

Attachments to Parcel B / Town Plaza Expansion

- 11 & 32. Parcel B / Combined-Hudson Project
9300 Culver Blvd.

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All 800 series parcels on this page are assessed to Colver City Redevelopment Agency, unless otherwise noted.

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FOR PREV. ASSMT. SEE: 369-5 & 201

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

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

and

COMBINED/HUDSON 9300 CULVER LLC,
a Delaware limited liability company

(9300 Culver Boulevard, Culver City, California)

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ATTACHMENTS

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DISPOSITION AND DEVELOPMENT AGREEMENT

(9300 Culver Boulevard)

This Disposition and Development Agreement ("Agreement") is entered into by and between THE CITY OF CULVER CITY, a charter city of the State of California ("City"), and COMBINED/HUDSON 9300 CULVER LLC, a Delaware limited liability company ("Developer"). This Agreement is dated, for reference purposes, as of the date the City executes this Agreement ("Effective Date"). The City and the Developer agree as follows:

RECITALS

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

A. The purpose of this Agreement is to effectuate the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* (defined herein as the "Act") by providing for the improvement and development of certain property (defined herein as the "Site") with construction of (i) a four level high quality office and retail complex with an Elevated Plaza and "Grand Stairs", providing approximately 115,108 square feet of gross building area containing a minimum of 32,654 square feet dedicated to retail and restaurant uses and containing a minimum of 55,470 gross square feet dedicated to office use and including public restrooms and a storage area, in addition to approximately 18,990 square feet of open space, and subterranean parking (defined herein as the "Parcel B Improvements"); and (ii) certain subterranean public parking improvements located adjacent to the Parcel B Improvements and a portion located within a portion of the Parcel B Improvements (defined herein as "Public Parking Improvements"); and (iii) certain public improvements located adjacent to the Parcel B Improvements relating to the expansion of the Town Plaza Project (defined below) (defined herein as the "Town Plaza Expansion Improvements"). The Parcel B Improvements, the Public Parking Improvements, and the Town Plaza Expansion Improvements are collectively referred to and defined herein as the "Project"; subject to the terms and conditions of this Agreement.

B. The Site is located within the geographical area of the Culver City Redevelopment Project, Component Area 3 (defined herein as the "Project Area"). The proposed 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 (defined herein as the "Redevelopment Plan") and the proposed Project also furthers municipal and other public purposes.

C. The Site is a component of the Town Plaza/Screenland cinema, restaurant, retail and office project (defined herein as the "Town Plaza Project") located at 9530 Washington Boulevard and 9300-9310 Culver Boulevard, Culver City, and commonly referred to as Parcels A, B, and C. The Town Plaza Project was proposed to be a total of approximately 202,000 square feet of gross leasable floor area. The Town Plaza Project was considered in a Final Supplemental Environmental Impact Report (FSEIR) which was certified by The Culver City

Redevelopment Agency (defined herein as the "Agency") on May 3, 1999. The Town Plaza Project was approved as Site Plan Review SPR P-1999044 by Planning Commission Resolution No. 2000-P0003 on January 31, 2000. This approval was modified by Modification No. 1, approved on July 11, 2001, by Planning Commission Resolution No. 2001-P007, and further modified by Modification No. 2, approved by Planning Commission Resolution No. 2002-P001.

D. Development on Parcels A and C of the Town Plaza Project has been completed, and the development of Parcel B with the Parcel B Improvements remains pending together with the Public Parking Improvements and the Town Plaza Expansion Improvements. The entitlements for the Project remain effective. Plans consistent with the approved entitlements may be approved with no further discretionary approval.

E. The City currently owns fee title of the Site which consists of (i) that certain real property and improvements located within the Town Plaza Project at 9300 Culver Boulevard, Culver City, on which all of the Parcel B Improvements are proposed to be constructed and developed pursuant to this Agreement and on which certain Public Parking Improvements are proposed to be constructed and developed pursuant to this Agreement, and legally described in the Legal Description (Attachment No. 2-A hereto) (defined herein as "Developer Parcel" or "Parcel B"); and (ii) that certain real property and improvements located within the Town Plaza Project on which a portion of the Public Parking Improvements and all of the Town Plaza Expansion Improvements are proposed to be constructed and developed pursuant to this Agreement, and legally described in the Legal Description (Attachment No. 2-B hereto) (defined herein as the "City Parcel"). The Developer Parcel and the City Parcel are each individually identified and depicted on the Site Map (Attachment No. 1 hereto) as Parcel 2 and Parcel 1 respectively.

F. The City also owns the parking facility located at 9099 Washington Boulevard, Culver City (defined herein as the "Ince Parking Structure"). The Developer desires to acquire a license (defined herein as the "Parking License") from the City to use certain of the parking spaces located in the Ince Parking Structure to provide parking for the Parcel B Improvements.

G. By this Agreement, and subject to the terms and conditions herein, (i) the City agrees to convey to Developer, and Developer agrees to purchase from the City, the Developer Parcel; (ii) the Developer agrees to Develop and Cause Construction (defined below) of the Project and to record certain easements and covenants, conditions and restrictions against the Developer Parcel for the benefit of the City, the public, and the City Parcel, as the case may be; (iii) the City agrees to record certain easements against the City Parcel for the benefit of the Developer Parcel; (iv) the Developer and the City agree to enter into the Development and Construction Contract for Public Improvements pertaining to the Developer's development and construction of the Public Parking Improvements and the Town Plaza Expansion Improvements, and the City's payment of the costs for the Public Improvements except for the Developer's pro rata share of costs for the design and construction of the driveway access for the Parking Improvements; and (v) the Developer and the City agree to enter into the Parking License in connection with the Ince Parking Structure.

H. The City's disposition of the Developer Parcel and the Developer's construction and development of the Project pursuant to the terms of this Agreement, and the fulfillment

generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accordance with the municipal and other public purposes and provisions of applicable federal, state, and local laws and requirements.

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

100. DEFINITIONS

101. Definitions

The following terms as used in this 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 controlled by or under common control with another Person, (ii) any Person owning or controlling directly or indirectly fifty percent (50%) or more of the outstanding voting securities or other ownership interests of such other Person, (iii) any officer, director, member, manager or partner of such Person, or (iv) if such other Person is an officer, director, member, manager or partner, any company for which such Person acts in any such capacity. The term “control” (and other tenses or forms of that word) as used in the immediately preceding sentence and in this Agreement 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 or designation of the manager or a general partner.

“Agency” shall mean The Culver City Redevelopment Agency, a public body, corporate and politic, having its offices at 9770 Culver Boulevard, Culver City, CA 90230-0507, and any assignee of, or successor to, the rights, powers, and responsibilities of the Agency.

“Agreement” or **“DDA”** means this Disposition and Development Agreement executed by and between the City and the Developer, including all attachments and exhibits attached to this Agreement, which attachments and exhibits are incorporated herein by this reference, all other documents incorporated herein by reference, and all other documents referenced in this 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 the Developer, and consented to by the General Contractor, delivered to and for the benefit of the City, substantially in the form attached to this Agreement as Attachment No. 8.

"Assignment of Plans, Reports and Data" means an assignment signed by the Developer, and consented to by the Architect, delivered to and for the benefit of the City, substantially in the form attached to this Agreement as Attachment No. 9.

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

"City" means The City of Culver City, 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, this Agreement, the Grant Deed, the Guaranty Agreement, the Parking License, the Assignment of Plans, Reports and Data, the Assignment of Construction Contract, the Memorandum of Right of First Offer, the Reciprocal Easement Agreement, the Development and Construction Contract for Public Improvements, the Right of Entry Agreement 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 Manager" means the City Manager of the City or designee.

"City Parcel" means that certain real property located within the Town Plaza Project owned in fee by the City, on which the Developer will Develop and Cause Construction of a portion of the Public Parking Improvements and all of the Town Plaza Expansion Improvements pursuant to this Agreement including, without limitation, the Scope of Development, and the Development and Construction Contract for Public Improvements, and legally described in the Legal Description attached to this Agreement as Attachment No. 2-B.

"City Permits and Fees" is defined in Section 907.

"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 substantial compliance with this Agreement, the Scope of Development, the Development and Construction Contract for Public Improvements, and the Plans approved by the City, (ii) the temporary certificate of occupancy shall have been issued with respect to the completion of the building shell comprising the Parcel B Improvements, and a certificate of occupancy shall have been issued for the Public Improvements and the Town Plaza Expansion Improvements to the extent a certificate of occupancy is required by the City, (iii) the time for Developer's contractor, suppliers and subcontractors to file a claim pursuant to Civil Code Sections 3115-3117 in connection with the Project 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.

"Conceptual Plan for the Retail and Restaurant Space" means the conceptual plan for the retail and restaurant uses to be located on the ground and second levels of the Parcel B Improvements and is attached to this Agreement as Attachment No. 13.

"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(a).

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

"Conveyance" is defined in Section 301.1.

"CPI" means COMBINED PROPERTIES, INCORPORATED, a District of Columbia corporation.

"CPI/Hudson Group" means any of the following (x) CPI and any Affiliate, or (y) CPI and Hudson (and any of their Affiliates) taken together (or viewed collectively).

"Date of Agreement" is defined in the initial paragraph of this Agreement.

"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 this Agreement within the time periods provided therein following notice and opportunity to cure, as set forth in Section 701.

"Deposit" means the good faith deposit provided by the Developer and deposited into Escrow as described in Section 301.2.

"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 the 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 Developer is not a licensed general

contractor, and do not intend, and nothing in this Agreement shall be interpreted to mean, that the Developer or its guarantor is or is acting as a general contractor.

“Developer” means, COMBINED/HUDSON 9300 CULVER LLC, a Delaware limited liability company, whose address for purposes of this Agreement is set forth in Section 801 below, and any permitted assignees or nominees of Developer.

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

“Developer Parcel” or ***“Parcel B”*** means that certain real property and improvements thereon located within the Town Plaza Project at 9300 Culver Boulevard, Culver City, that will be conveyed to the Developer at the Closing, on which the Developer will Develop and Cause Construction of all of the Parcel B Improvements pursuant to this Agreement and a portion of the Public Parking Improvements, in accordance with the terms and conditions of this Agreement, and legally described in the Legal Description attached to this Agreement as Attachment No. 2-A.

“Developer’s Conditions Precedent to Closing” is defined in Section 303.2.

“Development and Construction Contract for Public Improvements” means the construction contract between the City and the Developer under which the Developer shall Develop and Cause Construction of the Public Parking Improvements on and within the City Parcel and partially within the Developer Parcel, in accordance with the terms and conditions of this Agreement, and the Town Plaza Expansion Improvements on and within the City Parcel, in accordance with the terms and conditions of this Agreement, as described in Section 901. The Parties’ execution of the Development and Construction Contract for Public Improvements is a condition of the Closing.

“Effective Date” means the date upon which this Agreement is executed by the City.

“Elevated Plaza” means the elevated plaza development component of the Parcel B Improvements as described in the Developer’s Response to Request for Proposals dated September 8, 2011, and as further refined upon the approval by the City of the final Plans for the Project.

“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:

- Report of Geotechnical Studies, Proposed Parking Structure between Washington and Culver Boulevards and Main Street, dated December 27, 1989
- Environmental Site Assessment dated February 18, 1997 prepared by CTE Environmental Services, Inc.

“Escrow” means the escrow for the Conveyance and Closing to be established pursuant to Section 308.1.

“Escrow Agent” means the escrow agent of the Escrow Company for the Conveyance and 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 designated by the City Manager and approved by Developer.

“Escrow Costs” is defined in Section 302.2.

“Event of Default” is defined in Section 701.

“Evidence of Financing” is defined in Section 314.

“Executive Order” means the President’s Executive Order No. 13224.

“Extraordinary Costs” mean the costs as determined by the City and Developer in accordance with Section 907, and approved by the City prior to the Close of Escrow that constitute adjustments in the Purchase Price payable by the Developer for the Developer Parcel, as set forth in Section 907.

“Final Purchase Price Payment” means the final purchase price payment to be deposited into Escrow by the Developer for the Developer’s purchase of the Developer Parcel as described in Section 301.3.

“Force Majeure” is defined in Section 806.

“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, the Developer or the Site.

“Grand Stairs” means the “Grand Stairs” development component of the Parcel B Improvements as described in the Developer’s Response to Request for Proposals dated September 8, 2011, and as further refined upon the approval by the City of the final Plans for the Project.

“Grant Deed” means the grant deed by which the City will convey the Developer Parcel to the Developer, substantially in the form attached to this Agreement as Attachment No. 5.

“Guaranty Agreement” shall mean that document to be executed by each CPI and Hudson pursuant to Section 205.2 to guarantee the obligations of Developer under this Agreement, including without limitation the completion of the development of the Project, substantially in the form attached to this Agreement as Attachment No. 11. The Guaranty Agreement shall be executed by CPI and Hudson prior to the City’s execution of this Agreement.

“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 this 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 in violation of Environmental Laws that creates a risk of Hazardous Materials contamination of the Site.

"Hudson" means HUDSON PACIFIC PROPERTIES, L.P., a Maryland limited partnership, in which Hudson Pacific Properties, Inc. is the General Partner.

"Improvements" means the improvements that the Developer will Develop and Cause Construction of upon the Site in accordance with all approvals and permits required for Completion of the Improvements, all as more particularly described in the Scope of Development. The "Improvements" shall generally consist of the Parcel B Improvements, the Public Parking Improvements, and the Town Plaza Expansion Improvements.

"In-Lieu Public Art Fee" means the fee, if any, to be paid by the 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; 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.

"Labor Laws" means any applicable federal, state and local labor standards which such standards shall include, without limitation and if applicable: (a) the payment of not less than the wages prevailing in the locality as determined by the Secretary of Labor pursuant to the Davis Bacon Act (40 U.S.C. 276a to 276a-5), to all laborers and mechanics employed in the development of any part of the Project; (b) the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 332); and (c) Labor Code Section 1720 et seq., including without limitation the payment of prevailing wage and maintenance of payroll records in accordance with Labor Code Sections 1776 and 1812, and employment of apprentices in accordance with Labor Code Section 1777.5.

Any work performed pursuant to this Agreement that Developer determines is a public work (as defined in Labor Code Section 1720) (the "work") shall comply with the requirements of Labor Code Section 1770 et seq. In all bid specifications for any such public work, and contracts and subcontracts for that work, Developer (or its general contractor, in the case of subcontracts) shall obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification or type of worker needed to perform the work, and shall include such rates in the bid specifications, contract or subcontract. Such bid specifications, contract or subcontract for any such public work must contain the following provision:

"It shall be mandatory for the contractor to pay not less than the said prevailing rate of wages to all workers employed by the contractor in the execution of this

contract. The contractor expressly agrees to comply with the penalty provisions of Labor Code Section 1775 and the payroll record keeping requirements of Labor Code Section 1776.”

The provisions of Labor Code Sections 1775 and 1813 regarding penalties to be paid upon the failure to pay prevailing wage and for failure to comply with the hours laws respectively shall be enforced. As set forth in Labor Code Section 1810, eight (8) hours labor constitutes a legal day’s work. In accordance with the provisions of Labor Code Section 3700, Developer is required to secure payment of compensation to its employees. Developer shall include in every contract for the development of the Project: (a) a statement that in accordance with the provisions of Labor Code Section 3700, the contractor will be required to secure the payment of compensation to its employees; and (b) with respect to any work constituting a public work requiring payment of prevailing wages, copies of Labor Code Sections 1771, 1775, 1776, 1777.5, 1813 and 1815.

“Legal Description” means that certain legal description of the Site, attached to this Agreement as Attachment No. 2-A for the Developer Parcel and as Attachment No. 2-B for the City Parcel.

“List of Pre-Approved Tenants” means the list of pre-approved tenants for the Retail and Restaurant Space attached to this Agreement as Attachment No. 14, as further described in Section 501.1.

“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.

“Management Fee” means the fee to be paid to the Developer by the City for construction management services for the Developer to Develop and Cause Construction of the Public Parking Improvements and the Town Plaza Expansion Improvements. The amount of the Management Fee shall equal four percent (4%) of the total costs due and payable by the City for the design and construction of the Public Parking Improvements and the Town Plaza Expansion Improvements as said costs are approved by the City in its sole discretion, but not including the Developer’s pro rata share of costs for the design and construction of the driveway access for the Parking Improvements, and as described in the Development and Construction Contract for Public Improvements. The payment of the Management Fee will be due and payable by the City to the Developer in monthly installments based upon the percentage of completion and in accordance with the terms of the Development and Construction Contract for Public Improvements.

“Memorandum of Right of First Offer” means the Memorandum of Right of First Offer to be recorded against the Developer Parcel in the records of the Official Records, substantially in the form attached to this Agreement as Attachment No. 7.

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

“Off-Site Cap Amount” is defined in Section 907.

“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 1, 2014, or such date as may be agreed to in a writing signed by both the City and Developer. If no Default by Developer has occurred hereunder which remains uncured and outstanding, and City approval of the Plans, including without limitation the Schematic Drawings, design development drawings and construction drawings, has not occurred not less than thirty (30) Days prior to the Outside Closing Date, the City and Developer agree to meet and to reasonably and in good faith negotiate an extension of the Outside Closing Date.

“Parcel B Improvements” means a four level high quality office and retail complex with an Elevated Plaza and Grand Stairs, providing approximately 115,108 square feet of gross building area consisting of a minimum of 32,654 square feet dedicated to retail and restaurant uses and a minimum of 55,470 gross square feet dedicated to office use and including public restrooms and a storage area, in addition to approximately 18,990 square feet of open space, and subterranean Private Parking Improvements, as more thoroughly described in the Scope of Development, to be owned by the Developer, and which the Developer shall Develop and Cause Construction of on the Developer Parcel in accordance with this Agreement including, without limitation, the Scope of Development.

“Parking Improvements” means collectively, the Private Parking Improvements and the Public Parking Improvements.

“Parking License” means the license agreement by and between the City and the Developer, as described in Section 904, pursuant to which the City will grant to the Developer a non-exclusive license to access and use up to three hundred seventeen (317) parking spaces located within the Ince Parking Structure for use by customers and tenants of the Parcel B Improvements, in accordance with the terms and conditions of this Agreement, as described in Section 904, and to be executed by the Parties within the time period set forth in the Schedule of Performance but no later than the Close of Escrow.

“Parking Revenue Bonds” means the tax-exempt parking bonds sold by the Agency, the proceeds of which are intended to be used by the City to fund the development and construction of the Public Improvements.

“Party” means either Developer or City.

“Parties” means both Developer and City.

“Permit/Fee Cost Cap Amount” is defined in Section 907.

“Permitted Transfer” means a Transfer to any Person to whom a Transfer of this Agreement or Developer Parcel is specifically permitted by Section 206.3, subject to the terms and conditions of Section 206.3.

“Permitted Transferee” means the transferee of a Permitted Transfer.

“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 and all architectural, design and construction plans and drawings prepared on behalf of Developer for the Project in accordance with this Agreement, including without limitation all such plans and drawings required and approved by the City, and including the Schematic Drawings.

“Prevailing Wage Cost Adjustment” means a reduction, if any, in the Purchase Price payable by the Developer for the Developer Parcel, as described and determined in accordance with the procedures set forth in Section 907 prior to the Close of Escrow.

“Private Parking Improvements” shall mean the portion of the Parcel B Improvements pertaining to the subterranean private parking spaces, to be owned by the Developer, to serve the Parcel B Improvements, and which the Developer shall Develop and Cause Construction of on and within the Developer Parcel, in accordance with this Agreement including, without limitation, the Scope of Development. The Private Parking Improvements shall include approximately 98 spaces within the property line of the Developer Parcel.

“Project” means the Parcel B Improvements, the Public Parking Improvements, and the Town Plaza Expansion Improvements, as more particularly described in this Agreement including, without limitation, the Scope of Development.

“Project Area” means The Culver City Redevelopment Project, Component Area 3, described in Recital B.

“Project Costs” shall mean 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 (i) the Parcel B Improvements, (ii) the Public Parking Improvements, (iii) the Town Plaza Expansion Improvements, and (iv) similar costs, fees and expenses as approved or authorized by the City.

“Project Off-Sites” is defined in Section 907.

“Project Off-Sites Cost” is defined in Section 907.

“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 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.

"Public Parking Design Specifications" means the design criteria to which the Developer shall utilize in the design to Develop and cause Construction of the Public Parking Improvements, as described in Section 901, and attached to this Agreement as Attachment No. 12.

"Public Parking Improvements" means certain subterranean public parking improvements, including without limitation the driveway to provide access to the Parking Improvements, to be constructed on the City Parcel adjacent to the Parcel B Improvements and a portion of which are to be constructed within the Developer Parcel, as more thoroughly described in the Scope of Development, to be owned by the City with respect to the portion of Public Parking Improvements located on the City Parcel, and which the Developer shall Develop and Cause Construction on and within the City Parcel and within the Developer Parcel as applicable, in accordance with the Scope of Development, this Agreement, and the Development and Construction Contract for Public Improvements, and the cost of which shall be paid by the City except for the Developer's pro rata share of costs for the design and construction of the driveway access for the Parking Improvements, as approved by the City and the Developer. The Public Parking Improvements shall include approximately 100 non-tandem parking spaces.

"Public Restrooms" is defined in Section 401.1, and as further refined upon the approval by the City of the final Plans for the Project.

"Public Space" means the areas designated on the Developer Parcel as part of the Parcel B Improvements that are described in Section 501 of this Agreement and reserved in the Reciprocal Easement Agreement (i) for use by the public and the City, and referenced therein as the Elevated Plaza, the Grand Stairs, and the Public Restrooms, and (ii) for use by the City and referenced therein as the Storage Room, all upon the terms more fully set forth in the Reciprocal Easement Agreement.

"Purchase Price" means the Developer's purchase price for the Developer Parcel as described in Section 301.1.

"Reciprocal Easement Agreement" means the Grant of Reciprocal Easements by and between the City and the Developer, as described in Section 902, which shall include, without limitation, the perpetual irrevocable easements in connection with the Public Parking Improvements, and the covenants, conditions and restrictions governing the rights and obligations of owners of the Developer Parcel and the City Parcel, in connection with the Parcel B Improvements, the Public Parking Improvements, and the Town Plaza Expansion Improvements, and which shall be recorded against the Developer Parcel as a senior lien and encumbrance in priority, and the City Parcel, in the Official Records. The Reciprocal Easement Agreement shall be recorded in the Official Records upon Completion of any portion of the Project.

"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 for the Project in accordance with this Agreement, as set forth in Section 413, and to be recorded against the Developer Parcel, substantially in the form which is attached hereto as Attachment No. 6.

"Reply Notice" is defined in Section 601.2.

"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.

"Retail and Restaurant Space" means that portion of the Parcel B Improvements containing a minimum of 32,654 square feet dedicated to retail and restaurant uses (and all ancillary areas associated therewith) in conformity with this Agreement including, without limitation, the Scope of Development, and consistent with the Conceptual Plan of the Retail and Restaurant Space.

"Retail and Restaurant Tenant" means those businesses or organizations that are permitted to occupy the Retail and Restaurant Space pursuant to the terms of this Agreement, including those meeting the requirements of Section 501.1.

"Right of Entry Agreement" means that certain agreement to be executed by the Parties allowing the Developer to access the Site for predevelopment work, substantially in the form attached to this Agreement as Attachment No. 10.

“Right of First Offer” means the right of first offer granted by Developer to the City for purchase of the Developer Parcel, or applicable portion thereof, in accordance with Section 600.

“Right of Reentry” or ***“Right of Reverter”*** shall have the meaning given to it in Section 712.

“Schedule of Performance” means that certain Schedule of Performance, attached to this Agreement as Attachment No. 4, setting forth the dates and/or time periods by which certain obligations set forth in this 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.

“Schematic Drawings” means the schematic drawings for the Project.

“Scope of Development” means that certain Scope of Development, attached to this Agreement as Attachment No. 3, that describes the development details of the Project.

“Site” is a component of the Town Plaza Project and consists of the Developer Parcel and the City Parcel, as described in Recitals C and E, depicted in the Site Map, and legally described in the Legal Description.

“Site Map” means the map of the Site identifying the Developer Parcel as Parcel 2 and the City Parcel as Parcel 1, attached to this Agreement as Attachment No. 1.

“Storage Room” is defined in Section 401.1, and as further refined upon the approval by the City of the final Plans for the Project.

“Survey” is defined in Section 306.

“Title Company” is defined in Section 306.

“Title Report” is defined in Section 306.

“Town Plaza Expansion Improvements” means certain public improvements, including without limitation construction of the access road, relating to the expansion of the Town Plaza Project, as more thoroughly described in the Scope of Development, that the Developer shall Develop and Cause Construction upon the City Parcel, in accordance with this Agreement including, without limitation, the Scope of Development, and the Development and Construction Contract for Public Improvements.

“Town Plaza Project” means the Town Plaza/Screenland cinema, restaurant, retail and office project located at 9530 Washington Boulevard and 9300-9310 Culver Boulevard, Culver City, and commonly referred to as Parcels A, B, and C, as described in Recital C.

“Transfer” means and includes any sale, transfer, assignment, subdivision, lease, sublease, license, franchise, issuance or transfer of ownership interests, conveyance, gift, hypothecation, mortgage, pledge or encumbrance, or refinancing, or the like (including those described in Section 412.1) of the Developer Parcel or the Developer or any portion thereof or any interest therein or of this Agreement, to any Person.

“USA Patriot Act” shall mean 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.

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.

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. References herein to Sections and Attachments shall be construed as references to this 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 this 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 AGREEMENT

201. Purpose of the Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan by providing for the sale of the Developer Parcel and development of the Site and to further municipal and other public purposes. This Agreement is entered into for the purpose of

development of the Project on the Site pursuant to this Agreement. The fulfillment generally of the Agreement is in the vital and best interest of the City and the health, safety, and welfare of its residents, and in accord with municipal and other 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

This Agreement is subject to the provisions of the Redevelopment Plan. 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 is a component of the Town Plaza Project and consists of the Developer Parcel and the City Parcel, as described in Recitals C and E, depicted in the Site Map, and legally described in the Legal Description.

The Developer Parcel is comprised of approximately 50,747 square feet of land. A parking lot is currently located on the Developer Parcel. The Developer Parcel shall be conveyed to Developer "as is." The cost of any demolition of the improvements on the Developer Parcel constituting the parking lot shall be the sole responsibility of Developer, without any cost or expense to the City.

