18, 2013 initial submittal as revised by the March 13, 2014 revision) ("LRPMP"), approving the Successor Agency's use and disposition of all the properties listed in the LRPMP. The DOF's letter states that its approval of the LRPMP took into account Resolution No. 2014-OB004 approving the March 13, 2014 revised LRPMP and accompanying Agenda

Item Report and acknowledges the Successor Agency's submittal of its LRPMP on July 18, 2013 and the revised LRPMP on March 13, 2014; and

WHEREAS, the DOF-approved LRPMP provides for the Successor Agency's sale and transfer of that certain real property located at 8829 Exposition Boulevard, 8831 Exposition Boulevard, 8840 National Boulevard, 8841 Exposition Boulevard, 8843 Exposition Boulevard, 8824 National Boulevard, 8825 National Boulevard, 8828 National Boulevard, 8801 Washington Boulevard, 8803 Washington Boulevard, 8830-8834 National Boulevard, 8836 National Boulevard, 8838 National Boulevard, 8839 Exposition Boulevard, 8842 National Boulevard, and 8846 National Boulevard, Culver City, California, and 8920 Venice Boulevard, Los Angeles, California ("Property") from the Successor Agency to Lowe Enterprises Real Estate Group ("Developer") for the development of a high quality transit oriented development ("Project"); and

WHEREAS, in furtherance of the LRPMP, the Successor Agency proposes to enter into an Implementation Agreement ("Implementation Agreement") with the City and the Developer for the development of the Project; and

WHEREAS, the Implementation Agreement contains all of the provisions, terms and obligations required by State and local law, and the Developer represents that it possesses the qualifications and financial resources necessary to develop and operate the Project as set forth in the Implementation Agreement, all of which development will be in accordance with the purposes and objectives of the Redevelopment Law; and

WHEREAS, pursuant to Section 33433 of the Redevelopment Law, the Successor Agency is authorized, with the consent of the City Council, to sell or lease for development pursuant to the applicable redevelopment plan property of the Successor Agency acquired in whole or in part, directly or indirectly, with tax increment moneys; and

WHEREAS, the site for the Project contains such property; and

WHEREAS, by resolution duly and regularly adopted at a regular meeting held on the 25th day of August, 2014, the City Council provided the consent required by Section 33433 of the Redevelopment Law; and

WHEREAS, notice of the hearing to consider the proposed sale was given in the manner required by law; and

WHEREAS, at said public hearing, the Successor Agency received and considered a staff report (which by this reference is incorporated herein as if set forth in full at this point) and testimony; and

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA") set forth in California Public Resources Code Section 21000 et seq., the State CEQA Guidelines set forth in Title 14, California Code of Regulations Section 15000 et seq., and procedures adopted by the City relating to environmental evaluation of public and private projects, an environmental impact report was certified and adopted by the Former CCRA on November 2, 1998, which identified and analyzed the potential environmental impacts associated with the Project, among others; and

WHEREAS, the Successor Agency's sale and transfer of the Property to the Developer will be for the Agency Parcels Purchase Price as defined in Section 101 of the Implementation Agreement and in accordance with the terms and conditions set forth therein. The net purchase price proceeds received by the Successor Agency after the close of escrow will be remitted by the Successor Agency to the Los Angeles County Auditor-Controller's Office for distribution to the taxing entities in accordance with H&S Code Section 34191.5(c)(2)(B) of the Dissolution Act; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the Board of Directors of the Successor Agency to the Culver City Redevelopment Agency DOES HEREBY RESOLVE as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Successor Agency Board has received and heard all oral and written objections to the Successor Agency's proposed sale and transfer of the Property to the Developer in accordance with the terms set forth in the Implementation Agreement, pursuant to the authority of the DOF-approved LRPMP, and to other matters pertaining to this transaction, and that all such oral and written objections are hereby overruled.