Subject to the restrictions on a Transfer set forth in Section 206, the Developer agrees that upon any Transfer of the Developer Parcel or any portion thereof, the transferred portion of the Developer Parcel shall be subject to all of the terms, provisions, covenants and conditions of this Agreement and all exhibits and attachments to this Agreement and all ancillary documents referenced in this Agreement, any subdivision or parcel map approved for the Developer Parcel, and all exceptions, reservations, liens, encumbrances, qualifications, covenants, conditions, restrictions, easements, rights of way of the Developer Parcel and the Site, and any and all matters or conditions reflected on or arising out of any subdivision, zoning, land use or environmental approval or procedure of the City done in connection with the development of the Developer Parcel and the Site contemplated by this Agreement.

205. Parties to this Agreement

205.1 The City

The City is a 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 Developer

The Developer is Combined/Hudson 9300 Culver LLC, a Delaware limited liability company, whose address is set forth in Section 801 below. The Developer is and shall remain in good standing under the laws of the State of Delaware during the effectiveness of this Agreement and is and shall remain qualified to do business in the State of California. Hudson 9300 Culver, LLC, a Delaware limited liability company, is at least majority owned by Hudson as of the Effective Date, and Combined Culver Venture LLC, a Delaware limited liability company, is at least majority owned by Ronald S. Haft as the Effective Date.

All of the terms, covenants and conditions of this Agreement shall be binding on, and shall inure to the benefit of, Developer and any permitted assignees or nominees including Permitted Transferees. Wherever the term "Developer" is used herein, such term shall mean and include any permitted assignee or nominee including such Permitted Transferee.

Prior to the City's execution of this Agreement, the Developer shall have caused the Guaranty Agreement to be executed and delivered to the City by each CPI and Hudson.

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

The terms and conditions of this Section 206 shall remain in effect after recordation of the Release of Construction Covenants and shall be applicable and remain in full force and effect until such time that the Parcel B Improvements are leased up and occupied to a level of ninety percent (90%) occupancy.

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 this Agreement with the Developer and is imposing restrictions upon any Transfer, which is not a Permitted Transfer. Developer represents that it is purchasing the Developer Parcel to Develop and Cause Construction of the Project, and that it is not purchasing the Developer Parcel for purposes of speculation or resale to a third party. Accordingly, Developer agrees not to engage in any Transfer, which is not a Permitted Transfer, until such time that the Parcel B Improvements are leased up and occupied to a level of ninety percent (90%) occupancy. No voluntary or involuntary successor in interest to Developer pursuant to any Transfer or otherwise shall acquire any rights or powers in the Site or under this Agreement except as expressly set forth in this Agreement.

Without the prior written approval of the City, which approval shall not be unreasonably conditioned, withheld or delayed, Developer shall not Transfer all or any part of its interest in or rights under this Agreement or the Site, other than in connection with a Permitted Transfer.

Any Transfer in violation of this Agreement will constitute a breach and, subject to the cure rights provided for herein, entitle the City to use any remedy available to it at law or equity, including, but not limited to, the right to terminate this Agreement. Notwithstanding such

a termination, the obligations and rights of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect.

Further, in the event the Developer effects a Transfer, described in this Agreement, and notwithstanding the expiration of the restrictions set forth in this Section 206, the Developer shall comply with the requirements of Section 600 to the extent, if any, applicable to such Transfer.

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 the Developer shall seek the prior written consent of the City, not to be unreasonably withheld or delayed, for such change of control or ownership in accordance with this Section 206.

Developer agrees that during the term hereof, it shall not use the Developer Parcel as collateral for any loan or other financial transaction other than a loan or financial transaction as permitted by this Agreement or as approved by the City, for which the proceeds therefrom are used for the construction and development of the Improvements or for operation or financing of the Project.

206.3 Permitted Transfer

In connection with any Permitted Transfer allowed under this Section 206.3, the Permitted Transfer shall not require the approval of the City; provided, that (i) the documents implementing any such Transfer shall be satisfactory and subject to the prior written approval of the City Manager, which approval shall not be unreasonably withheld or delayed, and shall include an assignment and agreement in a form reasonably acceptable to the City Manager to the extent that such Transfer attempts to effectuate, or effectuates, an assignment of the Developer's rights or obligations under this Agreement, whereby such transferee shall expressly assume the obligations of the Developer under this Agreement and all ancillary documents and agree to be subject to all conditions and restrictions applicable to the Developer in this Agreement and all ancillary documents, and (ii) such Transfer shall not involve any Prohibited Person or otherwise result in a violation of Anti-Terrorism Laws.

A Permitted Transfer under this Agreement means any Transfer permitted by the express provisions of this Section 206.3 only:

(a) Any transfer of the ownership interests of Developer, or of the ownership interests in any entity which directly or indirectly holds an interest in Developer, by gift, bequest, inheritance or other estate planning process (such as but not limited to transfer to a family-owned trust), provided that such action does not result in a change in the identity of the managing member(s) of Developer, or any Person which directly or indirectly controls Developer.

(b) Any transfer of any direct or indirect interest in Developer to any other owner of Developer or Affiliate of an owner of Developer, so long as the CPI/Hudson

Group both continues to hold directly or indirectly in excess of fifty percent (50%) ownership interest in Developer and retains operational management and control of Developer.

(c) Any transfer of any direct or indirect interest in Developer to Hudson or its Affiliate or an "institutional equity partner" (as defined below), so long as either (1) the CPI/Hudson Group holds directly or indirectly a minimum of fifteen percent (15%) ownership interest in Developer and retains operational management and control of Developer, or (2) both (i) Hudson or its Affiliate or such institutional equity partner shall hold directly or indirectly a minimum of fifteen percent (15%) ownership interest in Developer, and shall retain operational management and control of Developer, and (ii) CPI, or another qualified party reasonably approved by the City shall serve as the "Retail Development Manager" and shall remain responsible for both (x) the implementation of the retail tenant procurement and leasing plan, and (y) the conceptual design and physical integration of the retail within the Parcel B Improvements including signage and storefront design. The Parties agree that the following entities shall constitute a City approved "institutional equity partner" for purposes of this subparagraph (c): Invesco Real Estate; Prudential Real Estate Investors; Rockwood Capital, LLC; Morgan Stanley; Canyon Capital Realty Advisors; Oaktree Capital Management, L.P.; Blackstone Real Estate Partners; Phoenix Realty Group; Saban Capital Group Inc.; and The Carlyle Group; any Affiliates of the foregoing; and any other comparable equity investor with similar experience and reputation and who is approved by the City, such approval not to be unreasonably withheld, conditioned or delayed.

(d) Any transfer of any direct or indirect interest in Developer to any transferee by devise or descent or by operation of law upon the death of a member, partner or shareholder of Developer or CPI/Hudson Group, or any member thereof.

(e) The sale, transfer or issuance of shares of common stock in the CPI/Hudson Group that is a publicly traded entity, provided such shares of common stock are listed on the New York Stock Exchange or another nationally recognized stock exchange.

(f) Any transfer of any direct or indirect interest in Developer to a transferee in connection with the estate planning of such transferor to (x) an immediate family member or life partner of such interest holder (or to partnerships or limited liability companies controlled solely by one or more of such family members or life partners) or (y) a trust established for the benefit of such immediate family member or life partner.

(g) Subject to the requirements set forth in Sections 501, any rental, lease, license or sublease providing for occupancy of the Parcel B Improvements, or a portion thereof, not restricted by Section 501, including leasing of office space improvements.

(h) The conveyance or dedication of any portion of the Developer Parcel to the City, Agency or other appropriate governmental agency, or the granting of easements or permits, for the purpose of facilitating construction of the Improvements.

(i) Subject to the requirements set forth in Section 501.1, the rental or lease of Retail and Restaurant Space (as provided in Section 501.1) in the Parcel B Improvements.

(j) A mortgage, deed of trust, security interest, hypothecation or other agreement for financing purposes as permitted by this Agreement, including a permitted financing under Section 412 in connection with the Construction Loan, and any Transfer resulting from a foreclosure or deed-in-lieu of foreclosure related to or in connection with any such permitted financing subject to the provisions of Section 412 and the rights of the City therein.

206.4 Request for Transfer; Approval

Except as specifically set forth herein, upon Developer's delivery of written Notice to City requesting approval of a Transfer not otherwise a Permitted Transfer, the City reserves its reasonable discretion to approve or disapprove a request for Transfer, made pursuant to this Section. 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 Transfer, as reasonably determined by the City. An assignment and assumption agreement in a form reasonably satisfactory to the City and the City's legal counsel shall also be submitted to the 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 this Agreement and the Site and all ancillary documents entered into pursuant to this Agreement, and delivers a signed assignment and assumption agreement in a form reasonably satisfactory to the City. The assigning Developer shall not be released from any obligations hereunder or under any of the ancillary documents entered into pursuant to this Agreement, unless otherwise approved in writing by the City.

Within thirty (30) Days after the receipt of Developer's written Notice requesting City approval of a Transfer pursuant to this Section, the City shall either approve or disapprove such proposed Transfer and, in the event of disapproval, shall specify in reasonable detail the reasons therefor. Within ten (10) Days after receipt of the request for approval of any Transfer, the City shall identify 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 reasonable out-of-pocket costs, including reasonable attorneys' fees, incurred in connection with review and processing of any request for a Transfer and/or consummation of such Transfer and preparation of any documentation and/or agreements in connection therewith.

The form assignment and assumption agreement to be executed by any City-approved assignee or transferee shall include an express acknowledgment by the assignee or transferee of the existence and description of (i) the Public Parking Improvements, (ii) the Town Plaza Expansion Improvements; (iii) all of the written agreements among the Parties affecting the Public Parking Improvements and the Town Plaza Expansion Improvements or related thereto; (iv) this Agreement and all other documents entered into by the Parties pursuant to this Agreement; (v) the obligations of such assignee or transferee under such agreements, and of the rights of the City and its successors in connection with this Agreement and all ancillary documents, and of the City, owner, lessee and/or operator of the Public Parking Improvements

and/or the Town Plaza Expansion Improvements under such agreements; and (vi) an express agreement of the assignee or transferee to comply with such obligations and rights.

207. Third Party Beneficiaries

This Agreement is made and entered into for the sole protection and benefit of the City, its successors and assigns, and the 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 charter city of the State of California. The execution, delivery and performance of this Agreement by the City have been fully authorized by all requisite actions on the part of the City. To the best of City's knowledge, the City has, or will have as of the Close of Escrow, the full authorization to execute, deliver and perform under all other documents or instruments executed and delivered, or to be executed and delivered, pursuant hereto, unless otherwise specifically provided in this Agreement.

(b) No Conflict. To the best of the City's knowledge, the City'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 City is a party or by which it is bound and no joinder, consent or waiver of or by any third party is necessary to permit the consummation by the City of the transaction contemplated by this Agreement.

(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 intends on delivering title to the Developer Parcel free of any right of any third party (except Developer, and City in connection with the Public Parking Improvements) to possession of all or any part of the Developer Parcel.

(e) Litigation. To the best of City's knowledge, there are no pending actions, suits, material claims, legal proceedings, or any other proceedings with respect to the ownership, operation or environmental condition of the Site or any part thereof or affecting title or the proposed development of the Developer Parcel or any portion thereof, at law or in equity before any court or governmental agency, domestic or foreign.

(f) Governmental Compliance. To the best of City's knowledge, the City has not received any notice from any governmental agency or authority alleging that the Developer Parcel or this Agreement 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 this Agreement, the City shall, within ten (10) Days of receipt of such notice, notify Developer and if such violation was caused by the City or any Representative, the City shall promptly cure such violation prior to Closing as legally

permitted. To the best of the City's knowledge, no Hazardous Materials have been or are located in, on, under or adjacent to the Developer Parcel or any portion thereof.

(g) No Conveyance. The City will not convey any interest in the Developer Parcel, and the City will not cause or consent to the recordation against the Developer Parcel of any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the Effective Date of this Agreement which will not be eliminated prior to the Close of Escrow.

(h) No Alterations. Except as otherwise permitted or contemplated by this Agreement, the City will not make or allow any material alterations to the Developer Parcel unless required by law without Developer's prior written consent.

(i) Entitlements. To the best of the City's knowledge, the entitlements for the Project remain effective, and Plans consistent with the approved entitlements and the Project contemplated herein may be approved with no further discretionary approval of the City.

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 and if such fact or condition is caused by the City, City shall promptly cure or remedy such fact or condition as legally permitted.

208.2 Developer's Representations

Developer represents and warrants to the City as follows:

(a) Organization. Developer is a duly organized, validly existing limited liability company in good standing under the laws of the state in which it is registered and has the power and authority to own and lease property and carry on its business as now being conducted. CPI and Hudson are each duly organized, validly existing corporations in good standing under the laws of the state in which they are incorporated. The copies of the documents evidencing the organization of Developer and setting forth the membership interests, control and management of Developer have been delivered to the City and 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 this Agreement and any and all other agreements and documents required to be executed and delivered by the Developer in order to carry out, give effect to, and consummate the transactions contemplated by this Agreement, and to perform and observe the terms and provisions of all of the above. The Persons who have executed this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement are authorized to execute and deliver the same on behalf of the Developer and all actions required under Developer's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this 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. To the best of Developer's knowledge, this Agreement and all other documents or instruments which have been executed and delivered by Developer pursuant to or in connection with this 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. The Developer does not have any contingent obligations or any contractual agreements that could materially adversely affect the ability of the 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 the Developer, or CPI, Hudson or their Affiliates, 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 and which could materially adversely affect the ability of the Developer to carry out its obligations hereunder.

(f) No Conflict. To the best of Developer's knowledge, Developer's execution and delivery of this Agreement and any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this 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, or CPI, Hudson or their Affiliates, 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 the Developer, or CPI, Hudson or their Affiliates, nor are any of such proceedings contemplated by Developer, or CPI or Hudson, or their Affiliates.

While the Parcel B Improvements are in existence, 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 and if such fact or condition is caused by the Developer, Developer shall promptly cure or remedy such fact or condition..

300. DISPOSITION OF THE DEVELOPER PARCEL

301. Sale and Purchase

301.1 Sale and Purchase of the Developer Parcel; Purchase Price

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 and

Developer agrees to purchase from the City ("Conveyance") the Developer Parcel, for FOUR MILLION TWENTY TWO THOUSAND FOUR HUNDRED DOLLARS (\$4,022,400) ("Purchase Price"). The Developer and the City agree, and the City has determined that, based on the conditions imposed on the Developer with respect to the construction of the Improvements, the Purchase Price for the Developer Parcel is not less than the fair reuse value of the Developer Parcel; accordingly, consideration for the Conveyance shall include Developer's payment of the Purchase Price, Developer's promise to Develop and Cause Construction of the Project, including the Improvements, in accordance with all terms and conditions of this Agreement, and Developer's promise to be bound by the obligations, covenants and restrictions set forth in this Agreement. The Purchase Price payable by Developer as set forth above shall be subject to an adjustment at the Closing for the Prevailing Wage Cost Adjustment, if any, as provided in Section 906, and the Extraordinary Costs, if any, as provided in Section 907.

Upon Closing, the City shall convey the Developer Parcel to Developer by the Grant Deed, subject to the covenants and rights reserved therein. Developer's acquisition of the Developer Parcel and development of the Project pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the best interests of the City and the welfare of its residents, and in accordance with municipal and other public purposes and provisions of applicable federal, state, and local laws and requirements.

The Purchase Price shall be paid by delivery of the Developer Deposit and the Final Purchase Price Payment.

The Parties agree that the Purchase Price includes and reflects certain reductions for costs to be incurred by the Developer as a result of specific requests made by the City in connection with the construction and development of the Project and such reductions are expressly provided as follows:

(a) Garage Ramp Relocation. A reduction by the total amount of SIXTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$62,500) is included and reflected in the Purchase Price to reflect the design costs associated with relocating the garage ramp as a result of including the Public Parking Improvements as a part of the Project; and

(b) Public Restroom Expansion. A reduction by the total amount of SIXTY FIVE THOUSAND ONE HUNDRED DOLLARS (\$65,100) is included and reflected in the Purchase Price to reflect the costs associated with the expansion of the Public Restrooms.

The City and Developer each agree that the reduction amounts set forth above in subparagraphs (a) and (b) and included and reflected in the Purchase Price are final amounts and are binding on the Parties. Any increase in the design costs associated with relocating the garage ramp or the expansion of the Public Restrooms shall be borne by the Developer, with no cost to the City.

301.2 Developer Deposit

Upon Developer's receipt of a fully executed copy of this Agreement together with the Escrow Agent's acceptance hereof but not later than the date provided in the Schedule

of Performance, Developer shall deliver to Escrow Agent a cash deposit in the amount of TWENTY FIVE THOUSAND DOLLARS (\$25,000) ("Deposit"). Upon Developer's written request, subject to the City's written approval, the Escrow Agent shall deposit the Developer's Deposit in an interest-bearing account, and as interest accrues or becomes payable thereon, such interest shall be added to and become part of the Deposit. The Deposit shall be held and applied in accordance with the terms of this Agreement and applied, together with the accrued interest thereon if any, towards the Purchase Price at Closing. Upon a termination of this Agreement by the City as a result of the Developer's uncured Default hereunder, the Deposit, and all interest accrued thereon, if any, shall be promptly delivered to the City and retained by the City as its sole and separate property. The City's retention of the Deposit in this regard is not and shall not constitute, be treated as, or deemed to constitute, liquidated damages to the City, and the City shall be permitted to exercise any and all available rights and remedies in connection with an uncured Default hereunder. Further, the City's retention of the Deposit as provided for herein shall not be considered a payment in lieu of or in place of any damages that the City may otherwise be entitled to under the law and as otherwise provided for herein. Upon a termination of this Agreement by the Developer as a result of the City's uncured Default hereunder, or upon a termination of this Agreement for any other reason other than as a result of Developer's uncured Default, the Developer shall be entitled to the prompt return of the Deposit, together with the interest, if any, that may have accrued thereon. Notwithstanding any other provision of this Agreement to the contrary, One Hundred Dollars (\$100.00) of the Deposit shall constitute separate consideration for City entering into this Agreement and shall be non-refundable to Developer in all events. City shall have the right to withdraw said One Hundred Dollar (\$100.00) amount from Escrow at any time upon its election and notice to Escrow Agent.

301.3 Final Purchase Price Payment; Scheduled Close of Escrow

Not less than three (3) business days prior to the scheduled Close of Escrow, Developer agrees to deposit into Escrow in cash or other readily available funds an amount equal to the Purchase Price minus the Deposit pursuant to Section 301.2, adjusted by the Extraordinary Costs, if any, as set forth in Section 907 below, minus the Prevailing Wage Cost Adjustment, if any, as set forth in Section 906 below (collectively, the "Final Purchase Price Payment"), plus Developer's share of Escrow fees and costs, and, to the extent applicable, any In Lieu Public Art Fee.

301.4 Scheduled Close of Escrow

Escrow shall be scheduled to close on such date as the City's Conditions to Closing and the Developer's Conditions to Closing are met. Subject to any applicable cure rights set forth herein, Escrow shall close no later than the Outside Closing Date. If the City's Conditions to Closing and the Developer's Conditions to Closing are not satisfied or waived by the respective Party on or before the Outside Closing Date, then, subject to any such applicable cure rights, any Party not then in Default of its obligations hereunder shall have the right to terminate this Agreement in accordance with Section 302.5 below. Upon such a termination, the obligations and rights of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect.

302. Escrow

302.1 Escrow Instructions

The City and the Developer shall open an escrow for the sale and purchase of the Developer Parcel ("Escrow") with an escrow agent ("Escrow Agent") acceptable to the City and the Developer within the times established therefor in the Schedule of Performance. This Agreement constitutes the joint escrow instructions of the City and the Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the Escrow. The City and the Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent is hereby empowered to act under this Agreement and upon indicating its acceptance of the provisions of this Section 302.1 in writing, delivered to the City and to the Developer within two (2) Days after the opening of the Escrow, shall carry out its duties as Escrow Agent hereunder.

302.2 Costs of Escrow

The following fees, charges and costs shall be paid by the Developer:

(a) One half of the escrow fees attributable to the Conveyance of the Developer Parcel;

(b) The excess premium for extended coverage under an ALTA Owner's Title Policy, and the cost of any endorsements required by Developer which are not required to satisfy the City's obligations to deliver title to the Developer Parcel in the condition required by this Agreement; and

(c) Ad valorem taxes, if any, upon the Developer Parcel after conveyance, or ad valorem taxes, if any, upon this Agreement, or any rights thereunder, before or after conveyance of title.

The following fees, charges and costs shall be paid by the City:

(i) Costs necessary to place the title to the Developer Parcel in the condition for conveyance required by the provisions of this Agreement;

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

(iii) One half of the escrow fees attributable to the Conveyance of the Developer Parcel; and

(iv) The premium for standard coverage under an ALTA Owner's Title Policy, and the cost of any endorsements required to satisfy the City's obligations to deliver title to the Developer Parcel in the condition required by this Agreement.

The foregoing, together with any other costs of Closing are referred to herein as an "Escrow Cost" or "Escrow Costs". In the event of an Escrow Cost that is not

allocated above, such Escrow Cost shall be paid in accordance with customary practice in Los Angeles County.

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 certified check or electronic wire transfer of the Escrow Agent, as approved by the Parties. 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, other than if arising out of Escrow Agent's negligence, wrongful conduct or breach of these instructions and provided that in the event the Escrow Agent incurs any cost, damages, judgments and expenses as a result of a breach of this Agreement by a Party, the defaulting Party shall pay 100% of the Escrow Agent's costs, damages, judgments and expenses.

(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 by both the City and Developer.

(d) Any amendment to these escrow instructions shall be in writing and signed by both the City and the 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 this Agreement is limited to performance of the obligations imposed upon it under Sections 302.1 to 302.7, inclusive, of this Agreement.

302.4 Authority of Escrow Agent

The Escrow Agent is authorized to, and shall:

(a) pay and charge Developer and the City, respectively, for any Escrow Costs payable under and in accordance with Section 302.2 hereof;

(b) when both Developer'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 record the recordable documents and deliver such recordable and non-recordable documents (i) to the City, the Deposit, the Final Purchase Price Payment and any In Lieu Public Art Fee, as and if applicable, (less City's share of Escrow Costs), (ii) to the City with copies to the Developer, the Reciprocal Easement Agreement, the Parking License, the Development and Construction Contract for Public Improvements, the Assignment of Plans, Reports and Data, the Assignment of

Construction Contract, and the Memorandum of Right of First Offer, (iii) to the Developer, with copy to the City, the Grant Deed, provided, however, that funds deposited as part of the Purchase Price shall not be disbursed by the Escrow to the City unless and until the Escrow Agent has recorded the Grant Deed, and delivered the Title Policy to Developer, and (iv) to the "Post-Closing Construction Escrow" (described in Section 903 below), the disbursement of City funds in accordance with the Development and Construction Contract for Public Improvements as contemplated by Section 903 below;

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

(d) do such other actions as necessary to fulfill the Escrow Agent's obligations under this 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;

(e) within the discretion of the Escrow Agent, direct Developer and 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 agrees to execute a Certificate of Non-Foreign Status by individual transferor, 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;

(f) 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

(g) prepare and deliver to Developer and City for their review and approval prior to the Closing a settlement statement.

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 this Agreement, then either Party which has fully performed under this Agreement may, in writing, demand the return of money, documents or property deposited by such Party into Escrow and terminate the Escrow and this Agreement. If either Party makes a written demand for the return of its money, documents or property, this Escrow 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 801 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 thereafter return the demanded money and/or

documents (subject to the distribution of the Deposit to the City in the event of an uncured Default of the Developer as provided in Section 301.2), and the escrow cancellation charges shall be shared equally by the Parties (unless one of the Parties is in Default, in which event such cancellation charges shall be paid by the defaulting Party). Termination of the Escrow shall be without prejudice as to whatever legal rights, if any, either Party may have against the other arising from this Agreement, and obligations and rights of the Parties under this Agreement that expressly continue notwithstanding a termination of this Agreement shall continue in effect. If no demands for termination are made, the Escrow Agent shall proceed with the Closing as soon as possible consistent with the terms of this Agreement. Nothing in this Section shall be construed to impair or affect the rights of the City or the Developer to specific performance.

302.6 Closing of Escrow

The Conveyance shall close within five (5) Days of the date upon which the Developer'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 the Developer'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 (as may be extended by mutual agreement of the Parties), then any Party not then in Default of its obligations hereunder may terminate this Agreement and, upon such termination, this Agreement shall be of no further force and effect, except that the rights and obligations of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect. The Closing shall occur at the offices of the Escrow Company. "Closing" shall mean the time and day that the Grant Deed is recorded in the Official Records.

Possession of the Developer Parcel shall be delivered in "as is" condition to the Developer immediately following the Closing, except that limited access shall be permitted prior to Conveyance as permitted in Section 313 of this Agreement. Developer shall accept title and possession upon 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 Deed with instruction to the Los Angeles County Registrar/Recorder to deliver the Grant Deed to Developer and a conforming copy thereof to the City;

(b) record the Reciprocal Easement Agreement and the Memorandum of Right of First Offer with instruction to the Los Angeles County Registrar/Recorder to deliver such documents to the City and a conforming copy thereof to Developer (the Reciprocal Easement Agreement shall be recorded against the Developer Parcel as a senior lien and encumbrance in priority, and the City Parcel, in the Official Records);

(c) record the deed of trust securing the Construction Loan with instruction to the Los Angeles County Registrar/Recorder to deliver the deed of trust to the Construction Lender and a conforming copy 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 Deposit and the Final Purchase Price Payment and any 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 302.2 hereof, as evidenced by the settlement statement approved by the Parties;
- (f) file any informational reports required by Internal Revenue Code Section 6045(e), as amended, and any other applicable requirements;
- (g) deliver the FIRPTA Certificate, if any, to Developer;
- (h) 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;
- (i) deliver to the Post Closing Construction Escrow, the disbursement of City funds in accordance with the Development and Construction Contract for Public Improvements as is required therefor by Section 903;
- (j) Ad valorem taxes and assessments, if any, levied, assessed or imposed on the Developer Parcel, which apply to any period prior to Conveyance of title to the Developer, shall be borne by the City; ad valorem taxes and assessments, if any, levied, assessed or imposed on the Developer Parcel, which apply to the period after the Conveyance, shall be borne by the Developer. Escrow Agent shall prorate all such taxes and assessments as of the Close of Escrow based upon the most recent tax bills then available. All supplemental, escape or corrected taxes and assessments thereafter arising with respect to the Developer Parcel shall be prorated by City and Developer outside of Escrow as of the Closing Date.

303. Conditions Precedent to Conveyance

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 Conveyance is conditioned upon the satisfaction or written waiver by the City of each and every one of the conditions precedent (a) through (l), 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 this Agreement and ancillary agreements and documents 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 or to the City all documents reasonably requested by the City including, without limitation, the Development and Construction Contract for Public Improvements, the Memorandum of First Right of Offer, the Assignment of Construction Contract, the Assignment of Plans, Reports and Data, the Parking License, the Reciprocal Easement Agreement, and other City Documents required by the City.

(c) Deposit of Funds. Developer shall have deposited into Escrow the Final Purchase Price Payment, the in Lieu Public Art Fee, if applicable, and any such amounts necessary to pay any required costs of Escrow, Closing and the Title Policy payable by Developer.

(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) Plans. Developer shall have submitted to the City, and the City shall have approved, the Schematic Drawings, design development drawings, construction drawings, and other Plans required by this Agreement, including without limitation Sections 401 and 402 of this Agreement, for the development of the Site.

(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 this Agreement and the Construction Lender and Developer shall have executed the Construction Loan documents.

(h) Construction Contract. The Construction Contract(s) for all Improvements shall have been approved by the City in accordance with this Agreement, and the General Contractor and Developer shall have executed the Construction Contract and delivered to the City a copy thereof, together with copies of performance and payment bonds required by the Construction Contract naming the City as an additional obligee.

(i) Approvals. Developer shall have submitted to the City, and the City shall have approved all approvals and entitlements required for the development of the Site, including, without limitation, the issuance of building permits (or permits in a ready to issue condition) and the completion of plan check by City Building and Safety Division.

(j) Entitlements. The Developer shall have secured all entitlements for the development of the Project which are required to be obtained by Developer prior to the Close of Escrow. Notwithstanding the foregoing, it is the Parties understanding that all entitlements for the Project have been obtained prior to execution of this Agreement.

(k) Reciprocal Easement Agreement. The City and Developer shall have reasonably agreed upon the form of Reciprocal Easement Agreement required by Section 905.

(l) Development and Construction Contract for Public Improvements. The City and Developer shall have reasonably agreed upon the form of Development and Construction Contract for Public Improvements required by Section 901.

(m) Parking License. The City and Developer shall have reasonably agreed upon the form of Parking License required by Section 904.

303.2 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. The City shall not be in default of any of its obligations under the terms of this Agreement and any ancillary agreements and documents and all representations and warranties of the City contained herein shall be true and correct in all material respects.

(b) Execution of Documents. The City shall have executed and deposited into Escrow all documents reasonably requested by the Developer including, without limitation, the Grant Deed, the Development and Construction Contract for Public Improvements, the Parking License, the Reciprocal Easement Agreement and any other City Documents required by the Developer.

(c) Deposit of Funds. The City shall have deposited all funds required to be deposited by the City into Escrow.

(d) Review and Approval of Title. Developer shall have reviewed and approved 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, subject only to the Permitted Exceptions approved therein.

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

(g) Approvals. Developer shall have received all approvals within the control of the City and entitlements required for the development of the Site, including, without limitation, the issuance of building permits (or permits in a ready to issue condition) and the completion of plan check by the City Building and Safety Division.

(h) Reciprocal Easement Agreement. The City and Developer shall have reasonably agreed upon the form of Reciprocal Easement Agreement required by Section 905.

(i) Development and Construction Contract for Public Improvements. The City and Developer shall have reasonably agreed upon the form of Development and Construction Contract for Public Improvements required by Section 901.

(j) Financing Contingency. Developer shall have obtained construction financing for the Parcel B Improvements and City shall have approved such proposed loan as acceptable evidence of financing under this Agreement; provided Developer shall exercise diligent, good faith efforts to obtain such financing.

(k) Parking License. The City and Developer shall have reasonably agreed upon the form of Parking License required by Section 904.

304. Form of Deed

The City shall convey to the Developer title to the Developer Parcel in the condition provided in Section 306 of this Agreement by delivery of the Grant Deed.

Through the Reciprocal Easement Agreement, the City and Developer shall reserve and create (i) all reasonably necessary and/or appropriate ancillary easements for pedestrian and vehicular access to and from the public streets and driveways and the City Parcel and Developer Parcel and otherwise as required for the operation, repair and maintenance of the Public Parking Improvements and the Town Plaza Expansion Improvements, including perpetual irrevocable easements in connection with the Public Parking Improvements, (ii) the Public Space designated on the Developer Parcel as part of the Parcel B Improvements for use by the public and the City, and referenced therein as the Elevated Plaza, the Grand Stairs, and the Public Restrooms, and for use by the City and referenced therein as the Storage Room; and (iii) maintenance, operation, repair and restoration requirements of the Developer in connection with the Parcel B Improvements.

305. Time For and Place of Delivery of Deed

The City shall deposit the Grant Deed with the Escrow Agent on or before the date established for Conveyance in the Schedule of Performance.

306. Condition of Title

Within not more than one hundred eighty (180) Days after the Effective Date of this Agreement, or as otherwise expressly provided in the Schedule of Performance, the Title Company shall deliver to Developer, with a copy to the City, a title commitment for the Developer Parcel showing all title exceptions applicable thereto, a copy of all underlying documents referenced in such title commitment, and a plot of all easements, if any, applicable to the Developer Parcel (the foregoing is referred to herein as the "Title Commitment"). Developer may, at its sole cost and expense, obtain a current survey of the Developer Parcel ("Survey"). No later than the date that is sixty (60) Days after receipt of the Title Commitment ("Title Due

Diligence Date”), Developer shall notify the City in writing (“Title Objection Notice”) of any objections Developer may have to the title exceptions contained in the Title Commitment. In the event Developer delivers a Title Objection Notice disapproving any exceptions in the Title Commitment, the City shall have thirty (30) Days from receipt of Developer’s Title Objection Notice to notify Developer in writing (“Title Response Notice”) of the City’s election to either (i) agree to remove or cure the objectionable items prior to the Close of Escrow, or (ii) decline to remove or cure the objectionable items. The City’s failure to deliver a Title Response Notice shall be deemed City’s election not to remove or cure the objectionable items; provided, that the Developer’s Title Objection Notice states in bold capitalized letters in 14 point on the cover page of such Notice that the **“CITY’S FAILURE TO RESPOND TO THIS NOTICE WITHIN THIRTY (30) DAYS SHALL BE DEEMED TO CONSTITUTE THE CITY’S ELECTION REFERENCED IN THIS NOTICE PER THE DDA”**. If the City notifies (or is deemed to have notified) Developer of the City’s election not to remove and cure any objectionable items, then Developer shall have the right, by written notice delivered to the City no later than the date that is ten (10) Days after receipt of City’s Title Response Notice, or twenty-five (25) Days after delivery of Developer’s Title Objection Notice if City does not deliver a Title Response Notice, to agree to accept the Developer Parcel subject to the objectionable items, in which event the objectionable items shall be deemed approved by Developer, and Developer shall take title to the Developer Parcel at the Close of Escrow subject to such objectionable items without any adjustment to, reduction of, or credit against the Purchase Price. The exceptions to title that Developer approves pursuant to this Section 306 shall be referred to herein as the “Permitted Exceptions.” The Permitted Exceptions shall also include non-delinquent real property taxes (which shall be prorated as of the Closing), and the documents to be recorded through the Escrow under this Agreement.

No later than thirty (30) Days prior to the date established for Conveyance in the Schedule of Performance, the Parties shall have obtained from the Title Company an update to the Title Commitment dated no later than forty-five (45) Days from the date established for Conveyance in the Schedule of Performance, together with legible copies of all documents referenced as exceptions therein which were not referenced in the Title Commitment (“Updated Title Commitment”) for the Developer Parcel. Nothing in this Agreement shall obligate Developer to proceed with the Close of Escrow in the event new liens, encumbrances or exceptions on the Developer Parcel (other than any matters contemplated by this Agreement) are discovered or arise through no fault of Developer after the date of the Title Commitment and are not removed by the City at the City’s sole cost, unless Developer so elects to proceed; provided City shall be obligated to the extent legally permissible to remove any new matters caused by the act or omission of the City, or any of its agents or representatives, at the City’s sole cost and expense. In the event Developer elects to terminate Escrow, in accordance with the provisions of Section 302, and receive the return of the Deposit provided there is not an uncured Default of Developer, because of the discovery of such new matter, then upon such election, this Agreement shall terminate and, upon such termination, the Developer shall have no further interest in the Site or any further obligations hereunder, except that the rights and obligations of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect.

Notwithstanding anything herein to the contrary, the City shall be obligated to remove all monetary encumbrances against the Developer Parcel excluding non-delinquent real

property taxes and assessments to be prorated at the Closing. Except as otherwise expressly provided in this Agreement, the City shall not intentionally create or permit the creation of any new exceptions to title or otherwise alter the physical condition of the Developer Parcel following the Effective Date so long as this Agreement remains in effect.

307. Title Insurance

Concurrently with recordation of the Grant Deed, Title Company shall provide and deliver to Developer a 2006 ALTA Extended Coverage Owner's Policy of title insurance ("ALTA Policy") with a policy coverage limit in the amount of the Purchase Price, as adjusted if at all pursuant to Sections 906 and 907. The cost of such ALTA policy shall be allocated between the City and Developer in accordance with Section 302.2 above. The ALTA Policy shall show title to the Developer Parcel vested in Developer. Such title policy shall be subject only to the Permitted Exceptions described above. The Title Company shall provide the City with a copy of the ALTA Policy. In the event the Title Company requires an ALTA survey as a condition to issuance of the ALTA Policy or as a condition to elimination of any survey exception shown therein, Developer shall provide such ALTA survey at its sole cost and expense or accept title subject to such limitation in or exception to the Title Policy.

Notwithstanding anything above which is or appears to be to the contrary, Developer shall have the right to request issuance of any endorsements to the ALTA Policy which it may desire as a condition to the Close of Escrow; provided that all expense or cost attributable to issuance of any such endorsement shall be the sole responsibility of Developer.

308. Insurance

308.1 General Requirements

Prior to entry upon the Site (with respect to the liability coverages in (a)-(c) below) and prior to the Closing (with respect to the property insurance described in (d) below) and continuing in each case until a Release of Construction Covenants is issued by the City for all Improvements, 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 with respect to the Developer Parcel 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 11 85 with minimum limits of not less than \$3,000,000 per occurrence.

(b) Automobile Liability. Commercial automobile liability insurance with coverage at least as broad as ISO CA 00 01 06 92 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.

(d) Property Insurance. Fire and hazard "all risk" insurance covering 100% of the replacement cost of the Improvements (including offsite materials) in the event of fire, lightening, windstorm, vandalism, malicious mischief and all other risks normally covered by "all risk" coverage policies in the area where the Site is located (excluding flood and earthquake coverage).

Insurance policies held by the City on the Site (including, without limitation, those for fire or casualty) are not to be transferred, and the City will cancel its own policies in connection with the Developer Parcel effective upon the Closing, except in connection with the Public Parking Improvements located therein as applicable.

Except as otherwise required by the Reciprocal Easement Agreement, 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 liability policies described in 308.1(a)-(c) shall include an executed endorsement, on a form provided by the City Attorney, showing the City and the Agency as additional insureds, which may be a blanket additional insured endorsement.

(2) A waiver of subrogation stating that the insurer waives its rights of subrogation from the City or Agency.

(3) The policy or policies shall not be canceled or the coverage reduced until the first to occur of (a) a thirty (30)-Day written notice of cancellation has been served upon the City Risk Manager and the City Manager by registered or certified mail, or (b) the completion of construction of the Project.

308.3 Deductible and Self-Insured Retention

In the event any of the insurance coverages required to be furnished by Developer have deductible or self-insured provisions, 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 deductible or self-insured provision. The deductible or self-insured amount shall be shown on any "evidence of insurance" provided to the City, and the City reserves the right to reasonably limit said amount and to review Developer's financial statements if the amount exceeds a level reasonably acceptable to the City Risk Manager. A deductible amount of not more than Five Thousand Dollars (\$5,000.00) shall be acceptable to the City.

308.4 Evidence of Insurance

Developer shall deliver said policy or policies of insurance or certified true copies thereof, or endorsement forms furnished by 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. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. 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(1), 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 required, 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 name the Developer and the City as additional insureds under their policies, and Developer shall be responsible for causing such contractors and subcontractors to purchase the appropriate insurance in compliance with the terms of this Section. All coverages and endorsements of coverages for contractors and subcontractors shall be subject to all of the requirements stated herein. 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 this Agreement and whose extended reporting coverage period shall be at least three (3) years from the time that all work under this Agreement is completed.

309. Taxes and Assessments

Ad valorem taxes and assessments, if any, on the Developer Parcel or any portion of the Developer Parcel attributable to the period after Conveyance, and ad valorem taxes upon this Agreement or any rights thereunder, if any levied, assessed or imposed before or after conveyance of title shall be paid by the Developer.

310. Occupants of the Developer Parcel

The Developer Parcel shall be conveyed free of any possession or right of possession except that of Developer and easements of record constituting Permitted Exceptions, and except the interest of the City in connection with the Public Parking Improvements.

311. Zoning of the Developer Parcel

The zoning of the Developer Parcel at the time of Conveyance thereof shall permit development of the Parcel B Improvements and the use, operation and maintenance of such Improvements in accordance with the provisions of this Agreement.

312. Condition of the Developer Parcel; Release of City

The City expressly and specifically disclaims the making of any representations or warranties, express or implied, regarding the Developer Parcel or matters affecting the Developer Parcel including, without limitation, the physical and environmental condition of the Developer Parcel except as expressly set forth in this Agreement. The City shall, to the greatest extent legally allowable, assign to the Developer all rights, claims, actions and/or causes of action it may have against prior owners of the Developer Parcel and tenants and/or anyone who has occupied the Developer Parcel in connection with the environmental condition of the Developer Parcel.

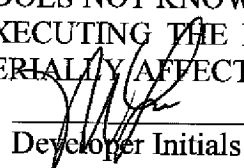
The City represents and warrants that it has delivered to Developer all Environmental Reports prepared by the City pertaining to the Developer Parcel and/or in the City's possession with respect to the Developer Parcel. Developer acknowledges and agrees that the Developer Parcel is to be conveyed to, 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 Developer Parcel, the 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 Developer Parcel.

Upon the Closing, the physical and environmental condition, possession or title of the Developer Parcel is and shall be delivered from the City to Developer in an "as-is" condition, with no warranty expressed or implied by the City, 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 Developer Parcel for the development purposes intended hereunder.

Except for obligations, representations and warranties of the City set forth in this Agreement, upon the Closing, Developer hereby waives, releases and discharges forever the City and its Representatives from all present and future Losses and Liabilities, arising out of or in any way connected with the City's or Developer's use, maintenance, ownership or operation of the Developer Parcel, except to the extent arising out of the negligence, willful misconduct or fraud of the City or its 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 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 Initials

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 and released in this Section 312. Unless explicitly set forth elsewhere in this Agreement, Developer does not waive or relinquish any such rights and benefits it may have with respect to any other obligations of the City set forth in this Agreement.

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

The terms and conditions of this Section 312 shall survive termination of this Agreement and shall continue after recordation of the Release of Construction Covenants.

313. Preliminary Work by the Developer; Due Diligence Review

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

Prior to the Conveyance of the Developer Parcel and upon the Parties' execution of the Right of Entry Agreement attached to this Agreement as Attachment No. 10 and Developer's satisfaction of conditions precedent therein, the City shall permit Developer to enter the Site for the purpose of soils testing, survey work and other predevelopment activities by the representatives of Developer at all reasonable times. The City agrees to provide, or cause to be provided, to Developer all data and information pertaining to the Site which is available to the City when requested by Developer. Developer shall defend, indemnify, and hold the City harmless for all Losses and Liabilities incurred by the City arising out of any Site investigation activity pursuant to this Section 313; provided, that such indemnity shall not extend to the mere discovery of pre-existing conditions. The foregoing indemnity shall survive termination of this Agreement and shall continue after recordation of the Release of Construction Covenants.

Developer shall notify City in writing on or before the Day which is two hundred forty (240) Days after the Effective Date of this Agreement ("Due Diligence Period") of Developer's approval or disapproval, in its sole and absolute discretion, of the due diligence materials provided for its review, the condition of the Developer Parcel and Developer's investigations with respect thereto, including, without limitation, Developer's environmental review of the Developer Parcel and all studies, reports and assessments concerning the environmental condition of the Developer Parcel ("Due Diligence Notice"). Developer's disapproval of the Developer Parcel by delivery of the Due Diligence Notice within the Due

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 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.”



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The terms and conditions of this Section 312 shall survive termination of this Agreement and shall continue after recordation of the Release of Construction Covenants.

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Prior to the Conveyance of the Developer Parcel and upon the Parties' execution of the Right of Entry Agreement attached to this Agreement as Attachment No. 10 and Developer's satisfaction of conditions precedent therein, the City shall permit Developer to enter the Site for the purpose of soils testing, survey work and other predevelopment activities by the representatives of Developer at all reasonable times. The City agrees to provide, or cause to be provided, to Developer all data and information pertaining to the Site which is available to the City when requested by Developer. Developer shall defend, indemnify, and hold the City harmless for all Losses and Liabilities incurred by the City arising out of any Site investigation activity pursuant to this Section 313; provided, that such indemnity shall not extend to the mere discovery of pre-existing conditions. The foregoing indemnity shall survive termination of this Agreement and shall continue after recordation of the Release of Construction Covenants.

Developer shall notify City in writing on or before the Day which is two hundred forty (240) Days after the Effective Date of this Agreement ("Due Diligence Period") of Developer's approval or disapproval, in its sole and absolute discretion, of the due diligence materials provided for its review, the condition of the Developer Parcel and Developer's investigations with respect thereto, including, without limitation, Developer's environmental review of the Developer Parcel and all studies, reports and assessments concerning the environmental condition of the Developer Parcel ("Due Diligence Notice"). Developer's disapproval of the Developer Parcel by delivery of the Due Diligence Notice within the Due

Diligence Period shall constitute Developer's election to not acquire the Developer Parcel and, in such event, this Agreement shall terminate and any documents and funds delivered by either Party to the other or to Escrow shall be returned to it, including return of the Deposit to Developer provided there is not an uncured Default by Developer. Upon such termination, except that the rights and obligations of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect.

314. Evidence of Financing

Prior to the Closing and within the time set forth in the Schedule of Performance, Developer shall submit to the City evidence reasonably satisfactory to the City that the Developer has obtained sufficient equity capital and commitments for the financing necessary for the acquisition and development of the Developer Parcel and the Parcel B Improvements, the Developer's pro rata share of costs for the design and construction of the driveway access for the Parking Improvements, and permanent financing, if any, Developer intends to obtain upon completion of construction 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 Project broken down by Parcel B Improvements, Public Parking Improvements, and Town Plaza Expansion Improvements.

(b) Draft Construction Loan documents from a lender reasonably acceptable to the City (including any amendments thereto, "Construction Loan") along with evidence reasonably satisfactory to the City Manager that the lender intends (subject to the satisfaction of all conditions set forth in such lender's term sheet, loan commitment or loan application) 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 Developer Parcel, as reasonably approved by the City. In no event shall the City Parcel be encumbered by any of Developer's financing for the Project. 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(s) for the Improvements (including the Developer's pro rata share of the design and construction costs to develop the Parking Improvements), plus (ii) an amount equal to all consultant and loan fees, "points," commissions, charges, furnishings, fixtures, taxes, interest, start up costs, Developer's overhead and administration, and other costs and expenses of developing and completing the Project, less the City's pro rata share of the design and construction costs to develop the Parking Improvements and the Town Plaza Expansion Improvements.

(d) A fixed or guaranteed maximum price construction contract (including any amendments thereto, "Construction Contract") or other commitment 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. Any such Construction Contract shall provide for notice of default to the City, the right to cure and such other terms as required by Section 407.

(e) A copy of Developer's, CPI's and Hudson'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 or federal income tax basis of accounting consistently applied, or in accordance with such other principles or methods as are reasonably acceptable to the City Manager.

(f) Evidence of permanent financing, if any, Developer intends to obtain upon completion of construction of the Improvements.

(g) Such other documentation and financial information relating to evidence of financing as may be reasonably requested by the City with respect to Developer or otherwise with respect to the Conveyance and construction and operation of the Project.

To the extent the cost of acquisition of the Developer Parcel and the cost of the design, planning, construction and development of the Improvements are to be financed with funds other than the proceeds of a Construction Loan or City funds, evidence satisfactory to the City that Developer has, at the time such evidence of financing is required to be demonstrated, sufficient equity capital, in sufficiently liquid form, not otherwise encumbered by any pledge or grant of a security interest to a third party, to assure complete funding for the development and construction of the Improvements (as set forth in the Scope of Development and provided for in this 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 utilized to demonstrate the evidence of equity financing required by this Agreement. Developer's evidence of equity financing shall be satisfied by evidence of any combination of the following:

(1) 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;

(2) 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 this Agreement;

(3) 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 this 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 this 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 this Agreement and which may or may not be liquid; or

(4) Evidence of any other comparable form of assets or funding commitment that the City Manager reasonably determines is sufficiently liquid to assure that it will be available to Developer when needed to pay Project expenses.

315. Intentionally Omitted

316. Intentionally Omitted

317. Real Estate Commissions

The City shall not be liable for any real estate commissions or brokerage fees which may arise in connection with the sale of the Developer Parcel to Developer. The City represents that it has engaged no broker, agent, finder or third party in connection with this transaction. Developer hereby agrees to indemnify 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 Developer Parcel which was engaged or purportedly engaged by Developer, and Developer shall be solely responsible for any compensation that may be due such broker or finder, if any. The foregoing indemnity shall survive termination of this Agreement and shall continue after recordation of the Release of Construction Covenants.

318. Demolition of the Developer Parcel

Subsequent to the Closing, Developer shall demolish the parking lot on the Developer Parcel. Developer shall perform all such demolition and containment activities in accordance with Environmental Laws. Developer shall take all reasonably necessary precautions to prevent the release of any Hazardous Materials onto the Developer Parcel or the Site or into the environment in connection with the use of Hazardous Materials and the Developer Parcel or development of the Developer Parcel in violation of applicable Governmental Requirements. Such precautions shall include complying with and causing all activities on the Developer Parcel 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 covenants that it shall not, except for customary materials used and applied in accordance with all Governmental Requirements and in the ordinary course of demolishing the Developer Parcel, (i) deposit Hazardous Materials in, on or upon the Developer Parcel or the Site, in violation of any applicable Governmental Requirements, nor (ii) permit the deposit of Hazardous Materials in, on or upon the Developer Parcel or the Site in violation of any applicable Governmental Requirements.

319. Developer Responsibilities after Closing

After the Closing, it shall be Developer's responsibility to remedy any soil or geologic condition on the Developer Parcel, at its sole cost and expense, as required to fulfill its obligations hereunder. Developer shall perform all preparation of the Developer Parcel for construction of the Project in accordance with Environmental Laws. Developer shall be responsible for all Developer Parcel preparation costs after the Closing. Developer shall take all reasonably necessary precautions to prevent the release of any Hazardous Materials onto the

Developer Parcel or the Site or into the environment in connection with the use of Hazardous Materials or the Developer Parcel or development of the Developer Parcel in violation of applicable Governmental Requirements. Such precautions shall include complying with and causing all activities on the Developer Parcel to comply with all Governmental Requirements with respect to Hazardous Materials. In addition, the 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 Developer Parcel or the Site, in violation of any applicable Governmental Requirements, nor (ii) permit the deposit of Hazardous Materials in, on or upon the Developer Parcel or 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 Developer Parcel and any Improvements thereon in good condition free from graffiti and from any accumulation of debris or waste materials. Developer shall keep and maintain the Developer Parcel in conformity with the Culver City Municipal Code and all other applicable Governmental Requirements.

As provided for in the Development and Construction Contract for Public Improvements, the City shall be responsible for the cost of remediation of all Hazardous Materials located in, on or under the City Parcel. With respect to any environmental remediation performed by Developer on the City Parcel in connection with the construction of the Public Improvements, all such work shall be performed by an environmental contractor selected by the Developer and acceptable to the City, and the City shall be the signator party for any Hazardous Materials manifests required in connection with the performance of any such remediation work.

320. Required Disclosures after Closing

If, after Developer takes title to the Developer Parcel, Developer discovers the presence of Hazardous Materials under or upon the Developer Parcel in violation of applicable Governmental Requirements, or there is a release of Hazardous Materials on or from the Developer Parcel or 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:

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

- (b) All notices of suspension of any environmental permits;
- (c) All notices of violation from federal, state or local environmental authorities;
- (d) 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;
- (e) All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders;
- (f) Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials; and
- (g) All complaints and other pleadings filed against Developer relating to Developer's storage, use, transportation, handling or disposal of Hazardous Materials on the Developer Parcel or the Site.

In the event any Hazardous Materials are discovered on the Developer Parcel after the Closing in violation of applicable Governmental Requirements, or a release of Hazardous Materials into the environment occurs after the Closing in violation of applicable Governmental Requirements, the Developer shall promptly and fully remediate such Hazardous Materials in accordance with all Governmental Requirements, and such remediation shall be at the Developer's sole cost and expense; provided that nothing herein shall limit the responsibility of the City for any Hazardous Materials released or deposited by the City or its Representatives on the Site except to the extent of Developer's negligence. Upon reasonable request of the City, the Developer shall furnish to the City a copy of any and all other environmental documents or inquiries relating to or affecting the Developer Parcel from time to time during Developer's ownership or possession thereof.

321. Taxes and Assessments

Subsequent to the Conveyance, Developer shall pay, when due, all taxes, assessments, and special taxes levied on the Developer Parcel including without limitation such taxes and assessments levied in connection with the Parcel B Improvements, in accordance with applicable Governmental Requirements. Developer agrees to make no appeal or challenge of an assessment of the fair market value of the Developer Parcel for property tax purposes, except for a decrease in value challenge or challenge to an initial assessment of a newly completed or rehabilitated building, to the extent the value challenged is in excess of the actual costs of construction and land, or any increase in assessment because of a purported change of ownership where no such change of ownership occurred, or any increase in assessment because of a change in ownership that exceeds the bona-fide arms length consideration paid in connection with such sale.