SECTION 3. The Successor Agency Board hereby approves, and recommends to its Oversight Board the approval of, the Successor Agency's entry into the Implementation Agreement and the sale and transfer of the Property located at 8829 Exposition Boulevard, 8831 Exposition Boulevard, 8840 National Boulevard, 8841 Exposition Boulevard, 8843 Exposition Boulevard, 8824 National Boulevard, 8825 National Boulevard, 8828 National Boulevard, 8801 Washington Boulevard, 8803 Washington Boulevard, 8830-8834 National Boulevard, 8836 National Boulevard, 8838 National Boulevard, 8839 Exposition Boulevard, 8842 National Boulevard, and 8846 National Boulevard, Culver City, California, and 8920 Venice Boulevard, Los Angeles, California from the Successor Agency to the Developer in accordance with the terms set forth in the Implementation Agreement, pursuant to the authority of the DOF-approved LRPMP.

SECTION 4. The Successor Agency Board hereby authorizes and directs, and recommends to its Oversight Board that it authorize and direct, the Executive Director of the

Successor Agency, or designee, to remit to the Los Angeles County Auditor-Controller's Office for distribution to the taxing entities in accordance with H&S Code Section 34191.5(c)(2)(B) of the Dissolution Act the net purchase price proceeds that are received by the Successor Agency after the close of escrow for the Successor Agency's sale and transfer of the Property to the Developer in accordance with the terms and conditions set forth in the Implementation Agreement.

SECTION 5. The Successor Agency hereby authorizes and directs, and recommends to its Oversight Board that it authorize and direct, the Executive Director of the Successor Agency, or designee, (i) to take all actions and to execute any and all documents, instruments, and agreements necessary or desirable on behalf of the Successor Agency, as approved by the Executive Director of the Successor Agency and Successor Agency General Counsel, in order to implement and effectuate the sale and transfer of the Property from the Successor Agency to the Developer in accordance with the terms and conditions set forth in the Implementation Agreement, to remit the net purchase price proceeds received by the Successor Agency after the close of escrow to the Los Angeles County Auditor-Controller's Office for distribution to the taxing entities in accordance with H&S Code Section 34191.5(c)(2)(B) of the Dissolution Act, and to effectuate all other actions approved by this Resolution, including, without limitation, approving extensions of deadlines, amendments, changes, implementations, or revisions to documents, instruments, and agreements as determined necessary by the Executive Director, or designee, and executing all documents, instruments, and agreements on behalf of the Successor Agency as necessary or required including, without limitation, the Implementation Agreement, the Successor Agency Grant Deed, the Transfer of Easement Area Documents, and the Participation Agreement, and (ii) to administer the Successor Agency's obligations, responsibilities, and duties to be performed pursuant to this Resolution and all documents, instruments, and agreements required by and for the sale and transfer of the Property from the Successor Agency to the Developer.

SECTION 6. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that its Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any constitutional, legal or equitable rights that the Successor Agency may have to challenge, through any administrative or judicial proceedings, the effectiveness and/or legality of all or any portion of the Dissolution Act, any determinations rendered or actions or omissions to act by any public agency or government entity or division in the implementation of the Dissolution Act, and any and all related legal and factual issues, and the Successor Agency expressly reserves any and all rights, privileges, and defenses available under law and equity.

SECTION 8. The Successor Agency hereby determines that an environmental impact report was certified and adopted by the Former CCRA on November 2, 1998, which identified and analyzed the potential environmental impacts associated with the Project, among others. As currently conceptualized, this activity has been determined to be adequately addressed in the EIR, and there is no substantial change in circumstances, new information of substantial importance, or project changes which would warrant additional environmental review at this time; therefore, no further environmental review is required at this time under CEQA pursuant to State CEQA Guidelines Section 15162. In the future, substantial change in circumstances, new information of substantial importance, or project changes will likely occur, warranting additional environmental review at that time under CEQA pursuant to State CEQA Guidelines Section 15162.

SECTION 9. This Resolution shall take effect upon the date of its adoption.

APPROVED AND ADOPTED, this _____ day of _________________, 2014.

____
JEFFREY COOPER, Chair
Successor Agency

ATTEST:

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MARTIN R. COLE, Secretary

APPROVED AS TO FORM:

____
CAROL SCHWAB, Successor Agency
General Counsel