322. City Rights of Entry

If, at any time, Developer fails to maintain the Developer Parcel 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 posing an immediate risk to public health and safety; (ii) within five (5) business days after written notice from the City for graffiti and general site 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 Developer Parcel and perform all acts and work necessary to protect, maintain, and preserve the Developer Parcel and the Improvements and landscaped areas thereon with respect to the matter identified in such written notice from the City, and to attach a lien upon the Developer Parcel, or to assess the Developer Parcel, 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 the Developer upon demand; provided that such lien shall be effective only upon recordation of a written notice thereof and shall be subordinate to any deed of trust or other like encumbrance entered into in good faith and for value and recorded against the Developer Parcel prior to recordation of such lien.

323. Indemnification

Following the Conveyance, Developer agrees to save, protect, defend, indemnify and hold harmless the City and the 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, Agency, or their Representatives) which may now or in the future be incurred or suffered by the City and/or Agency, or their respective Representatives by reason of, resulting from or arising from, directly or indirectly, (i) the ownership (or possession) of all or any part of the Developer Parcel for purposes of any Governmental Requirements regulating Hazardous Materials first discovered on the Developer Parcel following the Conveyance, (ii) any act or omission on the part of Developer, or its Representatives, contractors or invitees with respect to the Developer Parcel or construction of the Improvements thereon, (iii) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Developer Parcel of any Hazardous Materials first discovered on the Developer Parcel following the Conveyance, (iv) any environmental or other condition of the Developer Parcel first discovered following the Conveyance, and (v) any Losses and Liabilities incurred with respect to the Developer Parcel under any Governmental Requirements relating to Hazardous Materials first discovered on the Developer Parcel following the Conveyance. The foregoing indemnity shall survive termination of this Agreement and shall continue after recordation of the Release of Construction Covenants.

In connection with construction of the Public Improvements on the City Parcel, the Development and Construction Contract for Public Improvements shall contain separate provisions relating to indemnification and remediation costs and responsibilities of the Parties in connection with all Hazardous Materials located in, on or under the City Parcel and costs incurred in connection therewith.

400. DEVELOPMENT OF THE SITE

401. Scope of Development; Schematic Drawings; Landscaping and Grading Plans; Project Design Consultants

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; provided that City shall be responsible for any such costs to the extent applicable to the Public Parking Improvements on the City Parcel. Developer shall construct the Improvements in accordance with the Scope of Development, the Schedule of Performance and the Plans, drawings and documents submitted by Developer and approved by City as set forth herein, which approval shall not be unreasonably withheld, conditioned or delayed. The entitlements for the Project remain effective. The Construction Contract(s) entered into by Developer for the Improvements shall require construction of the Improvements in a manner consistent with the Plans, drawings, and documents approved by the City.

Development of the Site will include the following:

(a) Parcel B Improvements. The Developer shall Develop and Cause Construction of a four level high quality office and retail complex with an Elevated Plaza and "Grand Stairs", providing approximately 115,108 square feet of gross building area containing a minimum of 32,654 square feet dedicated to retail and restaurant uses, consistent with the Conceptual Plan of the Retail and Restaurant Space attached to this Agreement as Attachment No. 13, and containing a minimum of 55,470 gross square feet dedicated to office use and including public restrooms and a storage area, in addition to approximately 18,990 square feet of open space, and subterranean Private Parking Improvements of approximately 98 spaces within the property line of the Developer Parcel, as more thoroughly described in the Scope of Development, to be owned by the Developer, and which the Developer shall Develop and Cause Construction of on the Developer Parcel, and certain off-site improvements required to be developed in connection with the Parcel B Improvement, in accordance with this Agreement including, without limitation, the Scope of Development and the Plans approved by the City. In connection with the public restrooms, the Developer agrees to construct and maintain 6-stall men and 6-stall women public restrooms ("Public Restrooms"). In connection with the storage area, the Developer agrees to construct and maintain a minimum five hundred (500) square foot storage area for the storage of Town Plaza event staging, chairs, lighting systems and related equipment for the City's use ("Storage Room"). The City shall be responsible for reimbursement of a portion of the maintenance costs for the Public Restrooms and Storage Area as generally provided in Section 501.2 and as more fully described in the Reciprocal Easement Agreement.

If, by the Closing, funds are not available for any reason to the City to Develop and Cause Construction of the Public Improvements and all or any portion of the Public Improvements are unable to proceed toward development and construction, Developer may continue to proceed with the development and construction of the Parcel B Improvements,

subject to satisfaction of all terms and conditions of this Agreement and ancillary documents for the development and construction of the Parcel B Improvements. The Parties shall reasonably cooperate with each other (including providing for any reasonably required revisions to this Agreement or ancillary documents subject to City Council approval as required) in order to facilitate the Developer's the development and construction of the Parcel B Improvements without the Public Improvements. Upon such event, Developer acknowledges and agrees, for itself and its successors and assigns, that Developer will reasonably cooperate with the City, at no cost or expense to the Developer, in the future at such time the City develops and constructs, or causes development and construction, of any or all of the Public Improvements, including without limitation entering into a reciprocal easement agreement to address rights of egress and ingress and other matters as required.

(b) Public Parking Improvements. The Developer shall Develop and Cause Construction of certain subterranean and above ground Public Parking Improvements, including without limitation the driveway to provide access to the Parking Improvements, within the City Parcel and partially within the Developer Parcel, as more thoroughly described in the Scope of Development. The Public Parking Improvements shall be constructed in accordance with this Agreement and the Development and Construction Contract for Public Improvements, and the Plans approved by the City, which shall be based on a description set forth in the Scope of Development, the design requirements set forth in the Public Parking Design Specifications attached to this Agreement as Attachment No. 12, and the parking plan prepared by or on behalf of the City and provided to the Developer. The Public Parking Improvements shall include approximately 100 non-tandem parking spaces. Additionally, as a part of the Public Parking Improvements, Developer shall Develop and Cause Construction of motorcycle spaces and bicycle spaces, Operations Area and a police bicycle storage space in accordance with the requirements of the Public Parking Design Specifications or otherwise approved by the City. Further, the Developer shall design Develop and Cause Construction of the Public Parking Improvements such that the Public Parking Improvements, including the driveway access, shall be designed, constructed and developed to allow flexibility with future use and access to and from the Culver Studios property and to not preclude such use and access.

The procedure to determine the City's cost for the Developer to Develop and Cause Construction of the Public Parking Improvements and the City's funding of the Public Parking Improvements are based on City approved reliable, responsible and accurate contractor bids as described in Sections 405(b) and 901. Notwithstanding the foregoing, the City shall not be responsible for the Developer's pro rata share of costs for the design and construction of the driveway access for the Parking Improvements which shall be the sole cost and expense of the Developer.

(c) Town Plaza Expansion Improvements. The Developer shall Develop and Cause Construction of certain public improvements, including without limitation construction of the access road, relating to the expansion of the Town Plaza Project, as more thoroughly described in the Scope of Development. The Developer shall Develop and Cause Construction of the Town Plaza Expansion Improvements upon the City Parcel, in accordance with this Agreement including, without limitation, the Scope of Development, the Development and Construction Contract for Public Improvements, and the Plans approved by the City. The Developer shall design Develop and Cause Construction of the Town Plaza Expansion

Improvements so that the access road shall be designed, constructed and developed to allow flexibility with future use and access to and from the Culver Studios property and to not preclude such use and access.

The procedure to determine the City's cost for the Developer to Develop and Cause Construction of the Town Plaza Expansion Improvements and the City's funding of the Town Plaza Expansion Improvements are based on City approved reliable, responsible and accurate contractor bids as described in Sections 405(c) and 901.

The Project shall be developed such that the Project may achieve, and Developer shall exercise all diligent efforts to achieve, 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).

All Project concepts shall comply with the CalGreen requirements, photovoltaic requirements and green building requirements as mandated by the City for general application in the City, and should incorporate sustainable development principles.

The Project shall be developed consistent with (i) the Request for Proposals issued by the City on July 8, 2011, (ii) the Developer's Response to Request for Proposals dated September 8, 2011, (iii) the Redevelopment Plan, (iv) all plans and specifications approved by the City, and (v) all applicable local, state and federal laws, rules and regulations.

All Plans for the construction of the Project shall be subject to applicable City design review approval procedures, and shall be consistent with, and a logical evolution of, the Scope of Development, except as otherwise approved by the City Manager.

401.2 Schematic Drawings

Developer shall submit to the City a complete set of Schematic Drawings for the Project by the date set forth in the Schedule of Performance. The City shall approve or disapprove the Schematic Drawings within fifteen (15) business days of their submittal. The City shall reasonably approve the Schematic Drawings provided that the City determines that such Schematic Drawings are in substantial conformance with the entitlements for the Project.

The Schematic Drawings shall include a site plan, elevations and sections of the Project as they are to be developed and constructed on the Site. The Schematic Drawings and related documents for the Public Parking Improvements shall be based on and conform to the Public Parking Design Specifications, attached to this Agreement as Attachment No. 12 and the parking plan prepared on behalf of the City and provided to the Developer.

401.3 Landscaping and Grading Plans

The Developer shall prepare and submit to the City for its approval preliminary and final landscaping and preliminary and finish grading plans for the Site, as required.

If applicable, the landscaping plans shall be prepared by a professional landscape architect and the grading plans shall be prepared by a licensed civil engineer. Such landscape

architect and/or civil engineer may be the same firm as the Developer's architect. Within the times established in the Schedule of Performance, the Developer shall submit to the City for approval the name and qualifications of its architect, landscape architect and civil engineer. From time to time, Developer may replace its architect, landscape architect and/or civil engineer, subject to the consent of the City Manager, which consent shall not be unreasonably withheld, conditioned or delayed.

401.4 Pre-Approved List of Project Design Consultants

The City has preapproved the names and qualifications of the following firms or individuals as the "Project Design Consultants". Any change of services to other firms or individuals not identified on the following list shall require the City's prior approval (which approval shall not be unreasonably withheld, conditioned or delayed):

- (i) Project Architects: Ehrlich Architects.
- (ii) Landscape Architects: The OLIN Studio, West 8, SWA Group, Katherine Spitz Associates, Inc, LRM, Walker Macy, Valleycrest.
- (iii) Civil Engineers: KPFF, Kimley-Horn & Associates, Fuscoe Engineering.
- (iv) Structural Engineers: Seneca Engineers, Culp & Tanner, Inc., John A. Martin & Associates, Inc., Englekirk.

402. Design Review

Developer acknowledges and agrees that, in reviewing and approving documents under this Section, the City's actions are separate and distinct from the City's conduct of its typical governmental functions and exercise of its police powers in its governmental capacity.

402.1 Review and Approval

Developer shall submit to the City a complete set of design development drawings for the Project by the date set forth in the Schedule of Performance. The City shall have the right to approve the design development drawings for conformance with the Schematic Drawings as a logical evolution thereof, which approval shall not be unreasonably withheld or delayed, except that the proposed building materials and paint color scheme which shall be subject to approval at the City's reasonable discretion. The drawings related to the Public Parking Improvements shall be based on and conform to the Public Parking Design Specifications, attached to this Agreement as Attachment No. 12, and the parking plan prepared on behalf of the City and provided to the City.

Developer shall submit to the City a complete set of building permit/construction drawings for the Project within one hundred twenty (120) Days of the City's approval of the design development drawings. The City shall have the right to approve, which approval shall not

be unreasonably withheld or delayed, the building permit drawings for conformance with the Schematic Drawings and design development drawings as a logical evolution thereof. The drawings related to the Public Parking Improvements shall be based on and conform to the Public Parking Design Specifications, attached to this Agreement as Attachment No. 12, and the parking plan prepared on behalf of the City and provided to the City.

402.2 Standards for Approval

The City shall have the right to disapprove in its reasonable discretion any of the design development drawings if the same do not conform to the Schematic Drawings as a logical evolution thereof. The City shall have the right to disapprove in its reasonable discretion any of the building permit/construction drawings if the building permit/construction drawings do not conform to the approved design development drawings as a logical evolution thereof. The City shall grant or withhold its approval by delivery of written notice to Developer within thirty (30) Days from delivery by Developer to the City, which notice shall state in writing the reasons for disapproval and the suggested means to correct the disapproved matters. The City's failure to approve or disapprove any submittal within that thirty (30) Day period shall constitute a deemed approval of that submission; provided, that the Developer's submission of any such submittal states in bold capitalized letters in 14 point on the cover page of such submittal that the **"CITY'S FAILURE TO RESPOND TO THIS DOCUMENT WITHIN THIRTY (30) DAYS SHALL BE DEEMED TO CONSTITUTE THE CITY'S APPROVAL REQUESTED IN THIS DOCUMENT PURSUANT TO THE DDA"**. Developer, upon receipt of a disapproval based upon powers reserved by the City hereunder, shall revise such portions and promptly resubmit the revised documents to the City. Notwithstanding anything herein to the contrary, the Schedule of Performance shall be extended for up to thirty (30) Days, and thereafter only upon the mutual agreement of the Parties, to permit Developer and the City to resolve any City disapproval.

402.3 Consultation and Coordination

During the preparation of the basic concept drawings, Schematic Drawings, design development drawings and building permit/construction drawings, staff of the City and Developer shall hold regular progress meetings to coordinate the preparation of, submission to, and review of the basic concept drawings, Schematic Drawings, design development drawings and building permit/construction 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. The City shall have the right, at any time, to retain a parking structure and/or public improvements design firm to prepare a preliminary study of the Public Improvements and any portion thereof. The Developer shall cooperate with the City in connection with resolving any design or cost discrepancies found or determined by the City as a result of this preliminary study.

402.4 Revisions

Developer agrees not to make material changes to the exterior design of the Improvements without the prior written consent of the City once the Schematic Drawings, design

drawing, plans and specifications, building permit/construction drawings and other items documenting the design of the Improvements are approved by the City prior to the Conveyance.

Thereafter, if Developer desires to propose any material revisions to the exterior design of the Improvements set forth in the Schematic Drawings, design drawing, plans and specifications, building permit/construction drawings and other items documenting the design of the Improvements, Developer shall submit such proposed changes to the City and shall also proceed in accordance with any and all State and local laws and regulations regarding such revisions. The City shall grant or withhold such approval (such approval not to be unreasonably withheld or delayed) by delivery of written notice to Developer within fifteen (15) Days from delivery by Developer to the City of such revisions, which notice shall state in writing the reasons for any disapproval and the suggested means to correct the disapproved matters. Developer, upon receipt of a disapproval based upon powers reserved by the City hereunder, shall revise such portions and promptly resubmit the revised documents to the City. Notwithstanding anything herein to the contrary, the Schedule of Performance shall be extended for up to thirty (30) Days, and thereafter only upon the mutual agreement of the Parties, to permit Developer and the City to resolve any City disapproval. At the sole discretion of the City, if any change in the basic uses of the Developer Parcel is proposed, then the City may require, without waiving any of the City's rights and remedies herein, that this Agreement be subject to renegotiation of all terms and conditions as a condition to proceeding with discussion for the modification in the basic uses of the Developer Parcel.

402.5 Defects in Plans

The City shall not be responsible either to Developer or to third parties in any way for any defects in the basic concept drawings, the design development drawings or the building permit/construction drawings, nor for any structural or other defects in any work done according to the approved basic concept drawings, design development drawings or building permit/construction drawings. Developer hereby waives and releases any claim it may have against the City or its 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 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 hereby agrees to indemnify and hold harmless the City, the Agency and their respective Representatives for any Losses and Liabilities (including attorneys' fees and costs) incurred as a result of third party claims of defects in the Parcel B Improvements plans, design or drawings in connection with the Developer Parcel, 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 Parcel B Improvements. The foregoing indemnity

shall survive termination of this Agreement and shall continue after recordation of the Release of Construction Covenants.

403. Permits

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 for the construction of the Improvements, whether required by the City or any other governmental agency affected by such construction or work. 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 County of Los Angeles, and all other governmental agencies with jurisdiction over the Improvements and the Site. Notwithstanding the foregoing, Developer and the City acknowledge and agree that City entitlements for the Project remain effective, and that Developer has agreed to construct the Improvements in accordance with such entitlements. The City shall reasonably approve any plans consistent with the approved City entitlements in accordance with the terms and conditions of this Agreement.

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 this 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.

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 this Agreement within the times established therefore in the Schedule of Performance.

405. Project Costs; Method of Financing

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 the Developer, without any cost to City, except as specifically and expressly set forth in this Agreement as an obligation of the City. The Developer shall design and Develop and Cause Construction of the Project in accordance with the following provisions:

(a) The Developer shall Develop and Cause Construction of the Parcel B 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 Parcel B Improvements, and the Developer's pro rata share of costs for the design and construction of the driveway access for the Parking Improvements, in conformance with the approved Plans, including without limitation Schematic Drawings, design development drawings, and building permit/construction drawings, all as approved by the City. Evidence of Financing for all of the cost of planning, designing, developing and constructing all of the Parcel B Improvements, and the Developer's pro rata share of the costs for the design and construction of the driveway access for the Parking

Improvements, shall be provided by the Closing, except for any incremental cost, if any, for prevailing wages that exceeds union wages as described in Section 906 which shall be paid according to the provisions of Section 906, and for Project Off-Sites that exceeds the Off-Site Cap Amount and/or for City Permits and Fees as described in Section 907 which shall be paid according to the provisions of Section 907.

(b) Subject to Section 901, the Developer shall Develop and Cause Construction of the Public Parking Improvements to Completion, in conformance with the approved Plans, including without limitation Schematic Drawings, design development drawings, and building permit/construction drawings, all as approved by the City. Except with respect to Developer's pro rata share of the cost of planning, designing, developing and constructing the driveway access portion of the Public Parking Improvements that will provide access to the Parking Improvements, all costs of planning, designing, developing and constructing the Public Parking Improvements to Completion shall be funded by the City. Evidence of Financing for Developer's pro rata share of the cost of planning, designing, developing and constructing the driveway access portion of the Public Parking Improvements shall be provided by the Closing. The City intends on using unexpended proceeds of the Parking Revenue Bonds or, at the option of the City, any other lawfully available funds to fund its costs of the development and construction of the Public Parking Improvements. The City shall provide evidence of available funds required to fund the cost of the Public Parking Improvements payable by the City in a form reasonably acceptable to Developer prior to the Closing, consistent with Section 901.

The cost of the Public Parking Improvements shall be determined by reliable, responsible and reputable contractor bids based on the City's approved Plans, including design development drawings and complete building permit/construction drawings, in accordance with Sections 401 and 402. In accordance with Section 901, the City's cost to construct to Completion the Public Parking Improvements shall be equal to the difference between the cost to construct to Completion the Private Parking Improvements with payment of union wages and the cost to construct to Completion the Parking Improvements (collectively, the Public and Private Parking Improvements) with the payment of prevailing wages, with a reduction for the Developer's pro rata share of the cost of planning, designing, developing and constructing the driveway access portion of the Public Parking Improvements that will provide access to the Parking Improvements. If the City and the Developer are in disagreement over the total cost to construct the Public Parking Improvements, then the City shall retain an independent cost estimator, at the shared cost of the Developer and the City, to resolve the disagreement and determine the cost premium. The determination of the independent cost estimator shall be final and binding on the Parties.

(c) Subject to Section 901, the Developer shall Develop and Cause Construction of the Town Plaza Expansion Improvements to Completion, in conformance with the approved Plans and Schematic Drawings. The cost of planning, designing, developing and constructing the Town Plaza Expansion Improvements to Completion shall be funded by the City, upon its approval of final costs. The City shall provide evidence of available funds required to fund the cost of the Town Plaza Expansion Improvements in a form reasonably acceptable to Developer prior to the Closing, consistent with Section 901.

The cost of the Town Plaza Expansion Improvements shall be determined by reliable, responsible and reputable contractor bids based on the City's approved

Plans, including design development drawings and complete building permit/construction drawings, in accordance with Sections 401 and 402. If the City and the Developer are in disagreement over the total cost to construct the Town Plaza Expansion Improvements, then the City shall retain an independent cost estimator, at the shared cost of the Developer and the City, to resolve the disagreement and determine the cost premium. The determination of the independent cost estimator shall be final and binding on the Parties.

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 Parcel B 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. 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, in all material respects, with the terms and provisions of this 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 this 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) within twenty (20) Days after submission to City. Concurrent with any disapproval, the City shall inform Developer in writing of the reasons for such disapproval. Failure to approve or disapprove such Construction Loan documents within such twenty (20) Day period shall be deemed an approval of the Construction Loan documents; provided, that the Developer's submission of such Construction loan documents states in bold capitalized letters in 14 point on the cover page of such submittal that the **"CITY'S FAILURE TO RESPOND TO THIS DOCUMENT WITHIN TWENTY (20) DAYS SHALL BE DEEMED TO CONSTITUTE THE CITY'S APPROVAL REQUESTED IN THIS DOCUMENT PURSUANT TO THE DDA"**.

The Construction Loan shall be made by an Institutional Lender or other lender approved by the City and secured by Developer's interest in the Developer Parcel and the Parcel B 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 purchase the Construction Loan for the amount due in full to the lender.

In no event shall the Construction Loan be cross defaulted with any other loan secured by any other property of Developer other than the Developer Parcel. Developer shall draw upon and utilize the full amount 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 in connection with the Parcel B Improvements only from time to time upon notice to the City, or upon the City's approval in connection with the Public Improvements.

The City approval of the Construction Loan shall not constitute a waiver by the City of any breach or violation of this 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 fixed price or guaranteed maximum cost 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 this Agreement, to commence and complete the construction of those Improvements in accordance with this 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 be provided to the City Manager concurrently with their submittal to the General Contractor, subject to the City's reasonable approval for any change orders that increase the stated Construction Loan amount in the City approved Construction Loan documents secured by the Developer Parcel. 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 within twenty (20) Days after submission and, in any event, by the date set forth in the Schedule of Performance, which approval shall not be unreasonably withheld or delayed. Failure to approve or disapprove such draft Construction Contract within such twenty (20) Day period shall be deemed to constitute approval of such submission; provided, that the Developer's submission of any such submittal states in bold capitalized letters in 14 point on the cover page of such submittal that the **"CITY'S FAILURE TO RESPOND TO THIS DOCUMENT WITHIN TWENTY (20) DAYS SHALL BE DEEMED TO CONSTITUTE THE CITY'S APPROVAL REQUESTED IN THIS DOCUMENT PURSUANT TO THE DDA"**. The City approval of a Construction Contract shall not constitute a waiver by the City of any breach or violation of this 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 the 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 this Agreement by the later of (i) forty-five (45) Days after receipt of the Construction Contract Disapproval Notice, or (ii) fifteen (15) Days after such meeting between the City and the Developer, 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 sixty (60) 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, the 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), and such failure is not cured within the cure period provided by this Agreement, then either party may thereafter elect to terminate this Agreement. Upon such termination, the rights and obligations of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect.

In connection with the Parcel B Improvements only, Developer shall not be required to furnish a contractor's performance bond and/or a payment bond.

Notwithstanding the foregoing and in connection with the Public Improvements only, as described in Section 901, Developer shall furnish the City with a contractor's performance bond in an amount not less than one hundred percent (100%) of the costs for the applicable Public Improvements and a payment bond guaranteeing contractor's completion of those Public Improvements free from liens of material men, contractors, subcontractors, mechanics, laborers, and other similar liens. Said bonds shall be issued by a responsible surety company, licensed to do business in California, and with a financial strength and credit rating reasonably acceptable to the City and shall remain in effect until the entire costs for such Public Improvements shall have been paid in full. Any such bonds shall be in a form reasonably satisfactory to the City's legal counsel, and shall name the City as an additional obligee. In lieu of the payment and performance bonds, Developer or the General Contractor may provide a letter of credit to the City in the amount of not less than one hundred percent (100%) of the costs

for the applicable Public Improvements, in a form and from an Institutional Lender approved by the City, which approval shall not be unreasonably withheld.

408. Rights of Access

Prior to the issuance of the Release of Construction Covenants, for purposes of assuring compliance with this Agreement, representatives of the City shall have the right of access to all portions of the Developer Parcel, without charges or fees, at normal construction hours during the period of construction for the purpose of ensuring compliance with this 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 have unrestricted authority and absolute right to enter upon and inspect the City Parcel prior to the issuance of the Release of Construction Covenants, without charges or fees, at any hour on any day during the period of construction for the purpose of ensuring compliance with this Agreement, including but not limited to, the inspection of the work being performed in the construction of the Improvements. 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 the 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, City zoning and development standards, 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.

409.1 Prevailing Wages

(a) Developer hereby agrees to carry out the rehabilitation, construction, development (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 for the Project.

(b) The Project is 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 similar law. 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 Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar law. 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 similar law. Developer shall indemnify, protect, defend and hold harmless the City, the Agency, and their respective officers, representatives, employees, contractors and agents, with counsel reasonably acceptable to the City and the Agency, 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 rehabilitation, construction and/or development (as defined by applicable law) of the Project, 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 Federal and/or State labor laws (including, without limitation, the requirement to pay state prevailing wages); (2) the implementation of Sections 1726 and 1781 of the Labor Code with respect to the Project, 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 similar 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 Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other similar 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, any other similar law.

(c) It is agreed by the Parties that, in connection with the Developer's rehabilitation, construction and/or development (as defined by applicable law) of the Project, including, without limitation, any public work (as defined by applicable law), Developer shall bear all risks of payment or non payment 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 similar provision of law. "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 City access to its employment records related to this Agreement during regular business hours to verify compliance with these provisions when so requested by City.

411. Levies and Attachments on Site

Developer shall remove or have removed any levy or attachment made on any of the Site or any part thereof, or assure the satisfaction thereof within a reasonable time to the extent arising from Developer's direct or indirect actions. 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, recordable against the Developer Parcel only, through an Institutional Lender only for the purpose of securing loans of funds are to be used for (i) financing the acquisition, predevelopment or development of the Developer Parcel 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 Developer Parcel, or (iii) any other purposes necessary and appropriate in connection with the Project under this Agreement; and shall be permitted in connection with the Developer Parcel only before issuance of the Release of Construction Covenants with the City's prior written approval in accordance with Section 206. The City shall cooperate with Developer in facilitating all required financing for the Project and will in good faith consider all reasonable requests by an Institutional Lender providing existing or proposed financing to the Project to modify certain provisions of this Agreement. Any mortgage or deed of trust or other grant of a security interest in the Developer Parcel shall constitute a Transfer for purposes of this Agreement. The words "mortgage", "trust deed" and "deeds of trust" 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, including mezzanine financing.

412.2 Holder Not Obligated to Construct Improvements

The holder of any mortgage or deed of trust authorized by this Agreement shall not be obligated by the provisions of this 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 this Agreement be construed so to obligate such holder. Nothing in this

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 this 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 in completion of construction of the Improvements, 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 later of (i) the receipt of the notice and (ii) expiration of all cure periods available to Developer, 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 and to add the cost thereof 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 Developer Parcel or any portion thereof and such holder promptly commences and diligently prosecutes efforts to obtain possession through a receiver or otherwise, such holder shall have until sixty (60) Days after obtaining possession to cure such default. 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; provided, that Developer diligently and continuously pursues such cure to completion but in no event longer than one hundred eighty (180) Days after receipt of notice hereunder; provided, further, that such holder shall not be required to remedy or cure any non curable default of Developer (such as an unauthorized attempted assignment or the failure to meet a deadline).

Nothing contained in this 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 Developer Parcel in which the holder has an interest and, notwithstanding anything to the contrary contained in this 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 this 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 this Agreement, to a Release of Construction Covenants in accordance with Section 413.

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 Developer Parcel (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 thereafter cures or remedies such default within one hundred eighty (180) Days of receipt of notice hereunder. All rights and obligations of a lender or holder pursuant to this Agreement shall also accrue to any purchaser, assignee or successor of a lender or holder upon acquisition of title to any portion of the Developer Parcel 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 this 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 this 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 Developer Parcel or any interest therein, whether or not said mortgage or deed of trust is subordinated to this Agreement, but unless otherwise herein provided, the terms, conditions, covenants, restrictions and reservations of this Agreement shall be binding and effective against the holder and any owner of the Developer Parcel or any portion thereof, whose title thereto is acquired by foreclosure, trustee's sale, or otherwise.

No purported modification, amendment and/or termination of this 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 obtaining title to or possession of the Developer Parcel, the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Developer Parcel or any part thereof has not exercised the option to construct the Improvements, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, then 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 Developer Parcel 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 the amount received by holder from 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 Developer Parcel 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 the terms of the loan documents agreed to by Developer.

412.5 Right of City 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 thirty (30) 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 Developer Parcel 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 permitted under this Agreement, and the City Manager, as a condition to the imposition of its lien, shall execute subordination agreements in such form and substance as 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 this Agreement, the City shall furnish Developer with the Release of Construction Covenants. The City shall not unreasonably withhold 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 Developer Parcel shall not (because of such ownership, purchase, lease or acquisition) incur any construction obligation under this Agreement.

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

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 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 this 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.

The City shall not unreasonably withhold a Release of Construction Covenants for the satisfactory Completion of the construction and development of the Parcel B Improvements if the reasons for the City failing to issue such a Release of Construction Covenants relates solely to specific items or materials, or otherwise constitutes unfinished work or uncompleted obligations of the Developer, in connection with the construction and development of the Public Improvements which any such matters do not relate indirectly or directly to the Completion of the construction of the Parcel B Improvements.

414. Bodily Injury and Property Damage Indemnification

The Developer agrees to and shall defend, release, indemnify and hold harmless the City, the Agency and their respective officers, officials, agents, representatives, members, contractors, staff and employees 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 the Developer in connection with the development of the Developer Parcel or the construction and operation of the Parcel B Improvements, whether such damage shall occur or be discovered before or after termination of this Agreement.

This indemnification provision supplements and in no way limits the scope of the indemnification set out elsewhere in this Agreement. The foregoing indemnity shall survive

termination of this Agreement and shall continue after recordation of the Release of Construction Covenants.

415. Indemnification

To the full extent permitted by law, Developer shall indemnify, defend and hold harmless the City, the Agency, and their respective officers, officials, agents, representatives, members, contractors, staff and employees, 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 Parcel B Improvements, 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 this 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, in connection with the development of the Parcel B Improvements.

Without affecting the rights of the City, the Agency, and their respective officers, officials, agents, representatives, members, contractors, staff and employees under any provisions of this Agreement, Developer shall not be required to indemnify and hold harmless the City, the Agency, and their respective officers, officials, agents, representatives, members, contractors, staff and employees for the percentage of liability attributable to the active negligence or intentional misconduct of the City, the Agency, and their respective officers, officials, agents, representatives, members, contractors, staff and employees, 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 Agency, or their respective officers, officials, agents, representatives, members, contractors, staff and employees, 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 this Agreement in connection with development of the Parcel B Improvements.

In the event that any claim or legal action is brought against the Developer and/or the City pertaining to an act or failure of Developer to act for which the City or the Agency is indemnified hereunder, or pertaining to the compliance of the construction, alteration, demolition, installation or repair of the Improvements with any Labor Laws, the Developer shall defend itself and, without cost to the City or the Agency, defend, indemnify and hold the City and the Agency harmless therefrom. Upon the Developer's failure to defend, indemnify and hold the City and the Agency harmless from such claims, the City and the Agency shall be entitled to recover from the Developer all of the City's and the 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. The Developer shall not settle or compromise the defense of such claim or action on behalf of the City or the Agency, or permit a default judgment

to be taken against the City or the Agency, without the prior written approval of the City, which shall not unreasonably be withheld.

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

In connection with construction of the Public Improvements on the City Parcel, the Development and Construction Contract for Public Improvements shall contain separate provisions relating to indemnification and responsibilities of the Parties in connection therewith.

416. Disclaimer of Responsibility of City

Except as expressly provided in this Agreement or the documents and agreements executed pursuant hereto, 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 this Agreement) nor any third party is entitled to rely thereon. Except as expressly provided herein and in the documents and agreements executed pursuant hereto, 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 shall use the Site to construct the Project. All uses conducted on the Site, including, without limitation, all activities undertaken by the Developer pursuant to this Agreement, shall conform to all applicable provisions of the Redevelopment Plan, the Culver City Municipal Code and any other applicable Governmental Requirements. The Developer, for itself and on behalf of its successors and assigns, agrees to the following covenants and restrictions, which shall be included in the Reciprocal Easement Agreement, and which are in addition to the covenants, restrictions, and rights reserved to the City in the Grant Deed and in addition to all other covenants and conditions set forth in the Reciprocal Easement Agreement:

501.1 Retail and Restaurant Space.

In facilitating the purchase of the Developer Parcel and the construction of the Project, the City's goal is to activate the downtown area by increasing the number of retail and restaurant tenants. Accordingly, the Developer agrees that its leasing of the Project shall be subject to, and each proposed tenant of the Retail and Restaurant Space shall meet the requirements of, the procedures set forth below, and Developer shall use commercially reasonable diligent efforts to locate and enter into leases with high quality tenants.

(a) Retail and Restaurant Leasing Restrictions. Prior to the seventh (7th) anniversary of the City's recordation of the Release of Construction Covenants in connection with the Parcel B Improvements ("Restriction Period"), the ground floor space within the Parcel B Improvements shown in the Plans approved by the City consisting of approximately 26,189 square feet and intended for Retail and Restaurant Tenant occupancy ("Retail and Restaurant Space") shall be subject to the following requirements, (such Retail and Restaurant Space shall exclude the approximately 5,100 square feet of ground floor space on the south face of the Parcel B Improvements across from Culver Studios, as approved by the City, from being subject to these the requirements of this Section 501.1 provided that such uses are allowed uses consistent with the City's zoning regulations for the Commercial Downtown (CD) District Requirements):

(i) Until at least eighty five percent (85%) occupancy of the Retail and Restaurant Space has been achieved ("Threshold Occupancy") and thereafter with respect to any vacancy that would cause the occupancy of the Retail and Restaurant Space to fall below the Threshold Occupancy, except as provided for in subsection (b) below, all Retail and Restaurant Tenants necessary to meet the Threshold Occupancy shall be "Qualifying Tenants" (as defined below) and Developer shall exercise commercially reasonable efforts to obtain such Qualifying Tenants for that Retail and Restaurant Space.

(ii) In order to assure implementation of the foregoing, Developer shall notify the City of any tenant(s) Developer proposes for the Retail and Restaurant Space and which are required to meet the Threshold Occupancy requirement, prior to execution of a lease with that tenant, and the City shall have ten (10) business days after receipt of that notice to notify Developer of any City comments concerning consistency of the proposed tenant with the "Qualifying Tenants" standard. "Qualifying Tenants" shall mean proposed Retail and Restaurant Tenants meeting either of the following requirements: (A) such tenant is shown on a "List of Pre-Approved Tenants" attached to this Agreement as Attachment No. 14 and incorporated herein, and as such List of Pre-Approved Tenants may be amended from time to time pursuant to the provisions and procedures below (as such proposed tenant is equivalent in nature and quality to one of the tenants shown on that list, e.g., if a Levi store is on the list, a Lucky Brand Jeans store would also be an acceptable tenant), or (B) such proposed tenant is a tenant currently located in an established high quality retail district or mall location, such as Melrose Avenue, Third Street Promenade, Robertson Boulevard, The Grove, Santana Row at Santana Row in San Jose, California, Soho in New York City, Santa Monica Place, or the Century City Mall (or such proposed tenant is equivalent in nature and quality to one of those tenants, e.g., if a Levi store is in that location, a Lucky Brand Jeans store would also be an acceptable tenant).

(iii) The procedure for establishing and updating the "List of Pre-Approved Tenants" shall be as set forth herein. The "List of Pre-Approved Tenants" shall include: (A) any of the tenants listed on the List of Pre-Approved Tenants attached to this Agreement as Attachment No. 14; and (B) any tenant, who, although not initially listed on the approved List of Pre-Approved Tenants, is proposed by Developer and approved or deemed approved by City Manager pursuant to this clause (B) for addition to the List of Pre-Approved Tenants (any such tenant added to the List of Pre-Approved Tenants pursuant to this clause (B) is referred to herein as an "Additional Approved Tenant"). For purposes of this clause (B), if Developer wishes to obtain approval of an Additional Approved Tenant or Tenants, it shall notify the City in writing of the tenant or tenants it wishes to add to the List of Pre-Approved Tenants. Within twenty (20) Days after such submission, the City Manager shall approve or disapprove the proposed Additional Approved Tenant in a written notice to Developer, which, in the event of disapproval, shall specify in reasonable detail the basis therefor. The City approval of a proposed tenant or tenants as Additional Approved Tenant shall be based upon whether the proposed tenant is reasonably comparable to any one or more of the tenants then listed on the List of Pre-Approved Tenants in terms of quality and nature of operation and shall not be unreasonably withheld, conditioned or delayed by the City. If City reasonably requires any additional information from the Developer in order to determine whether any proposed tenant or tenants should be approved as an Additional Approved Tenant, the City shall request such additional information within five (5) Days after receipt by the City of the request for approval of a proposed Additional Approved Tenant. If the City fails to respond to Developer's request for approval of any proposed Additional Approved Tenant within twenty (20) Days after receipt of said request from Developer, the proposed tenant or tenants shall be deemed approved and shall thereafter constitute Additional Approved Tenant and constitute a part of the List of Pre-Approved Tenants; provided, that the Developer's submission of such notice states in bold capitalized letters in 14 point on the cover page of such submittal that the **"CITY'S FAILURE TO RESPOND TO THIS DOCUMENT WITHIN TWENTY (20) DAYS SHALL BE DEEMED TO CONSTITUTE THE CITY'S APPROVAL REQUESTED IN THIS DOCUMENT PURSUANT TO THE DDA"**.

(b) Conversion of Retail and Restaurant Space to Other Uses. In the event that, prior to expiration of the Restriction Period, any Retail and Restaurant Space is vacated, or remains vacant following Completion and prior to initial occupancy, and Developer wishes to lease that space for other than a restaurant or retail use, Developer shall first comply with the following procedures:

(i) Developer shall provide the City with written notice of the existing tenant's intent to vacate within fifteen (15) Days of Developer's receipt of knowledge of the tenant's intent to vacate, or, if there is no existing tenancy, the vacancy of the Retail and Restaurant Space ("Notice of Vacancy");

(ii) Developer agrees to provide the City with a leasing and marketing plan to search for an appropriate Retail and Restaurant Space replacement tenant, or initial tenant, as applicable, for up to six (6) months after delivery of the Notice of Vacancy to the City. The City shall have the right to request as frequently as determined by the City, and the

Developer shall be obligated to provide within five (5) business Days of such City request, a status report on the Developer's efforts to locate potential tenants; and

(iii) If such a Retail and Restaurant Space replacement or initial tenant has not been located and a lease executed with that tenant prior to expiration of that six (6) month period notwithstanding Developer's commercially reasonable efforts to locate such a tenant, then the Developer shall be permitted to lease that space to any tenant without restriction by this provision, and, upon any subsequent vacancy of that space, no further or additional six (6) month waiting period shall apply and there shall be no further restriction upon the use of that space under this Paragraph (b).

(c) General Restrictions; Expiration of Restrictions. Without limitation of the restrictions set forth above in this Section 501.1, Developer further agrees to use commercially reasonable efforts throughout the Restriction Period to maximize the number of retail tenants and minimize the number of restaurant tenants within the ground floor Retail and Restaurant Space. Developer further agrees that, unless the City otherwise agrees, throughout the Restriction Period, at least one restaurant is to be located on the second floor of the Parcel B Improvements adjacent to the Elevated Plaza area and shall provide outdoor dining that faces the Town Plaza/Elevated Plaza area of the Improvements. Following the expiration of the Restriction Period, all restrictions and requirements imposed under this Section 501.1 shall terminate, and there shall be no further restrictions upon the leasing of the Retail and Restaurant Space of the Parcel B Improvements under this Section 501.1.

The City shall have no responsibility or liability whatsoever in connection with the use and operation of the Retail and Restaurant Space, including without limitation as a result of the requirements set forth in this Section 501.1 or otherwise, including, without limitation, any payments to any Retail and Restaurant Tenant for lease termination, including, without limitation, any payment for lost rent, replacement tenant improvements allowances, broker fees, or any other similar amounts.

501.2 Public Space

The following areas of Public Space on the Developer Parcel as part of the Parcel B Improvements shall be available for use by the public and the City, as applicable, in accordance with the terms set forth herein and in the Reciprocal Easement Agreement: (i) the Elevated Plaza, Grand Stairs, and Public Restrooms shall be available for use by the public and the City, and (ii) the Storage Room shall be available for use by the City, and subject to the following requirements:

(a) Elevated Plaza and Grand Stairs.

(i) The City shall have access to and use of the Elevated Plaza and Grand Stairs including, without limitation, the amphitheater seating and stage, for City sponsored events ("City Events") in accordance with and at the times provided by a calendar of events ("Annual Calendar") which shall be developed and approved by the City and Developer upon an annual basis for each calendar year, or portion thereof, following the Completion of the Parcel B Improvements. The Annual Calendar shall also identify programs to be hosted by the

Developer in the Elevated Plaza and Grand Stairs at the Developer's expense, without any cost to the City and at which the general public shall be invited to attend.

(ii) The Developer shall maintain the Elevated Plaza and Grand Stairs at all times in good working condition at the Developer's expense, without any cost to the City; provided, that City shall be required to reimburse Developer for all maintenance costs and expenses or any repair or replacement costs incurred as a result of or arising from any City Events and not otherwise attributable to the acts or omissions of the Developer. Prior to the conduct of any City Events and as a condition thereto, the City or the designated independent producer, conductor, promoter, or organizer of the City Event shall provide to the Developer evidence of liability insurance in form and amount and from an insurer reasonably acceptable to Developer and naming Developer as an additional insured (the City's self insurance shall satisfy this requirement if insurance is provided by the City), and the City or such independent producer, conductor, promoter or organizer of the City Event, at the City's election, shall provide Developer with a waiver and indemnity upon a standard form to be created by the City and Developer, which shall contain an exception for such claims or actions caused by, that result from, or created by the negligence of the Developer. The City and Developer shall also coordinate any security measures which are reasonably required or appropriate for any City Event; provided that any incremental cost resulting from those measures shall be paid by the City or the independent producer, conductor, promoter or organizer of the City Event.

(iii) During the City Events, the City and Developer shall coordinate City use and control of the lighting system, water features and stage in the Elevated Plaza and Grand Stairs for each such event.

(iv) The City agrees to preserve, to the extent reasonably feasible, the use of any existing outdoor dining area in the Elevated Plaza when using the space for the City Events and to coordinate such City Events so that they do not unreasonably interfere with the operation of the Parcel B Improvements.

(v) The Developer agrees and acknowledges that the primary purpose of the Elevated Plaza and Grand Stairs is to be open and available to the public for use by the public during regular business hours in connection with the operation, use and enjoyment of the Parcel B Improvements. Therefore, during those hours the Developer shall keep open and available to the public for use by the public the Elevated Plaza and the Grand Stairs, except during exclusive use events held on the Elevated Plaza and Grand Stairs. Nothing herein shall be construed or understood to grant an easement to members of the public over the Elevated Plaza or Grand Stairs and the rights of public use shall be limited to the express provisions for access set forth in this Agreement and the Reciprocal Easement Agreement.

(vi) The Developer shall maintain the Elevated Plaza and Grand Stairs at all times in good working condition at the Developer's expense, without any cost to the City, except as expressly provided herein.

(b) Public Restrooms.

(i) The Developer shall maintain the Public Restrooms at all times in good working condition at the Developer's expense, without any cost to the City; provided that the City shall be responsible for all routine maintenance and repair or replacement costs incurred or necessitated as a result of or arising from the conduct of any City Events and not otherwise attributable to the acts or omissions of the Developer.

(ii) The Developer shall keep open and available to the public for use by the public the Public Restrooms during normal business hours of the retail component of the Parcel B Improvements and during the City Events held within the Elevated Plaza and/or Grand Stairs. Except as provided in the previous sentence, all hours of operation of the Public Restrooms shall be in the Developer's control.

(c) Storage Room.

(i) The Developer shall maintain the exterior and all structural components of the Storage Room at all times in good working condition at the Developer's expense, without any cost to the City. The City shall reimburse Developer for operating costs of the Storage Room and all routine maintenance and repair of the Storage Room. The City shall either repair or replace, or reimburse Developer for the repair or replacement, of any damage to the Storage Room or any finishes therein caused by the use of the Storage Room by the City or any of its Representatives and not otherwise attributable to the acts or omissions of the Developer.

(ii) The City shall have unrestricted access to the Storage Room and unrestricted permission to store the Town Plaza event staging, chairs, lighting systems and related equipment for the City's use. The Developer shall provide the City a key allowing City unrestricted access to the Storage Room.

501.3 Public Parking Improvements, Parcel B Improvements and Town Plaza Expansion Improvements

The Parties reasonably agree to incorporate into a mutually agreeable Reciprocal Easement Agreement certain use covenants and restrictions applicable to the Developer Parcel and the City Parcel in connection with (i) all reasonably necessary and/or appropriate ancillary easements for pedestrian and vehicular access to and from the public streets and driveways and the City Parcel and the Developer Parcel and otherwise as required for the operation, repair and maintenance of the Parcel B Improvements, the Public Parking Improvements, and the Town Plaza Expansion Improvements, and (ii) the Public Space designated on the Developer Parcel as part of the Parcel B Improvements intended for use by the public and the City in accordance with the terms set forth above, and referenced therein as the Elevated Plaza, the Grand Stairs, and the Public Restrooms, and for use by the City of the Storage Room.

502. Covenants Regarding Maintenance

Subject to allocation of costs between the Developer and the City pursuant to the Reciprocal Easement Agreement in connection with the Parking Improvements, Developer shall maintain the Developer Parcel and all Parcel B Improvements thereon and all Public Parking

Improvements (to the extent the Developer and City agree that the Developer shall maintain all Public Parking Improvements as set forth in the Reciprocal Easement Agreement or other agreement approved by the Parties) (not including the Town Plaza Expansion Improvements which will be maintained by the City), including lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with the terms of the Redevelopment Plan, all applicable provisions of the Culver City Municipal Code, and all applicable policies, rules and regulations approved by the City. Developer shall maintain the Parcel B Improvements, the Public Parking Improvements, and landscaping on the Developer Parcel and within Public Parking Improvements in accordance with the "Maintenance Standards," as hereinafter defined. Such Maintenance Standards shall apply to all buildings, open areas, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Developer Parcel, the Public Parking Improvements and any and all other common area of the Parcel B Improvements and the Public Parking Improvements on the Site. To accomplish the maintenance, Developer shall contract with and hire licensed and qualified personnel 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 this Agreement.

Developer and its maintenance staff, contractors or subcontractors shall covenant to comply with the following standards ("Maintenance Standards"):

(a) The Developer Parcel and Public Parking Improvements 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 Developer Parcel and Public Parking Improvements 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 Developer Parcel and Public Parking Improvements 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 an imminent risk to 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 Developer Parcel and Public Parking Improvements, 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 Redevelopment Plan, Nondiscrimination

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Developer Parcel or any part thereof, that the use of the Developer Parcel by Developer, and its successors and assignees, shall be limited to the uses specified in the Redevelopment Plan, the Reciprocal Easement Agreement, and this Agreement for the periods of time specified therein. 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 Developer Parcel 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 Developer Parcel. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Developer Parcel 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

The City is the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its 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 this Agreement and the covenants running with the land have been provided, without regard to whether the City has been, remains or is an owner of any land or interest therein in the Site or in the Project. The City shall have the right, if this 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 this Agreement and any covenants may be entitled. The covenants contained in this Section shall remain in effect as follows:

(a) The covenants pertaining to the Retail and Restaurant Space as set forth in Section 501.1, shall remain in effect until the date that is seventh (7th) anniversary of the City's recordation of the Release of Construction Covenants for the Parcel B Improvements.

(b) The covenants pertaining to the Public Space as set forth in Section 501.2, shall remain in effect so long as the Project remains on the Site.

(c) The covenants pertaining to the Public Parking Improvements, the Parcel B Improvements, and the Town Plaza Expansion Improvements as set forth in Section 501.3, shall remain in effect in accordance with the terms of the Reciprocal Easement Agreement.

(d) The covenants pertaining to maintenance of the Developer Parcel and all Parcel B Improvements and Public Parking Improvements thereon, as set forth in Section

502, shall remain in effect so long as the Project remains on the Developer Parcel and as otherwise provided in accordance with the terms of the Reciprocal Easement Agreement.

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

600. RIGHT OF FIRST OFFER

601. Right of First Offer for City to Purchase Developer Parcel

If the Developer desires to sell the Developer parcel, or any portion thereof, to a third party for consideration, the Developer shall first comply with the procedures set forth in this Section 600. Nothing in this Section 600 shall relieve the developer from its obligation to comply with Section 206 hereof.

601.1 Offering Notice

If at any time prior to the date which is five (5) years from the Effective Date of this Agreement, the Developer desires to sell its fee interest in the Developer Parcel, or any portion thereof, to a third party for consideration, the Developer, for itself and its successors and assigns, covenants and agrees that it shall, before pursuing such sale provide written notice ("Offering Notice") to the City of such intent.

601.2 Right of First Offer

The City shall provide the Developer a written notice ("Reply Notice") within thirty (30) Days of the date of receipt of an Offering Notice from the Developer of the terms which have been authorized by the City Council for purchase of the Developer Parcel or any portion thereof, and upon which the City would be willing to proceed with purchase of the Developer Parcel, or such portion thereof. If the Developer and City staff, each acting in their sole discretion, reach tentative agreement upon the terms, conditions and form of the purchase and sale agreement within sixty (60) Days after delivery of the Offering Notice, City staff shall undertake such actions as are necessary to bring the purchase and sale agreement to the City Council for consideration within thirty (30) Days of reaching such tentative agreement. Nothing herein shall be deemed a pre-commitment on behalf of either the City or the Developer to reach agreement on the terms and conditions of the purchase and sale agreement or a representation that the City's governing board will approve the purchase and sale agreement. Without limiting the generality of the foregoing, the Developer acknowledges that the City's governing board's approval of the purchase and sale agreement will be subject to those public hearings and notices as may be required by law.

601.3 Right of Developer to Proceed

If the City does not provide a Reply Notice to the Developer within thirty (30) Days of the receipt of the Offering Notice, or if the City provides such Reply Notice but the Developer and City staff are unable after good faith negotiations to agree upon the terms, conditions and form of the purchase and sale agreement within sixty (60) Days after delivery of the Offering Notice, or if the City's governing board does not timely approve any purchase and

sale agreement presented for its consideration, Developer shall be free to thereafter enter into a transaction for sale of the Developer Parcel, or such portion thereof, to a third party; provided that, if the City did timely deliver a Reply Notice to Developer: (i) the transaction with such third party proceeds upon terms and conditions which, in their totality, are not materially less favorable to the Developer than those set forth in the later of (A) the last written offer, if any, from the City or (B) the last form of the purchase and sale agreement (if any) which the City proposed prior to the expiration of the sixty (60) Day negotiating period described above (with respect to the purchase price, the Parties acknowledge that materially shall mean a purchase price that is more than twenty percent (20%) less than the City proposed price identified above); and (ii) the transaction with such third party is entered into within one (1) year after the expiration of the sixty (60) Day negotiating period described above or the failure of the City Council to approve any agreement submitted for its approval, whichever is later. If the City timely delivers the Reply Notice and the transaction with such third party is not entered into within such one (1) year period, or if the City timely delivers the Reply Notice and the proposed subsequent transaction would be concluded on terms and conditions materially less favorable to the Developer than those set forth in the last written offer from the City or the last form of the purchase and sale agreement (if any) which the City proposed prior to the expiration of the sixty (60) Day negotiating period, as applicable, then, in such event, the Developer shall not thereafter enter into an agreement for sale of the Developer Parcel, or portion thereof, to a third party without first giving the City another right of first offer in accordance with the provisions of this Section 600.

601.4 Expiration of Right of First Offer

The City's rights under this Section 600 shall survive with respect to the Developer Parcel, or any portion thereof, until the earlier of: (i) the fifth (5th) anniversary of the Effective Date of this Agreement, (ii) upon the conclusion of a transaction between the Developer and a third party transferee following Developer's compliance with the applicable requirements of this Section 600 for the Developer Parcel, or such portion thereof, (iii) upon the City's failure to timely deliver a Reply Notice following receipt of the Developer's Offering Notice as to the Developer Parcel, or such portion thereof, (iv) upon a failure of the City Council to approve any purchase agreement submitted by City staff to the City Council for approval following delivery of the City's Reply Notice, or, if such purchase agreement is approved by the City Council, upon a failure of the City to close upon the purchase of the Developer Parcel, or portion thereof, pursuant to that purchase agreement as a result of any act or omission of the City, or any party acting on its behalf or at its direction, in connection with the Developer Parcel, or such portion thereof, or (v) upon a foreclosure or deed in lieu of foreclosure of the Developer Parcel, or a portion thereof, resulting from a default under any financing for the Project or a portion thereof (and such lender's exercise of its rights and remedies upon a default with respect to such financing shall not be limited in any way by the City right of first offer set forth herein). For purposes of clarity, notwithstanding a sale of one or more portions of the Developer Parcel to a third party following compliance with the provisions of the Section 600 with respect to such sale(s), the City's right of first offer provided for in this Section 600 shall continue to apply to all remaining portions of the Developer Parcel after any such portion(s) of the Developer Parcel is (are) sold, and the City's rights under this Section 600 do not expire or terminate as to any portion of the Developer Parcel as to which the Developer retains fee title until the provisions of this Section 600 are complied with by the Developer with respect to such portion of the

Developer Parcel and until such right expires or terminates by the provisions of subsections 601.4(i)-(v) above with respect to such portion of the Developer Parcel. For purposes of clarity and without thereby implying any expansion of the scope of the City right of first offer and not as a limitation of the rights and obligations of the Parties set forth in Section 206, the right of first offer set forth in this Section shall not, in any event, (i) apply to a Transfer between Developer and an Affiliate of Developer, but, in that event, such Affiliate shall remain subject hereto with respect to any proposed subsequent third party sale of the Developer Parcel, or any portion thereof, by such Affiliate, or (ii) to any Transfer between the members of the Developer, including any such transfer pursuant to a buy-sell provision or other like provision in the operating agreement of the Developer as approved by the City. In any event, the right of first offer herein is personal to the City and, in no event, shall the City have the right to assign or otherwise transfer that right to any other person or entity.

602. Memorandum of Right of First Offer

Developer and the City agree to cause a Memorandum of Right of First Offer to be recorded against the Developer Parcel to include specific reference to the foregoing Right of First Offer. The terms of this Section 600 shall survive any termination of this Agreement.

700. DEFAULTS, REMEDIES AND TERMINATION

701. Defaults - General

Subject to the extensions of time set forth in Section 806, failure or delay by either Party to perform any term or provision of this Agreement constitutes a "Default" under this Agreement.

In addition, each of the following shall constitute a Default of Developer or, with respect to item (a), City hereunder, as applicable:

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

(b) The occurrence of any default under any of the Construction Loan documents or other loan documents secured by an interest in the Developer Parcel or under any other documents entered into by the Developer pursuant to this Agreement 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 abandoned, or, subject to the provisions of Section 806, the Improvements are not completed within the time provided in the Schedule of Performance; or

(d) Following commencement of construction of the Improvements, construction of the Improvements is halted prior to completion for a period of forty-five (45) consecutive Days for any cause which is not described in Section 806; or

(e) Developer (i) is unable to pay its respective 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 it (or, with respect to Developer, any other guarantor of Developer and a comparable replacement guarantor is not provided), 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 and such petition or proceeding is not dismissed within ninety (90) Days after filing.

Prior to exercising any right or remedy because of a Default and as a condition thereto, 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 this Agreement, the injured Party may not institute proceedings against the Party in default until the expiration of the cure period provided herein with respect to such Default. 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, such failure shall constitute an "Event of Default" under this Agreement and the defaulting Party will be liable to the other Party for any damages, subject to the limitations set forth in Section 708, caused by the Default and other relief as is afforded by applicable Governmental Requirements.

This 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.

702. 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, subject to the limitations set forth in Section 708, for any Event of Default, or to obtain any other legal equitable remedy consistent with the purpose of this 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, or in the Federal District Court in the Central District of California.

703. 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 Developer Parcel pursuant to the Grant Deed in the manner and condition set forth herein on or before the Outside Closing Date without the fault of Developer, or

(b) The City commits an Event of Default which is not cured within the time provided under this Agreement; or

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

then this Agreement may, at Developer's option, be terminated by Notice to the City. From the date of the Notice of termination of this Agreement by Developer to the City and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations between the Parties, except that the obligations and rights of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect. 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 this Agreement is terminated due to Default of the City, the City shall pay all escrow cancellation costs. If this Agreement is terminated for any other reason, the Parties shall each pay one-half of the escrow cancellation costs. In the event of a termination as a result of a City Event of Default, Developer shall have remedies provided by applicable law, subject to the limitations on damages set forth in Section 708.

704. Termination by City

704.1 Termination Prior to Closing

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

(a) Developer commits an Event of Default which is not cured within the time provided under this Agreement; or

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

(c) Developer does not accept title to the Developer Parcel or any portion thereof pursuant to the Grant Deed in the manner and condition set forth in this Agreement on or before the Outside Closing Date;

then this Agreement may, at the City's option, be terminated by Notice to Developer. From the date of the Notice of termination of this Agreement by the City to Developer and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations between the Parties, except that the obligations and rights of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect. 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, unless the City is entitled to the Deposit as provided for in Section 301.2. If the Agreement is terminated due to an Event of Default of Developer, Developer shall pay all escrow cancellation costs. If this Agreement is terminated for any other reason, the Parties shall each pay one-half of the escrow cancellation costs. In the event of a termination as a result of a Developer Event of Default, the City shall have remedies provided by applicable law, subject to the limitations on damages set forth in Section 708.

704.2 Termination After Closing

After the Close of Escrow but before Completion of the Project, the City shall have the additional right to terminate this Agreement, in the event any of the following defaults shall occur:

(a) Developer fails to commence construction of the Project as required by this Agreement for a period of ninety (90) Days after written notice from the City, provided that the Developer shall not have obtained an extension or postponement to which the Developer may be entitled pursuant to Section 806 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 the Developer, provided the Developer has not obtained an extension or postponement to which the Developer may be entitled pursuant to Section 806 hereof; or

(c) Developer commits a Transfer not expressly permitted under this Agreement or approved in advance in writing by the City; or

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

then this Agreement may, at the City's option, be terminated by Notice to Developer. From the date of the Notice of termination of this Agreement by the City to Developer and thereafter, this Agreement shall be deemed terminated and there shall be no further rights or obligations between the Parties, except that the obligations and rights of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect. In the event of a termination as a result of a Developer Event of Default, the City shall have remedies provided by applicable law, subject to the limitations on damages set forth in Section 708.

The rights established in this Section 704.2 shall not apply to any part of the Project with respect to which the City has issued a Release of Construction Covenants or Partial Release of Construction Covenants.

In the event the City terminates this Agreement pursuant to this Section 704.2, the City shall retain its rights under Section 712, notwithstanding the termination of this Agreement.

705. Applicable Law

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

706. Acceptance of Service of Process

If any legal action is commenced by the Developer against the City, service of process on the City 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 against the Developer, service of process on the Developer shall be made by personal service upon an officer or member of the 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.

707. Rights and Remedies Are Cumulative

Except as otherwise expressly stated in this 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.

708. Damages

If either the Developer or the City defaults with regard to any of the provisions of this Agreement, the non-defaulting Party shall serve written Notice of such Default upon the defaulting Party. If the Default is not cured within the cure period provided in this Agreement, then the defaulting Party shall be liable to the other party for any damages caused by such Default. Neither Party, however, shall have any right to indirect or consequential or punitive damages against the other, and each Party hereby waives the right to claim the same against the other.

709. Specific Performance

If either the Developer or the City defaults under any of the provisions of this Agreement, the non-defaulting Party shall serve written Notice of such Default upon the defaulting Party. If the Default is not cured within the cure period provided in this Agreement, then the non-defaulting Party at its option may institute an action for specific performance of the terms of this 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.

710. 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

711. 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 this 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.

712. Right of Reverter

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

(a) Fails to proceed with construction of the Improvements as required by this Agreement for a period of ninety (90) Days after written notice from the City, provided that the Developer shall not have obtained an extension or postponement to which the Developer may be entitled pursuant to Section 806 hereof; or

(b) Abandons or substantially suspends construction of the Improvements for a period of ninety (90) Days after written notice has been given by the City to the Developer, provided the Developer has not obtained an extension or postponement to which the Developer may be entitled pursuant to Section 806 hereof; or

(c) Commits a Transfer not expressly permitted under this Agreement or approved in advance in writing by the City; or

(d) Otherwise materially breaches this Agreement, and such breach is not cured within the time provided in this 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 this Agreement.

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

The Grant Deed shall contain appropriate reference and provision to give effect to the City's rights as set forth in this Section 712, subject to the foregoing provisions.

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

Upon the revesting in the City of title to the Developer Parcel as provided in this Section 712, the City shall, pursuant to its responsibilities under State law, use its best efforts to resell the Developer Parcel or part thereof as soon and in such manner as the City shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan and in furtherance of municipal and other public purposes to a qualified and responsible party or parties (as determined by the City in its sole discretion), 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 Developer Parcel or part thereof in the Redevelopment Plan. Upon such resale of the Developer Parcel, the proceeds thereof shall be applied:

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

(y) Second, to reimburse the Developer, its successor or transferee up to the amount equal to (1) the sum of the Final Purchase Price Payment (as described in Section 301.3) paid to the City by the Developer for the Developer Parcel; (2) the costs incurred for the development of the Developer Parcel and for the improvements existing on the Developer Parcel at the time of the re-entry and repossession, less (3) any gains or income withdrawn or made by the Developer from the Developer Parcel 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 a forfeiture, the rights of the City hereunder must be strictly interpreted against 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 Developer Parcel to the Developer for development of the Project as set forth herein and not for speculation, and the fact that such right is expressly authorized by California Health and Safety Code Section 33438.

713. Special Limited Obligation; No General Fund Liability, Except As Expressly Provided

Developer acknowledges and agrees that, except as expressly provided below, recovery of any damage claim by Developer against the City or any liability or financial obligation of the City pursuant to this Agreement and the ancillary agreements and documents is and shall be a special limited obligation, payable solely from payments made to the City by the Agency, and now on deposit in the segregated fund identified as the "Enterprise Fund", and is not and shall not be a pledge of or obligation payable through the City's general fund or any other funds of the City. Except as expressly provided below, nothing in this Agreement or any ancillary agreements or documents 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 this Agreement or any ancillary agreement or document. In the event the City does not have the funds to fulfill any financial obligation under this Agreement or any ancillary agreement or document, which is subject to its foregoing limitation, it shall not be considered a default or an Event of Default under this Agreement or under such ancillary agreement or document.

Notwithstanding anything above to the contrary, there shall be no limit upon the City's obligations, the source of payment of those obligations, or the Developer's rights or remedies with respect to any of the following: (i) City's obligations and responsibilities under any of the documents being executed by the City at the Closing, including the Development and Construction Contract for Public Improvements, for the payment of design, construction or operating costs of the Public Improvements and such other costs and expenses, if any, for which the City agrees to general fund liability in those documents executed at Closing, (ii) the right of Developer to seek specific performance of the City's obligations under this Agreement and any ancillary agreements and documents, including all City Documents, (iii) any claim resulting from City actions in violation of this Agreement which restrict or make unavailable any specific performance remedies of the Developer with respect to the City's performance of this Agreement, or (iv) any claim resulting from City's intentional misconduct, intentional misrepresentation or fraud. As a condition to limitations set forth in this Section 713, City covenants to maintain the segregated Enterprise Fund and to use it only for the purposes provided in the documentation providing for its creation and funding.

800. GENERAL PROVISIONS

801. Notices, Demands and Communications Between the Parties

Unless otherwise specified in this 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 1850
Los Angeles, California 90071

To Developer: Combined/Hudson 9300 Culver LLC
c/o Combined Properties, Incorporated
Attn: Marianne Lowenthal,
Executive Vice President, Development & Acquisitions
9320 Wilshire Boulevard; Suite 310
Beverly Hills, California 90212

Copy to: General Counsel
Combined Properties, Incorporated
1025 Thomas Jefferson Street NW, Suite 700 East
Washington, DC 20007-5201

Copy to: Mckenna Long and Aldridge
300 S. Grand Ave. Ste 1400
Los Angeles, California 90071
Attn: Dennis Roy, Esq.

Copy to: Combined/Hudson 9300 Culver LLC
c/o Hudson Pacific Properties, Inc.
Attn: Alex Vouvalides,
Senior Vice President, Acquisitions
11601 Wilshire Boulevard; Suite 1600
Los Angeles, California 90025
(310) 445-5706
alex@hudsonppi.com

Copy to: Chris Barton,

Executive Vice President, Operations & Development
Hudson Pacific Properties
11601 Wilshire Boulevard; Suite 1600
Los Angeles, California 90025
(323) 315-9431
Chris@hudsonllc.com

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.

802. Intentionally Omitted

803. Conflicts of Interest

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

804. Warranty Against Payment of Consideration for Agreement

The 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 this Agreement, other than normal costs of conducting business and costs of professional services such as project managers, architects, engineers, attorneys, and public relations consultants.

805. Nonliability of City Officials and Employees

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

806. Enforced Delay; Extension of Times of Performance

Failure by either Party to perform shall not be deemed a default hereunder and times for performance 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; 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 shall not excuse performance by the City); delays in the issuance of any governmental approvals or authorizations 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 and such notice shall be provided to the other Party within sixty (60)

Days from the date of knowledge of the commencement of the cause of the delay. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure delay unless and until the Party claiming such delay and interference with obligations hereunder delivers written notice to the other Party within the time period stated above which notice shall describe the event, its cause, when and how such Party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom.

The lack of funding to complete the design and development of the Site shall not in itself constitute grounds of Force Majeure delay pursuant to this Section 806. 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 this Agreement. Developer acknowledges and agrees that the provisions of this Section 806 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; provided, however, in no event shall performance be excused pursuant to this Section 806 for any Force Majeure delay for a cumulative period of more than eighteen (18) months. If said Force Majeure delay extends for more than eighteen (18) months, then either Party may terminate this Agreement upon fifteen (15) Days written notice to the other Party and upon such termination all documents and funds deposited into Escrow shall be returned to the Party depositing those funds or documents, subject to the provisions regarding the Deposit as set forth in Section 301.2. Upon such termination, the obligations and rights of the Parties under this Agreement that expressly continue after termination of this Agreement shall continue in effect.

Notwithstanding the foregoing, Developer shall be entitled to an extension of its obligation to complete development of the Project on the Site for up to six (6) additional months (for a total of up to twenty-four (24) consecutive months, but provided that any extension shall only be for the period of the Force Majeure delay if the period of such delay is less than six (6) months) if Developer demonstrates to the reasonable satisfaction of the City that solely as a result of a Force Majeure event, conditions are such that no commercially reasonable person or entity exercising timely and consistent commercially reasonable best efforts could obtain financing or complete construction of the Project. Developer shall notify the City in writing of its intention to seek such additional six (6) month period (including a description of the Force Majeure event causing such conditions and Developer's efforts to complete the development of the Project in spite of such conditions) not later than thirty (30) Days prior to the expiration of the eighteen (18) month period specified above. The City shall notify Developer of its approval or disapproval of such additional six (6) month period within ten (10) Days of the receipt of Developer's notice.

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

807. Plans and Data

If this Agreement is terminated by Developer pursuant to Section 703, 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 the actual cost to the Developer, less any reimbursements or payments paid by the City, prior to such termination, to the Developer or third party contractor for such Plans drawings, studies and related documents concerning the Project. To the extent the City paid in full for any such plans, drawings, studies and related documents concerning the Project, all such material shall be considered the sole property of the City and the Developer shall promptly deliver all such material to the City in Developer's possession at no cost or expense to the City.

If this Agreement is terminated by the City pursuant to Section 704, 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 and subject to all third party rights therein.

Upon delivery to the City pursuant to this Section, the City shall have the right to use such materials as it deems necessary and appropriate to fulfill the purposes of this Agreement without obligation to Developer but subject to all third party rights therein.

808. 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 this 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 a different period for response is expressly provided herein.

809. Relationship Between City and Developer

The Parties agree that the Developer, in the performance of this Agreement, shall act as and be an independent contracting party 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 the Developer is not that of a partnership or joint venture and that the City and the Developer shall not be deemed or construed for any purpose to be the agent of the other.

810. Real Estate Brokerage Commission

The City and Developer each represent and warrant to the other that no broker or finder is entitled to any commission or finder's fee in connection with this transaction as a result

of the actions of the representing Party, and each agrees to defend and hold harmless the other from any claim to any such commission or fee resulting from any action or inaction on its part.

811. Computation of Time

The time in which any act is to be done under this 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.

812. Legal Advice

Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this 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 this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this 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 this Agreement, and without duress or coercion, whether economic or otherwise.

813. Time of Essence

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

814. Intentionally Omitted

815. Administration

This Agreement shall be administered by the City Manager or Community Development Director following approval of this Agreement by the City. Whenever a reference is made in this 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 this 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 this Agreement on behalf of the City so long as such actions do not substantially change the uses or development permitted for the Project, or materially 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.

816. 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 this Agreement. To the extent that any lender to, or equity investor in, the Project requires modifications to this Agreement or any attachment hereto, the City agrees to reasonably consider such modifications.

817. Ground Breaking and Grand Openings

To insure proper protocol and recognition of the City Council, the 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 the Developer and celebrating the development which is the subject of this Agreement by providing City staff with at least three (3) weeks written prior notice of any such event.

818. Estoppel Letters

Each Party shall, upon the reasonable request of the other, issue estoppel letters indicating the absence of any default of the requesting Party, if such be the case, and the effectiveness of this Agreement, if such be the case, and such other matters as may be reasonably requested.

819. Counterparts

This Agreement may be signed in counterparts, each of which shall be deemed to be an original. The Parties specifically agree that signatures on this Agreement transmitted electronically or by facsimile shall be legally binding and that each Party is entitled and authorized to rely on such electronic or facsimile signature of the other Party hereon as if it were an original signature. Original signatures of the Developer shall also be provided to the City for its records.

820. Entire Agreement, Waivers and Amendments

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes one hundred two (102) pages, two signature pages and Attachment Nos. 1 through 14, and any agreements entered into by the Parties substantially in the form of Attachment Nos. 1 through 14, which constitute the entire understanding and agreement of the Parties.

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.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or the Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of the City and the Developer.

821. Time for Acceptance of Agreement by City

This Agreement, when executed by the Developer and delivered to the City, must be authorized and executed by the City within forty five (45) Days after date of signature by the Developer or this Agreement shall be void, except to the extent that the City and Developer shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement by the City. The date of this Agreement shall be the date when the Agreement shall have been signed by the City.

900. SPECIAL PROVISIONS

901. Development and Construction of the Public Improvements

901.1 Development and Construction Contract for Public Improvements

(a) Subject to the provisions of this Section 901, the Developer shall Develop and Cause Construction of the Public Parking Improvements and the Town Plaza Expansion Improvements ("Public Improvements") to Completion on and within the Site pursuant to this Agreement including, without limitation, the Scope of Development, the Plans (including all necessary modified plans for the Town Plaza Expansion Improvements), Schematic Drawings, design development drawings and building permit/construction drawings, and the Development and Construction Contract for Public Improvements to be entered into between the City and Developer by the Close of Escrow.

(b) The Development and Construction Contract for Public Improvements shall be subject to the prior written approval of the City and the Developer and the Parties shall cooperate in good faith to complete the form of that agreement consistent with the terms of this Agreement.

(c) The City shall have reviewed and approved all Plans, including without limitation Schematic Drawings, building permit/construction drawings, and design development drawings, prior to the Developer seeking contractor bids for the construction and development of the Public Improvements. The design for the Public Parking Improvements shall be based on the parking plan prepared by or on behalf of the City in connection with the Public Improvements and the Public Parking Design Specifications attached to this Agreement as Attachment No. 12. The design for the Town Plaza Expansion Improvements shall be based on any and all plans and designs provided by the City to the Developer or otherwise approved by the City in connection with the Town Plaza Expansion Improvements. The Developer shall Develop and Cause Construction of the Public Improvements, and the Development and Construction Contract for Public Improvements shall obligate the Developer to Develop and Cause Construction of the Public Improvements, in accordance with all such Plans as approved by the City. The City shall have reviewed and approved the contractor bid proposed to be selected for the construction and development of the Public Improvements, prior to the Developer making the selection of the contractor bid for the construction and development of the Public Improvements.

(d) Although the Private Parking Improvements and the Public Parking Improvements shall be constructed by the Developer as a seamless parking structure facility, the Developer shall Develop and Cause Construction of the Private Parking Improvements portion of

the Parcel B Improvements at no cost to the City in accordance with this Agreement and consistent with the description set forth in the Scope of Development and the Plans approved by the City.

(e) The Development and Construction Contract for Public Improvements shall contain the requirement for the provision of performance, payment and completion bonds, as approved by the City or required by law, provided that all cost and expense attributable to those bonds shall be funded by the City pursuant to the Development and Construction Contract for Public Improvements. The fact that Developer is not a licensed general contractor shall not be used by the City as a defense against paying Developer any amounts that otherwise may be due under the Development and Construction Contract for Public Improvements or any other agreement approved in writing by the City.

(f) Developer shall be obligated to diligently take all steps required to complete the design of the Public Improvements and obtain all necessary City approvals for those improvements in connection with the requirements of the Schedule of Performance. Upon Completion of the Project, the Public Parking Improvements shall be operated and maintained in accordance with the requirements of the Reciprocal Easement Agreement and will be operated and controlled by the Developer under and in accordance with the terms of the Reciprocal Easement Agreement or such other agreement approved by the Parties, unless as otherwise determined by the City should the City desire to assume operation and control of the Public Parking Improvements. Upon Completion of the Town Plaza Expansion Improvements, the operation and control of the Town Plaza Expansion Improvements shall be turned over to the City regardless of the status and progress of the construction of the remainder of the Project but subject to the City's compliance with its obligations under the Development and Construction Contract for Public Improvements. Following such transfer of operation and control to the City, the City shall be solely responsible for all further costs of operation or maintenance of the Town Plaza Expansion Improvements, and shall cause those improvements to be operated and maintained in accordance with the requirements of the Reciprocal Easement Agreement.

(g) Commencing upon the City's execution of this Agreement, the City shall pay monthly, upon receipt of invoices with supporting documentation from Developer, for the architecture and engineering costs, except for Developer's pro rata share of the cost of planning, designing, developing and constructing the driveway access portion of the Public Parking Improvements, related to the Public Parking Improvements and the Town Plaza Expansion Improvements, as approved by the City, which are incurred by the Developer to perform its obligations under this Section 901 to complete the design of the Public Parking Improvements and the Town Plaza Expansion Improvements consistent with the timelines for preparation of the Plans as set forth in the Schedule of Performance. The City shall approve any work to be performed by the Developer or on behalf of the Developer in connection with the architectural and engineering services and the costs to be incurred as a result thereof and such approval shall be provided by the City in advance of the services being rendered and the costs incurred therefrom. Any services and costs not otherwise approved in advance by the City shall be at the sole cost and expense of the Developer. Any and all Plans and materials produced as a result of such architectural and engineering services that have been paid for by the City shall be deemed the property of the City and not the Developer. Upon a termination of this Agreement for any

reason, Developer shall promptly provide the City with all such Plans and materials at no further cost to the City.

(h) At the Closing, the City shall deposit funds into an escrow account ("Post Closing Funding Escrow") for the benefit of the City and Developer in an amount equal to the projected cost of the Public Parking Improvements and the Town Plaza Expansion Improvements, except for Developer's pro rata share of the cost of planning, designing, developing and constructing the driveway access portion of the Public Parking Improvements, from which monthly payments will be made to Developer in accordance with customary draw requests and documentation for the costs of the Public Parking Improvements and the Town Plaza Expansion Improvements incurred by the Developer as provided in the Development and Construction Contract for Public Improvements.

(i) The City shall be a third-party beneficiary of the general contractor's obligation to Developer under the Development and Construction Contract for Public Improvements, including without limitation all guarantees, warranties, and remedies accruing to Developer thereunder.

(j) The Developer shall maintain accurate records in a commercially customary form of all costs incurred in connection with the Parking Improvements and the Town Plaza Expansion Improvements and shall provide copies of all such records to the City promptly upon the City's request.

901.2 Financing the Public Improvements

(a) Other than Developer funding the Developer's cost of planning, designing, developing and constructing the Private Parking Improvements as a component of the Parcel B Improvements and Developer's pro rata share of the cost of planning, designing, developing and constructing the driveway access portion of the Public Parking Improvements, each of which shall be funded by the Developer without any cost to the City, the City shall fund the remaining cost of planning, designing, developing and constructing the Public Parking Improvements and the Town Plaza Expansion Improvements to Completion, provided the City has reviewed and approved (i) all Plans for the Public Improvements including without limitation, the Schematic Drawings, design development drawings and building permit/construction drawings, (ii) the contractor bids selected for construction of the Public Improvements, and (iii) the construction contract for construction of the Public Improvements. The City may use the unexpended proceeds of the Parking Revenue Bonds or, at the City's option in its sole discretion, use other lawfully available funds to fund its costs of the development and construction of the Public Improvements. As more thoroughly described in this subparagraphs (b) and (c) below, the cost of the Public Parking Improvements and the Town Plaza Expansion Improvements for which the City shall be responsible shall be determined by reputable, responsible and reliable contractor bids following completion of final construction drawings for the Project as approved by the City, with a reduction from such cost for the Developer's pro rata share of costs for the design and construction of the driveway access for the Parking Improvements which shall be the sole cost and expense of the Developer.

(b) The results of the contractor bid process for the Town Plaza Expansion Improvements shall be subject to the City's approval and will determine the cost payable by the City for the construction and development of the Town Plaza Expansion Improvements. If the Parties are not in agreement on the bid identifying the cost of the Town Plaza Expansion Improvements, the City will retain, at the shared cost of the City and the Developer, and subject to the reasonable approval of the City and Developer, an independent cost estimator to resolve the disagreement of the Parties and establish the cost for the Town Plaza Expansion Improvements. The decision of the cost estimator shall be final. The Developer shall cause the Town Plaza Expansion Improvements bids to be completed by the date set forth in the Schedule of Performance.

(c) Since the Parking Improvements will be constructed as a seamless parking facility in conjunction with the Parcel B Improvements, the process for determining the City's share of cost for the construction and development of the Public Parking Improvements shall be determined by reputable, responsible and reliable contractor bids administered by the Developer with the approval of the City upon the City's approval of final construction drawings and all other Plans. To implement the foregoing, by the date set forth in the Schedule of Performance, the Developer will (i) cause the Private Parking Improvements (approximately 98 parking spaces within the property line of the Developer Parcel) bid by reputable, reliable and responsible contractors reasonably acceptable to the City on the basis that the entire Private Parking Improvements is being constructed using only union labor, and (ii) cause both the Private Parking Improvements and the Public Parking Improvements collectively (i.e. Parking Improvements) bid by the same reputable and responsible contractors reasonably acceptable to the City on the basis that the entire Parking Improvements is being constructed in accordance with all prevailing wage requirements. The results of the bids identifying the incremental cost to the Parking Improvements which is attributable to the cost of construction of the Public Parking Improvements (including prevailing wages) relative to a baseline cost of construction of the Private Parking Improvements as a union wage project, except for the Developer's pro rata share of costs for the design and construction of the driveway access for the Parking Improvements which shall be the sole cost and expense of the Developer, will be the total cost of the Public Parking Improvements payable by the City as set forth in this Section 901.2. If the Parties are not in agreement on the bid identifying a differential in the bid amounts of the Private Parking Improvements using union wage and the Parking Improvements using prevailing wage, the City will retain, at the shared cost of the City and the Developer, and subject to the reasonable approval of the City and Developer, an independent cost estimator to resolve the disagreement of the Parties and establish the incremental cost premium for the Public Parking Improvements. The decision of the cost estimator shall be final.

902. Reciprocal Easement Agreement

A Reciprocal Easement Agreement shall be prepared, executed and recorded concurrent with the Closing, in form and substance subject to the approval of the City Manager and Developer, and consistent with terms and conditions of this Agreement. The Reciprocal Easement Agreement shall provide for the operation, maintenance, repair, restoration and replacement, detailed allocation of operating costs, arrangements for ingress and egress, and other matters necessary to establish a secure, equitable and efficient coordination between the Public Parking Improvement, the Town Plaza Improvements, and the Parcel B Improvements

and among the Developer Parcel and the City Parcel, comparable in coverage and conditions to such reciprocal easement agreements for mixed use developments similar to the Project, and shall include the following terms and conditions:

(a) The Developer (or its permitted successors and assigns) shall have the obligation to manage, repair, maintain and operate the Master Common Area (as defined below) of the Parking Improvements (and all portions of the Public Parking Improvements at the City's option in its sole discretion) only (City shall have the obligation to manage, repair, maintain and operate the Town Plaza Expansion Improvements and Developer shall have the obligation to manage, repair, maintain and operate the Parcel B Improvements), and to collect assessments from the Developer Parcel and the City Parcel for their respective shares of the costs incurred in connection therewith, including costs of insurance and taxes on such Master Common Area. Without limiting the generality of the foregoing, the Developer shall be responsible at all times for: (a) the maintenance and repair in a high-quality manner appropriate to the Improvements of the Master Common Area including all exterior and interior surfaces and public areas in and about the Parking Improvements such as building curtain walls, walkways, sidewalks, lighting, planters, utilities, signs, stairways, escalators and elevators serving the Parking Improvements, except to the extent any such areas are or become the responsibility of the Developer Parcel or the City Parcel owner either because such areas are part of the remaining Parcel B Improvements not included within the Private Parking Improvements or such areas are part of the Town Plaza Expansion Improvements ("Master Common Area"); and (b) the coordination between all elements of the Parking Improvements. The Reciprocal Easement Agreement shall include remedies of the Parties in the event of a default by an individual Party with respect to its obligations under the Reciprocal Easement Agreement.

(b) The Reciprocal Easement Agreement shall provide for payment to the project manager by each of the owner of the Developer Parcel and the owner of the City Parcel of its share (as determined in accordance with the Reciprocal Easement Agreement) of the costs of repair, maintenance and operation of the Master Common Area (and all portions of the Public Parking Improvements if the Developer is selected by the City to operate and control all of the Public Parking Improvements). The Reciprocal Easement Agreement shall include customary remedies for property owners in the event the Developer fails to maintain and operate the Master Common Area in accordance with the required standards, and shall include customary remedies for collection and enforcement of assessments.

(c) The Reciprocal Easement Agreement shall include provisions regarding the respective obligations of the Parties regarding insuring and rebuilding the Parking Improvements if they are damaged or destroyed in any manner, and any associated common areas needed for vehicle and pedestrian access, including elevators, stairs, columns, and signage.

(d) The Parties hereby agree, and in the Reciprocal Easement Agreement or a separate agreement among the City and the Developer, the Parties shall ensure, the proper operation of the Public Parking Improvements and the Private Parking Improvements including, without limitation: (i) that all parking in the Public Parking Improvements shall be operated on a transient basis with all revenue proceeds (including parking receipts) from the parking operations, less applicable expenses, to be retained by the City as its sole and separate

property, which will include some type of mechanism to track the revenue and use of the public parking spaces; (ii) that all parking in the Private Parking Improvements shall be operated primarily as monthly leased parking serving the tenants of the Parcel B Improvements which will include some type of mechanism to track the revenue and use and to control the use of the private parking spaces; and (iii) that the City shall have the right to audit annually all revenue proceeds (including parking receipts) from the parking operations of the Public Parking Improvements, at the City's sole cost subject to the right to recover those costs in the event such audit confirms a material error in revenue reports and payments made to the City.

(e) The Reciprocal Easement Agreement shall include an irrevocable and perpetual easement for the use and operation of the Public Parking Improvements including those public parking spaces located on the Private Parking Improvements. The Reciprocal Easement Agreement shall include provisions that require the City to cooperate, but not financially unless otherwise as agreed to by the City, with the Developer in good faith for the rebuilding and redesigning of the Private Parking Improvements and the public parking spaces located thereon should the Private Parking Improvements and the public parking spaces located thereon become substantially or completely destroyed or damaged and are no longer functionally operational.

(f) The Reciprocal Easement Agreement shall include requirements for the Developer's (or its permitted successors and assigns) obligations to manage, repair, maintain and operate the Parcel B Improvements consistent with the provisions of this Agreement. Without limiting the generality of the foregoing, the Developer shall be responsible, at all times, at its own cost except as expressly provided in this Agreement where the City may cause reimbursement for certain maintenance and repair costs, for (a) the operation of the Parcel B Improvements as a four level high quality office and retail complex with Private Parking Improvements, and (b) the maintenance and repair in a high-quality manner appropriate to the Improvements of the Parcel B Improvements including all exterior and interior surfaces and public areas in and about the Parcel B Improvements such as building curtain walls, walkways, sidewalks, lighting, planters, utilities, signs, stairways, escalators and elevators serving the Improvements.

(g) The Reciprocal Easement Agreement shall contain such restrictions on the Developer in connection with a Transfer consistent with this Agreement as applicable for the period required herein.

(h) The Reciprocal Easement Agreement shall include each and every covenant set forth in Section 501 (Covenants Regarding Specific Uses), Section 502 (Covenants Regarding Maintenance), Section 503 (Covenants Regarding Redevelopment Plan; Nondiscrimination), and Section 504 (Effect of Violation).

(i) The Reciprocal Easement Agreement shall be recorded against the Developer Parcel as a senior lien and encumbrance in priority, and the City Parcel, in the Official Records. The Reciprocal Easement Agreement shall be recorded in the Official Records upon Completion of any portion of the Project.

903. Art in Public Places Program Requirements

As part of its development of the Developer Parcel and the Parcel B Improvements, the 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. If the 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, the Developer shall submit payment of the In Lieu Public Art Fee to the City by the Close of Escrow and such funds will be allocated to artwork for the Town Plaza Expansion Improvements or as otherwise approved by the City. Nothing contained in this Section 903 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 this Agreement shall obligate the City to contribute any funds toward artwork on the Project, including without limitation, in the Developer Parcel or the City Parcel except for the application of any In Lieu Public Art Fee as provided above.

904. Parking License

As part of its development of the Developer Parcel and the Parcel B Improvements, the City and the Developer will enter into the Parking License by the Close of Escrow, subject to the Parties' reasonable approval of the form of the Parking License. Pursuant to the Parking License, the City will grant to the Developer a non-exclusive license to access and use up to three hundred seventeen (317) parking spaces located within the Ince Parking Structure for use by customers and tenants of the Parcel B Improvements and the Developer shall pay to the City a monthly license fee for the "Monthly Tenant Spaces", all in accordance with the terms and conditions set forth in the Parking License. The Parking License shall have a term equal to the maximum permitted by applicable law up to a term of ninety nine (99) years (which shall, at a minimum be a term of fifty five (55) years with an option for renewal in accordance with the terms therefore), subject to termination rights of the Parties as expressly provided therein. In connection with the foregoing, the Parties shall exercise good faith efforts to cooperate in taking all reasonable steps necessary to authorize a license term of up to 99 years. The Parking License shall provide the City with the right to relocate the 317 parking spaces to another permissible and available location within the commercial downtown pooled parking district described in the City's Zoning Ordinance if the Ince Parking Structure is damaged by casualty and is not repaired to an operational condition and as otherwise provided in the Parking License, as more fully provided in the Parking License.

905. Historic Culver Sign License

As part of its development of the Developer Parcel and the Parcel B Improvements, the City will, at the Developer's election, and subject to the Parties' reasonable approval of the form of the Historic Culver Sign License, enter into the Historic Culver Sign License prior to the Close of Escrow, providing Developer an exclusive license to use the historic Culver Script neon sign owned by the City in conjunction with the Parcel B Improvements, in accordance with the terms and conditions set forth in the Historic Culver Sign

License. The City shall retain ownership of the Culver sign. The Historic Culver Sign License shall provide that the Developer shall restore and install the sign, at Developer's sole cost, in the Parcel B Improvements in a location approved in advance by the City, and Developer shall maintain the Culver sign in good working order at Developer's sole expense. The Historic Culver Sign License shall terminate if the Parcel B Improvements are demolished or at the will of the City upon its sole and absolute discretion, in accordance with the terms therefore in the Historic Culver Sign License. Upon termination of the Historic Culver Sign License, the Developer shall promptly return to the City the historic Culver Script neon sign, in accordance with the terms therefore in the Historic Culver Sign License. If the Historic Culver Sign License is terminated at the Developer's election, then removal, relocation, and delivery to the City of the Culver sign shall be at the Developer's sole cost and expense. If the Historic Culver Sign License is terminated at the City's election, then removal, relocation, and delivery to the City of the Culver sign shall be at the City's sole cost and expense. Developer shall not receive any reimbursement from the City for its restoration and installation of the Culver sign.

906. Purchase Price Adjustment for Prevailing Wage Cost of Above Ground Commercial Portion of Project

The Parties have agreed and determined that the City will be responsible for any incremental cost to the above ground portion of the Project, if any, which is attributable to the cost of construction of the above ground portion of the Project as a prevailing wage project relative to a baseline cost of construction of the above ground portion of the Project as a union wage project up to a maximum amount of TWO MILLION DOLLARS (\$2,000,000), and that such agreement will be implemented by applying such differential, if any, but not to exceed TWO MILLION DOLLARS (\$2,000,000), as a reduction to the Purchase Price for the Developer Parcel payable by Developer as set forth in Section 301.1 at the Closing.

In order to implement the foregoing, following completion of final construction drawings for the Project and all other Plans as approved by the City and by the date set forth in the Schedule of Performance, the Developer shall have the above ground commercial portion of the Project bid by reputable, reliable and responsible contractors reasonably acceptable to the City on the basis that the entire above ground commercial portion of the Project is being constructed using only union labor and separately on the basis that the entire above ground commercial portion of the Project is being constructed in accordance with all prevailing wage requirements. The results of the bids identifying an incremental cost to the above ground commercial portion of the Project, if any, which is attributable to the cost of construction of the above ground commercial portion of the Project as a prevailing wage project relative to a baseline cost of construction of the above ground commercial portion of the Project as a union wage project will be the amount of the reduction applied to the Purchase Price for the Developer Parcel payable by Developer as set forth in Section 301.1 at the Closing, up to a maximum reduction of TWO MILLION DOLLARS (\$2,000,000).

If the Parties are not in agreement on the bid identifying a differential in the bid amounts using union wage and prevailing wage, the City will retain, at the shared cost of the City and the Developer, and subject to the reasonable approval of the City and Developer, an independent cost estimator to resolve the disagreement of the Parties and establish the incremental cost premium, if any. The decision of the cost estimator shall be final. To the extent

that the prevailing wage bid of the contractor selected to perform the work exceeds the union labor bid of that contractor, the difference between the two bids shall be applied as a reduction to the Purchase Price for the Developer Parcel payable by Developer at the Close of Escrow up to a maximum reduction amount of TWO MILLION DOLLARS (\$2,000,000).

The Developer shall be responsible for any incremental cost above the TWO MILLION DOLLARS (\$2,000,000). The Parties further acknowledge that, in any event, the Improvements will be constructed as a prevailing wage project and in accordance with all requirements applicable thereto.

If, by the Closing, funds are not available, for any reason, to the City to Develop and Cause Construction of the Public Parking Improvements and all or any portion of the Public Parking Improvements are unable to proceed toward development and construction, Developer may continue to proceed with the development and construction of the Parcel B Improvements (and the Town Plaza Expansion Improvements if applicable), subject to satisfaction of all terms and conditions of this Agreement and ancillary documents for the development and construction of the Parcel B Improvements. Upon that event, the Purchase Price adjustment provided for by this Section 906 up to the maximum reduction amount of \$2,000,000 shall include the incremental cost, if any, to the Private Parking Improvements which is attributable to the cost of construction of the Private Parking Improvements as a prevailing wage project relative to a baseline cost of construction of the Private Parking Improvements as a union wage project.

907. Extraordinary Costs

The Parties have agreed and determined that the City and/or the Developer, as provided below, be will be responsible for certain extraordinary costs as defined herein and as approved by the Parties prior to the Closing ("Extraordinary Costs") in connection with the construction and development of the Project and the requirements and conditions imposed on the Developer pursuant to this Agreement. The amounts of the Extraordinary Costs as determined in accordance with this Section 907 will constitute certain reductions and/or additions in the Purchase Price payable by the Developer for the Developer Parcel at the Closing as set forth in Section 301.1, as set forth as follows:

(a) Project Off-Sites: The City and Developer have determined the Purchase Price based upon the premise and with the understanding, at City's request, that the Developer assume a maximum cost for the hard costs of constructing the off-site improvements in connection with the Parcel B Improvements of THREE HUNDRED AND FIFTY THOUSAND DOLLARS (\$350,000) ("Off-Site Cap Amount"), and the Developer is undertaking the Parcel B Improvements based upon such understanding. The Parties each agree as follows that: (i) if the total projected cumulative hard cost ("Project Off-Sites Cost") applicable to the off-site improvements required in connection with the Parcel B Improvements (collectively, "Project Off-Sites") are less than the Off-Site Cap Amount, then the Purchase Price shall be increased at the Closing by an amount equal to the difference between the Off-Site Cap Amount and the Project Off-Sites Cost and shall be payable by the Developer for the Developer Parcel at the Closing; and (ii) if the Project Off-Sites Cost applicable to the Project Off-Sites is greater than the Off-Site Cap Amount, then there will be a reduction to the Purchase Price payable by the Developer for the Developer Parcel at the Closing by an amount equal to the

difference between the Off-Site Cap Amount and the Project Off-Sites Cost. In order to implement the foregoing understanding, the City and Developer agree to proceed as follows: (i) once all required Project Off-Sites have been finally determined (which Project Off-Sites shall substantially conform to the Project Off-Sites described in the Scope of Development attached hereto unless otherwise approved by the Parties) and are ready for bid, and by the date set forth in the Schedule of Performance, the Developer will obtain at least three bids for that work, or each applicable portion thereof, from qualified contractors; (ii) if those bids show a Project Off-Sites Cost for the Project Off-Sites in excess of the Off-Site Cap Amount, the Parties shall meet and confer as to whether the scope of the Project Off-Sites may be modified without material adverse impact to the Parcel B Improvements so as to bring the Project Off-Sites Cost of Project Off-Sites within the Off-Site Cap Amount, and, if so, the Project Off-Sites shall be so modified; (iii) if the Project Off-Sites cannot be so modified to bring the Project Off-Sites Cost within the Off-Site Cap Amount, an amount equal to such excess projected cost over the Off-Site Cap Amount shall be applied as a reduction to the Purchase Price payable by the Developer for the Developer Parcel at the Closing as an Extraordinary Cost; (iv) if those bids show a Project Off-Sites Cost for the Project Off-Sites less than the Off-Site Cap Amount, then an amount equal to such reduction from the Off-Site Cap Amount shall be added to and shall increase the Purchase Price payable by the Developer for the Developer Parcel at the Closing. The amount of the Project Off-Sites Cost for the Project Off-Sites after the bid process and the amount, if any, determined as a reduction to the Purchase Price or an increase to the Purchase Price shall be final on the Parties. Any increase in the cost for the Project Off-Sites after the Closing shall be borne by the Developer with no cost to the City.

(b) City Permits and Fees: The City and Developer have determined the Purchase Price based upon the premise and with the understanding, at City's request, that the Developer assume a maximum cost for the City permits and fees of constructing the Parcel B Improvements at EIGHT DOLLARS AND SEVENTY CENTS (\$8.70) per square foot of gross building area (collectively, "Permit/Fee Cost Cap Amount"), and the Developer is undertaking the Project based upon the understanding and agreement that the City will fund, as a reduction to the Purchase Price payable by the Developer for the Developer Parcel at the Closing, any such costs applicable to the City permits and fees required in connection with the Parcel B Improvements (collectively, "City Permits and Fees") that cumulatively exceed the Permit/Fee Cost Cap Amount. In order to implement the foregoing understanding, the City and Developer agree to proceed as follows: (i) once all required Parcel B Improvements have been finally determined (which Parcel B Improvements shall substantially conform to the Parcel B Improvements described in the Scope of Development attached hereto); and (ii) if the cumulative total City Permits and Fees based on the gross building area of the Parcel B Improvements exceed the Permit/Fee Cost Cap Amount, an amount equal to such excess of City Permits and Fees over the Permit/Fee Cost Cap Amount shall be applied as a reduction to the Purchase Price payable by the Developer for the Developer Parcel at the Closing as an Extraordinary Cost. The cumulative amount of the City Permits and Fees for the Parcel B Improvements as determined by the City prior to the Closing by the date set forth in the Schedule of Performance, and the amount, if any, determined as an Extraordinary Cost shall be final on the Parties. Any increase in the City Permit and Fees after the Closing shall be borne by the Developer, with no cost to the City.

(c) Project Redesign Costs if Public Parking Not Developed. If, by the Closing, funds are not available, for any reason, to the City to Develop and Cause Construction of the Public Parking Improvements and all or any portion of the Public Parking Improvements are unable to proceed toward development and construction; Developer may continue to proceed with the development and construction of the Parcel B Improvements (and the Town Plaza Expansion Improvements if applicable), subject to satisfaction of all terms and conditions of this Agreement and ancillary documents for the development and construction of the Parcel B Improvements. Upon such event the Public Parking Improvements will not proceed toward development and construction by the Closing, the City and Developer agree that Developer will incur certain costs as a result of being required to redesign the Parcel B Improvements without the Public Parking Improvements as a part of the Project under this Agreement, and that the City will contribute an amount not to exceed TWO HUNDRED THOUSAND DOLLARS (\$200,000) toward such costs incurred by the Developer and such contribution shall be made in the form of, and applied as, a reduction to the Purchase Price payable by the Developer for the Developer Parcel at the Closing as an Extraordinary Cost. No such other form of contribution for such redesign costs shall be provided by the City. If the Parties are not in agreement on the total amount of costs to be incurred by the Developer for such redesign of the Parcel B Improvements, the City will retain, at the shared cost of the City and the Developer, and subject to the reasonable approval of the City and Developer, an independent cost estimator to resolve the disagreement of the Parties and establish the costs of such redesign work required for the Parcel B Improvements without the Public Parking Improvements. The decision of the cost estimator shall be final. Any increase in the cost for the such redesign work after the Closing shall be borne by the Developer with no cost to the City.

[Signatures on Following Page]

IN WITNESS WHEREOF, the City and Developer have signed this Agreement on the dates set forth below.

“DEVELOPER”

COMBINED/HUDSON 9300 CULVER LLC,
a Delaware limited liability company

By: Combined Culver Venture LLC,
a Delaware limited liability company,
its managing member

Date: _____

By: _____
Name: _____
Its: _____

By: Hudson 9300 Culver, LLC,
a Delaware limited liability company,
its managing member

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

Date: 1/31/2012

By: Mark Damm
Name: Mark Damm
Title: CFO

[Signatures Continue on Following Page]

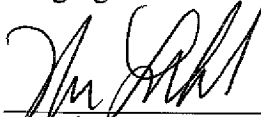
IN WITNESS WHEREOF, the City and Developer have signed this Agreement on the
dates set forth below.

"DEVELOPER"

COMBINED/HUDSON 9300 CULVER LLC,
a Delaware limited liability company

By: Combined Culver Venture LLC,
a Delaware limited liability company,
its managing member

Date: 1-31-12

By: 
Name: MARIANNE LOWENTHAL
Its: VICE President

By: Hudson 9300 Culver, LLC,
a Delaware limited liability company,
its managing member

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

Date: _____

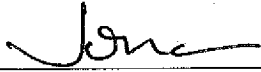
By: _____
Name: _____
Title: _____

[Signatures Continue on Following Page]

"CITY"

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

Date: 1/31/12

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

ATTACHMENT NO. 1

SITE MAP

(Developer Parcel identified as Parcel 1; City Parcel identified as Parcel 2)

[See Attached]

PARCEL MAP NO. 66158

IN THE CITY OF CLIVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

MONUMENT NOTES:

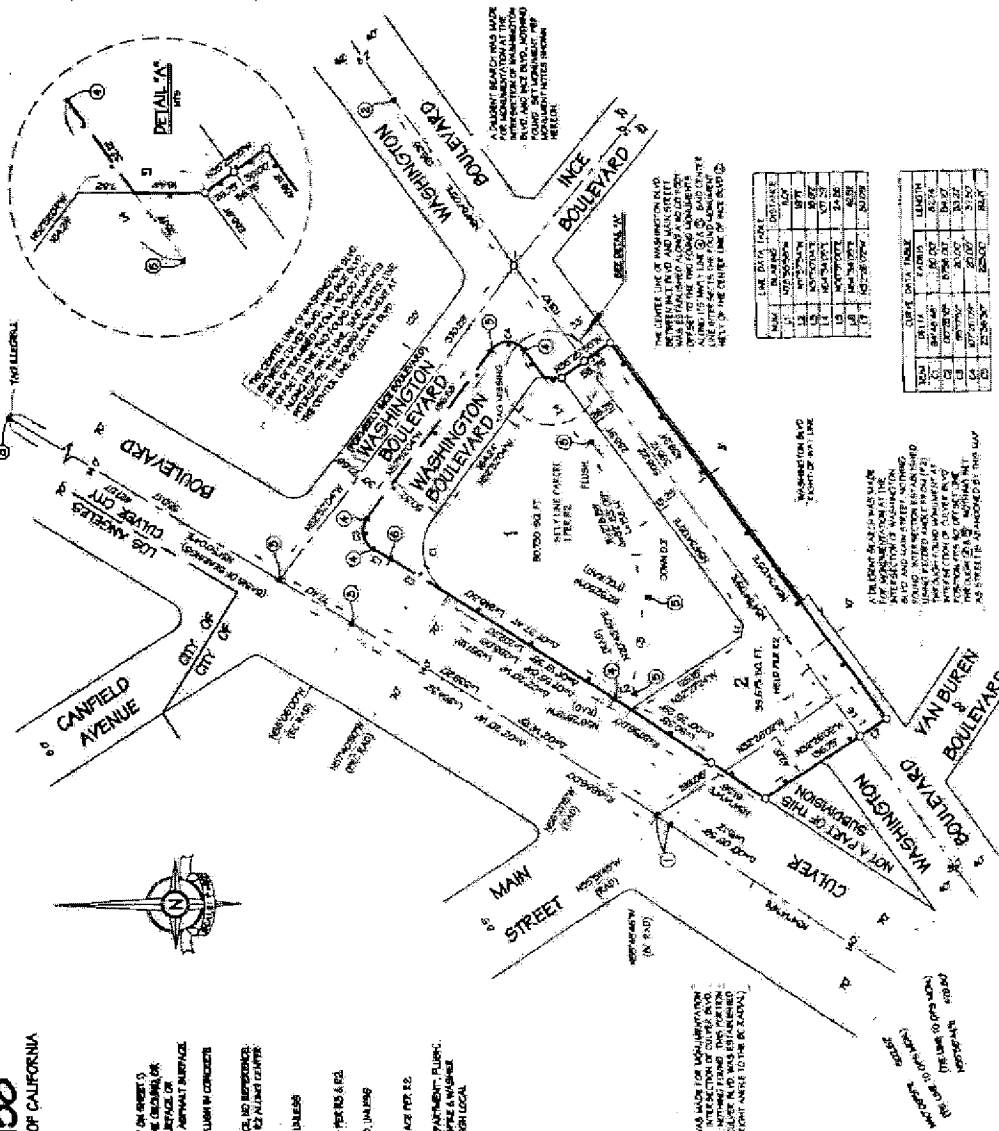
4. FOUND MEASUREMENT AS NOTED IN MEASUREMENT NOTES.
FOLLOWING THE CHAIN OF COMMAND, THIS MEASUREMENT OCCURRED ON 10/28/2013.
FOLLOWING THE CHAIN OF COMMAND, THIS MEASUREMENT OCCURRED ON 10/28/2013.
A LEAD AND BRASS WAS STAMPED "U.S. ARMY" TO BE SET FLUSH IN CONCRETE SURFACE ON
A FENCE AND LEAD BRASS WERE STAMPED "U.S. ARMY" TO BE SET FLUSH IN ASPHALT SURFACE.
LEADS OF LEAD BRASS, WITH PENCIL, STAMPED "U.S. ARMY" CITY OF CLEVELAND CITY, FLUSH IN CONCRETE
SURFACE, PER ES.
5. FOUND LEAD AND BRASS STAMPED "U.S. ARMY" IN ASPHALT SURFACE, NO MEASUREMENTS
MADE. PER ES.
6. FOUND LEAD AND BRASS STAMPED "U.S. ARMY" FLUSH IN CONCRETE SURFACE, BRASS
CITY OF WASHINGTON, DISTRICT OF COLUMBIA, STAMPED "U.S. ARMY" PER ES.
7. FOUND LEAD AND BRASS STAMPED "U.S. ARMY" FLUSH IN CONCRETE SURFACE, PER ES & ES.
ONE MEASUREMENT NOTED, PER ES.
8. FOUND LEAD AND BRASS STAMPED "U.S. ARMY" FLUSH IN CONCRETE SURFACE, PER ES.
ONE MEASUREMENT NOTED, PER ES.
9. FOUND BRASS AND LEAD WERE STAMPED "U.S. ARMY" FLUSH IN ASPHALT SURFACE, PER ES.
FOLLOWING THE CHAIN OF COMMAND, THIS MEASUREMENT OCCURRED ON 10/28/2013.
FOLLOWING THE CHAIN OF COMMAND, THIS MEASUREMENT OCCURRED ON 10/28/2013.
A LEAD AND BRASS WAS STAMPED "U.S. ARMY" TO BE SET FLUSH IN CONCRETE SURFACE ON
A FENCE AND LEAD BRASS WERE STAMPED "U.S. ARMY" TO BE SET FLUSH IN ASPHALT SURFACE.
LEADS OF LEAD BRASS, WITH PENCIL, STAMPED "U.S. ARMY" CITY OF CLEVELAND CITY, FLUSH IN CONCRETE
SURFACE, PER ES.

RECORD REFERENCES:

81	TRACT NO. 3866, A.B. 24-57
82	VERIFIED PARCELS MAP NO. 2880B, P.A.S. 250-80-64
83	A.B. 282-44-58
84	A.S. 250-086-72
85	A.B. 225-5
86	PARCELS MAP NO. 2880B, P.A.S. 250-80-64
87	TRACT NO. 2880, A.B. 28-10

LEGEND

- [illegible]



NAME	PLACING	LENGTH	DISTANCE
1	172-26-000	1871	
12	187-26-000	1871	
13	187-26-000	1871	
14	187-26-000	1871	
15	187-26-000	1871	
16	187-26-000	1871	

CLASS DATA INDEX			
NAME	DATE	RADIUS	LENGTH
1	01/24/74	30.00	82.74
2	02/26/74	07.50 EXT	84.57
3	03/27/74	30.00	83.27
4	07/27/74	20.00	81.50

ATTACHMENT NO. 2-A

LEGAL DESCRIPTION – DEVELOPER PARCEL

[See Attached]

LEGAL DESCRIPTION

DEVELOPER PARCEL

(9300 Culver Boulevard, Culver City, California)

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

PARCEL 1, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO.3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-

TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY HELEN GRIFFIN FORKE, STANLEY MOCK, ROBERT HEINEKEN, IN DEED RECORDED DECEMBER 11, 1981 AS INSTRUMENT NO. 81-1217854, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED INDEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY

PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY WM J. MURPHY, RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96507.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY

OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE
THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11,
1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

ATTACHMENT NO. 2-B

LEGAL DESCRIPTION – CITY PARCEL

[See Attached]

LEGAL DESCRIPTION

CITY PARCEL

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

PARCEL 2, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN OF PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO. 3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID

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ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

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ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

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ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

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ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

ATTACHMENT NO. 3

Scope of Development

Parcel B Improvements: The Parcel B Improvements are comprised of an office and retail complex of three uniquely styled contemporary buildings set on a podium of ground level retail as described and depicted in the Developer's September 8, 2011 proposal. Stepped roof lines, setbacks, cantilevers and varying window treatment create the building form for the office which reveals as two or three buildings depending upon orientation to the project. The project materials include wood, brick, copper colored metal panels and glass. The development includes an "Elevated Plaza" and "Grand Stairs" that front on the adjacent Town Plaza. The project contains approximately 115,108 square feet of gross building area containing a minimum of 32,654 square feet dedicated to retail and restaurant uses and containing a minimum of 55,470 gross square feet dedicated to office use and including public restrooms and a storage area, in addition to approximately 18,990 square feet of open space, and subterranean parking designed and constructed in conjunction with the Public Parking Improvements. The Grand Stairs are approximately 50 feet in width, rise one story and connect at the second level with an elevated plaza, a restaurant space, retail space, and office component. The project may include both conventional office and "loft-style" creative office space fronting the Elevated Plaza. The stair and plaza features are to be available for public use and are intended to be used in connection with public art and performance events in conjunction with the adjacent Town Plaza. In conjunction with the Developer's development of the Parcel B Improvements and included as part of the City's approval of the entitlements for the Parcel B Improvements, Developer is required to construct certain off-site improvements. Such off-site improvements include (or as otherwise approved by the City): (i) Washington/Ince intersection modifications (estimated cost at \$35,000), (ii) Eastbound Culver Boulevard grooved pavement (estimated cost at \$5,000), and (iii) installation of bollards on Washington/Culver island (estimated cost at (\$10,000), for a total estimated cost of \$50,000. As discussed in Sections 301.1 of the Agreement in connection with the Purchase Price for the Developer Parcel and Section 907 of the Agreement in connection with "Extraordinary Costs", the Purchase Price for the Developer Parcel assumes a cost for off-site improvements of \$350,000. If such off-site improvements cost is less than or greater than \$350,000 as determined by the Closing, the Purchase Price at the Closing will be adjusted accordingly at the Closing. The cost of the off-site improvements determined at Closing shall be the final cost and binding on the Parties. Any off-site improvements costs determined or incurred after Closing in excess of the final costs for the off-site improvements determined at Closing shall be the sole responsibility of the Developer. All improvements referenced above in this paragraph are referred to as the "**Parcel B Improvements**".

A. Town Plaza Expansion Improvements: The Town Plaza Expansion Improvements shall be collectively referred to herein as the "**Expansion Improvements**". The City has prepared the design, construction documents, bid documents, cost estimates, and other criteria for the construction of the Expansion Improvements by LRM Landscape Architects Ltd. Developer agrees to hire a landscape architect and civil engineering firm to modify the existing construction documents to ensure continuity with the Developer's project design and to reflect an "on structure" design atop one level of subterranean parking, as depicted in the Final Parcel Map attached hereto as Exhibit "A" and incorporated herein by this reference, on property that is legally described in the Legal Description attached hereto as Exhibit "B" and incorporated herein

by this reference. The Developer agrees to design and construct and to prepare bid documents for the Expansion Improvements at City's expense subject to the City's prior approval of costs. Developer agrees to design the Access Road in such a manner that it may be connected to The Culver Studios subterranean parking garage, if built. City agrees to pay Developer a construction management fee amounting to 4% of the Expansion Improvements construction cost to oversee the design, bidding and construction of the Expansion Improvements.

B. Public Parking Improvements: Developer agrees to design and construct the maximum number of parking spaces achievable beneath the Site and Expansion Improvements area with a shared subterranean ramp located within the Access Road and to prepare bid documents for the Public Parking Improvements at City's expense (with exception to Developer funding a pro rata share of the cost to design and construct the subterranean parking ramp within the Access Road). Developer agrees to design the Access Road ramp in such a manner that it may be connected to The Culver Studios subterranean parking garage, if built. If The Culver Studios subterranean parking garage is built, Developer agrees to enter into an agreement with the City and The Culver Studios for the shared use of the Access Road ramp, at no additional cost to Developer. City agrees to pay Developer a construction management fee amounting to 4% of the Public Parking Improvements construction cost to oversee the design, bidding and construction of the Public Parking Improvements (with exception to Developer funding a pro rata share of the cost to design and construct the subterranean parking ramp within the Access Road). The parking spaces beneath the Parcel B Improvements (with the exception of the public spaces) will be designed, constructed and owned by the Developer at Developer expense. The parking spaces beneath the City Parcel (including those public spaces located beneath the Parcel B Improvements) shall be referred to herein as the **"Public Parking"** amounting to approximately 100 parking spaces, and will be owned by the City to the extent such portion of the Public Parking is located within the City Parcel, and designed and constructed at City expense. Developer and City will pay their pro rata share for ongoing maintenance and operation of the parking spaces. The Developer receives the revenue for its parking spaces and the City receives the revenue from the Public Parking spaces. A reciprocal easement is required, as set forth in Section 902 of the Agreement, to accommodate parking access, elevators, stairs and utility access, among other matters.

C. Budget for Expansion Improvements and Public Parking: The Budget for the Expansion Improvements and Public Parking is set forth in the Project Budget attached hereto as Exhibit "C" and incorporated herein by this reference.

Exhibit "B"

Legal Description - Town Plaza Expansion Improvements

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

PARCEL 2, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO. 3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

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ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR

DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

Exhibit "C"

Project Budget – Expansion Improvements and Public Parking

Construction Costs

Expansion Improvements	\$3,243,000*
102 Public Parking Spaces	<u>\$3,700,000**</u>
Total Project Budget:	\$6,943,000

* Actual cost will be determined when General Contractor bids are received and are subsequently verified and approved by the City's construction cost consultant. The estimated fee to Developer for construction management is based on total Expansion Improvements Construction Cost and total Public Parking Improvements Construction Cost (with exception to Developer funding a pro rata share of the cost to design and construct the subterranean parking ramp within the Access Road) and is estimated to be $4\% \times \$3,243,000$ (Expansion Improvements) and $4\% \times \$3,700,000$ (Public Parking Improvements) = \$277,720 ($4\% \times \$6,943,000$).

**\$37,000 per space X 100 spaces = \$3,700,000. Cost is an estimate and includes design and construction and does not include the estimated management fee to the Developer for construction management. Actual cost will be determined when General Contractor bids are received and are subsequently verified and approved by the City's construction cost consultant. The estimated fee to Developer for construction management is based on total Expansion Improvements Construction Cost and total Public Parking Improvements Construction Cost (with exception to Developer funding a pro rata share of the cost to design and construct the subterranean parking ramp within the Access Road) and is estimated to be $4\% \times \$3,243,000$ (Expansion Improvements) and $4\% \times \$3,700,000$ (Public Parking Improvements) = \$277,720 ($4\% \times \$6,943,000$).

ATTACHMENT NO. 4

SCHEDULE OF PERFORMANCE

[See Attached]

FINAL

COMBINED/HUDSON 9300 CULVER LLC PARCEL B DDA

SCHEDULE OF PERFORMANCE

1.	<u>Execution of DDA by Developer; Execution of Guaranty Agreement by CPI and Hudson; Submission of DDA and Guaranty Agreement to City.</u>	Prior to City's execution of DDA.
2.	<u>City Council Consideration of DDA. City holds public hearing to consider DDA.</u>	After the legally required public notice of the public hearing and within 45 Days after Developer executes DDA.
3.	<u>Execution of DDA by City (the Effective Date).</u>	Within 5 Days after City Council approves DDA.
4.	<u>Opening of Escrow for City's Conveyance of Developer Parcel to Developer.</u>	Within 5 Days after the Effective Date.
5.	<u>Developer Deposits Deposit into Escrow.</u>	Within 5 Days after the Effective Date upon Opening Escrow.
6.	<u>City Submits Grant Deed (With Cover Sheet) into Escrow.</u>	Within 15 Days of Opening Escrow.
7.	<u>City Provides Developer with All Plans and Reports in Its Possession.</u>	Within 15 Days of Opening Escrow.
8.	<u>Parties Order Title Report for Developer Parcel.</u>	Within 30 Days of Opening Escrow.

9.	<u>City Provides Developer With Preliminary Parking Design for Public and Private Parking Layout in Collaboration With Developer; Parties Complete Parking License.</u> City engages parking consultant to study the parking layout options and the access issues. Consultant provides a recommendation, in conjunction with input from Developer and its Architect. City pays up to \$20,000 for the study. City and Developer complete the Parking License.	Within 60 Days of the Effective Date.
10.	<u>Developer Completes Its Environmental Review of Developer Parcel; Developer and City Complete All Outstanding Agreements of Parties (Including, Without Limitation, the Reciprocal Easement Agreement, Development and Construction Contract for Public Improvements, and Historic Culver Sign License (If Applicable); Developer Submits to City Any Changes to City-Approved Architect, Landscape Architect, and/or Engineer .</u>	Within 240 Days of the Effective Date.
11.	<u>Developer Submits to City Schematic Drawings for Parcel B Improvements and Public Parking Improvements; Developer Submits to City (If Applicable) Landscaping and Grading Plans.</u> Developer will incorporate the recommendation of the parking study for the Public Parking and Private Parking Improvements into Schematic Drawings.	Within 90 days of completion of #10.

12.	<u>City Determines if Schematic Drawings are In Substantial Conformance With Existing Project Entitlements and Approves or Disapproves Schematic Drawings; City Reviews and Approves or Disapproves Landscaping and Grading Plans (If Applicable).</u>	Within 15 business days of receipt of the Schematic Drawings from Developer (and if applicable, landscaping and grading plans).
13.	<u>Developer Commences Design of Town Plaza Expansion Improvements in Collaboration with City (Including Schematic Drawings).</u>	Within 15 Days of City's approval of Schematic Drawings for the Parcel B Improvements and Public Parking Improvements.
14.	<u>Developer Submits to City Design Development Drawings for the Project and All Improvements (Parcel B Improvements, Public Parking Improvements and Town Plaza Expansion Improvements).</u>	Within 120 Days of City's approval of Schematic Drawings.
15.	<u>City Reviews and Approves or Disapproves Design Development Drawings for the Project.</u>	Within 30 Days of receipt of the Design Development Drawings from Developer.
16.	<u>Developer Submits to City Complete Set of Building Permit/Construction Drawings for the Project and All Improvements (Parcel B Improvements, Public Parking Improvements and Town Plaza Expansion Improvements).</u>	Within 120 Days of City's approval of Design Development Drawings.
17.	<u>City Reviews and Approves or Disapproves Building Permit/Construction Drawings for the Project.</u>	Within 30 Days of receipt of the Building Permit/Construction Drawings from Developer.

18.	<u>Developer Bids Project and All Improvements (Parcel B Improvements, Public Parking Improvements, and Town Plaza Expansion Improvements); Developer Bids Private Parking Improvements using Union Wages and Private and Public Parking Improvements using Prevailing Wages (To Determine Cost of Public Parking Improvements); Developer Bids Above Ground Commercial Portion of Project using Union Wages and Above Ground Commercial Portion of Project using Prevailing Wages (To Determine Cost of Increment Cost Resulting From Prevailing Wages; Developer Bids Project Off-Sites (To Determine Extraordinary Cost Amount).</u>	Within 90 Days of the City's approval of Complete Set of Building Permit/Construction Drawings.
19.	<u>General Contractor(s) Selection for the Project: Developer chooses a General Contractor(s) to construct the Project and All Improvements (Parcel B Improvements, Public Parking Improvements and Town Plaza Expansion Improvements). Developer may choose multiple Contractors to perform the work. Public Improvements' Contractor selection subject to City's reasonable approval.</u>	Within 90 Days of the City's approval of Complete Set of Building Permit/Construction Drawings.
20.	<u>Building Permit Submittal.</u>	Within 15 Days of the selection of the General Contractor(s) for the Project.
21.	<u>Finalize Purchase Price, Cost for Public Parking Improvements, and Cost for Town Plaza Expansion Improvements.</u>	Within 30 Days of the receipt of bids outlined in #18.
22.	<u>City Deposits into Post Closing Funding Escrow Amount of Requisite Funds for City's Share of Costs for Public Parking Improvements and Town Plaza Expansion Improvements.</u>	Within 30 Days of the receipt of bids outlined in #18.

23.	<u>Developer Submits to City Project Evidence of Financing, draft Construction Loan Documents, and draft Project Construction Contracts.</u> Submission shall include construction budgets and other financial information showing evidence of financing.	Within 60 Days of finalization of Purchase Price, Cost for Public Parking Improvements and Cost of Town Plaza Expansion Improvements but in no event less than 60 Days prior to scheduled Close of Escrow.
24.	<u>City Approval or Disapproval of Project Evidence of Financing, draft Construction Loan Documents, and draft Project Construction Contracts.</u> The City's Community Development Director shall approve, conditionally approve or disapprove Project Evidence of Financing, draft Construction Loan Documents, and draft Construction Contracts, and other financial information.	Within 20 Days of receipt of Project Evidence of Financing, draft Construction Loan Documents, and draft Project Construction Contracts from Developer.
25.	<u>Developer Submits to City Final Construction Loan Documents and Final Construction Contracts (Incl. Performance and Payment Bonds for Public Improvements Contract(s) Only).</u>	Not less than 30 Days prior to scheduled Close of Escrow.
26.	<u>City Approval or Disapproval of Final Construction Loan Documents and Final Project Construction Contracts.</u>	Within 20 Days of receipt of Final Construction Loan Documents and Final Construction Contracts from Developer.
27.	<u>Parties Update Title Report for Developer Parcel.</u>	Not later than 30 Days prior to the scheduled Close of Escrow.

28.	<u>Obtain All Necessary City Approvals for Construction and Development of Project.</u> Developer shall have obtained all City approvals, easements, license agreements and permits required for the development of the Site, including, without limitation, the completion of plan check by City Building and Safety Division and the building permits shall be ready for issue.	Not less than 3 Days prior to the scheduled Close of Escrow.
29.	<u>Satisfaction (or Waiver as Permitted by DDA) of Each City Condition Precedent to Conveyance and Each Developer Condition Precedent to Conveyance (Including, Without Limitation, the Parties Deposit into Escrow All Executed Documents Required for Closing).</u>	Prior to the scheduled Close of Escrow.
30.	<u>Developer Deposit into Escrow the Final Purchase Price Payment, Developer's Share of Escrow Fees and Costs, and (If Applicable) In Lieu Public Art Fee; City Deposit into Escrow City's Share of Escrow Fees and Costs.</u>	Not less than 3 Days prior to the scheduled Close of Escrow.
31.	<u>Close of Escrow; Conveyance of Developer Parcel.</u> Escrow shall Close; Title to Developer Property shall be conveyed to Developer in accordance with terms and conditions of the DDA.	Upon satisfaction of the Conditions Precedent to Conveyance by City and Developer, and no later than the Outside Closing Date of August 14, 2014.
32.	<u>Commencement of Construction.</u> Developer shall commence the construction and development of the Project and all Improvements (Parcel B Improvements, Public Parking Improvements and Town Plaza Expansion Improvements).	No later than 30 Days after the Close of Escrow.

33.	<u>Completion of Construction.</u> Developer shall Complete construction and development of the Project and all Improvements (Parcel B Improvements, Public Parking Improvements and Town Plaza Expansion Improvements).	Within 24 months from the commencement of construction of the Project. City may allow extension of construction completion date for good cause as reasonably determined by the City Manager or designee.
34.	<u>Final Inspection of Project.</u> City shall conduct a final inspection of the completed construction and development of the Project and all Improvements (Parcel B Improvements, Public Parking Improvements and Town Plaza Expansion Improvements).	Within 30 Days of receipt of written notice of completion by Developer.
35.	<u>Release of Construction Covenants.</u> City shall issue a Release of Construction Covenants for the Project.	Upon satisfactory completion of all conditions set forth in the DDA, and within 15 Days of written request from Developer.
36.	<u>Final Payment to Developer for Public Improvements.</u> City will authorize release from the Post Closing Funding Escrow the final payment for construction, planning and oversight of the Public Parking Improvements and Town Plaza Expansion Improvements.	35 Days after City approves filing the Notice of Completion, after City issues the Release of Construction Covenants for the Public Improvements (as applicable), and after all remaining conditions precedent to final payment set forth in the Development and Construction Contract for Public Improvements are satisfied.

NOTES:

This Schedule of Performance is subject to all of the terms and conditions of the text of the Disposition and Development Agreement (“DDA”). The summary of the items in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any conflict or inconsistency between this Schedule of Performance and the text of the DDA, the text of the DDA shall govern.

The time periods set forth in this Schedule of Performance may be altered or amended only by written agreement signed by the City and Developer. The City Manager or his/her designee shall have the authority to approve extensions of time without action of the City Council of the City for good cause as reasonably determined by the City Manager or his/her designee.

ATTACHMENT NO. 5

GRANT DEED

[See Attached]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

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

MAIL TAX STATEMENTS TO:

COMBINED/HUDSON 9300 CULVER LLC
c/o Combined Properties Incorporated
9320 Wilshire Boulevard; Suite 310
Beverly Hills, California 90212
Attn: Property Management

SPACE ABOVE THIS LINE FOR RECORDING USE

Parcel Number:

OFFICIAL BUSINESS

Separate Statement of Tax Due Submitted
Per Revenue & Taxation Code § 11932

Document Entitled to Free Recording
Per Government Code §§ 6103 & 27383

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE CITY OF CULVER CITY, a charter city of the State of California, herein called "Grantor", acting to carry out the Redevelopment Plan ("Redevelopment Plan") for the Culver City Redevelopment Project, Component Area 3 ("Project Area"), under the Community Redevelopment Law of the State of California, and for other municipal and public purposes, hereby grants to COMBINED/HUDSON 9300 CULVER LLC, a Delaware limited liability company, herein called "Grantee", the real property described in Exhibit "A" attached hereto ("Developer Parcel") and incorporated herein by this reference, subject to the existing easements, restrictions and covenants of record described therein and consistent with the obligations of the Grantee and the Grantor under the DDA (defined below).

1. Conveyance in Accordance With Redevelopment Plan, Disposition and Development Agreement. The Developer Parcel is conveyed in accordance with and subject to the Redevelopment Plan and the Disposition and Development Agreement dated as of January 31, 2012 and entered into by and between the Grantor ("City" therein) and the Grantee ("Developer" therein) (the "DDA"), a copy of which is on file in the offices of the City Clerk of Grantor as a public record and which is incorporated herein by reference. DDA as used herein shall mean, refer to and include the DDA, as well as any riders, exhibits, addenda, implementation agreements, amendments, modifications, supplements and attachments thereto or other documents expressly incorporated by reference in the DDA. Any capitalized term not

herein defined shall have the same meaning ascribed to such term in the DDA. All of the terms, covenants and conditions of this Grant Deed shall be binding upon the Grantee and the permitted successors and assigns of the Grantee. Whenever the term "Grantee" is used in this Grant Deed, such term shall include any other successors and assigns as herein provided.

2. Uses. In accordance with the DDA and the plans approved by the Grantor, the Grantee shall develop and construct on the Developer Parcel a four level high quality office and retail complex with an Elevated Plaza and "Grand Stairs", providing approximately providing approximately 115,108 square feet of gross building area containing a minimum of 32,654 square feet dedicated to retail and restaurant uses and containing a minimum of 55,470 gross square feet dedicated to office use and including public restrooms and a storage area, in addition to approximately 18,990 square feet of open space, and subterranean parking ("Parcel B Improvements"), as more fully set forth in the DDA. In addition, as required by the DDA and subject to the approval of the Grantor, the Grantee shall, in conjunction with the development of the Parcel B Improvements, develop and construct on that certain real property owned and retained by the Grantor and located adjacent to the Developer Parcel certain subterranean public parking improvements ("Public Parking Improvements") and certain public improvements relating to the expansion of the Town Plaza Project (defined in the DDA) ("Town Plaza Expansion Improvements"), as more fully set forth in the DDA. The Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Developer Parcel or any part thereof, that upon the date of this Grant Deed and during construction through Completion of development and thereafter, the Grantee shall develop, maintain, use and devote the Developer Parcel to the uses specified in the DDA including, without limitation, operational and maintenance covenants and covenants reserved for the benefit of the Grantor and the public, uses provided in that certain Reciprocal Easement Agreement executed by and between the Grantor and Grantee and recorded against the Developer Parcel pursuant to the DDA, the Redevelopment Plan and this Grant Deed and in accordance with plans approved therefore by the Grantor, for the periods of time specified therein. All uses conducted on the Developer Parcel, including, without limitation, all activities undertaken by the Grantee pursuant to the DDA, shall conform to the DDA, the Redevelopment Plan, plans approved by the Grantor, and all applicable provisions of the Culver City Municipal Code. The foregoing covenants shall run with the land.

3. Restrictions on Transfer. The Grantee further agrees as follows:

a. For the period commencing upon the date of this Grant Deed, no voluntary or involuntary successor in interest of the Grantee shall acquire any rights or powers under the DDA or this Grant Deed, nor shall the Grantee make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Developer Parcel without the prior written approval of the Grantor or as otherwise permitted pursuant to the DDA.

b. The Grantee shall not place or suffer to be placed on the Developer Parcel any lien or encumbrance other than mortgages, deeds of trust, or any other form of conveyance required for financing of the construction of the improvements on the Developer Parcel, and any other expenditures necessary and appropriate to develop the Developer Parcel pursuant to the DDA.

4. Nondiscrimination. The Grantee herein covenants by and for itself, its 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 itself or any person claiming under or through the Grantee, 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.

The Grantee shall refrain from restricting the rental, sale or lease of the Developer Parcel 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."

5. Reserved.

6. **Violations Do Not Impair Liens.** 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 the DDA; provided, however, that any subsequent owner of the Developer Parcel 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.

7. **Covenants Run With Land.** All covenants contained in this Grant Deed shall be covenants running with the land. Except as provided hereunder and the DDA, all of the Grantee's obligations and covenants hereunder shall remain in effect in perpetuity.

8. **Covenants For Benefit of Grantor.** All covenants without regard to technical classification or designation, legal or otherwise, shall be, to the fullest extent permitted by law and equity, binding for the benefit of the Grantor, its successors and assigns, and such covenants shall run in favor of, and be enforceable by, the Grantor, its successors and assigns, against Grantee, its successors and assigns, to or of the Developer Parcel conveyed herein or any portion thereof or any interest therein, and any party in possession or occupancy of the Developer Parcel or portion thereof, for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, its successors and assigns, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach.

9. **Revisions to Grant Deed.** Both the Grantor, its successors and assigns, and the Grantee and Grantee's successors and assigns in and to all or any part of the fee title to the Developer Parcel shall have the right with the mutual consent of the Grantee and Grantor to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, or restrictions contained in this Grant Deed without the consent of any tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Developer Parcel. However, the Grantee is obligated to give written notice to and obtain the consent of any first mortgagee prior to consent or agreement between the parties concerning such changes to this Grant Deed. The covenants contained in this Grant Deed, without regard to technical classification, shall not benefit or be enforceable by any owner of any other real property within or outside the Project Area, or any person or entity having any interest in any other such realty. No amendment to the Redevelopment Plan shall require the consent of the Grantee.

10. **Right of Reverter.** The Grantor shall have the right, at its option, to re-enter and take possession of all portions of the Developer Parcel conveyed to the Grantee pursuant to the DDA, with all improvements thereon, and revert in the Grantor the estate theretofore conveyed to the Grantee, and Grantee shall thereupon forfeit its title to the Developer Parcel and all improvements thereon, if, after Conveyance of title and prior to recordation of the Release of Construction Covenants for such portions of the Developer Parcel, the Grantee (or its successors in interest):

(a) Fails to proceed with construction of the Improvements as required by the DDA for a period of ninety (90) Days after written notice from the Grantor, provided that the Grantee shall not have obtained an extension or postponement to which the Grantee may be entitled pursuant to Section 806 of the DDA.

(b) Abandons or substantially suspends construction of the Improvements for a period of ninety (90) Days after written notice has been given by the Grantor to the Grantee, provided the Grantee has not obtained an extension or postponement to which the Grantee may be entitled to pursuant to Section 806 of the DDA.

(c) Commits a Transfer not expressly permitted under the DDA or approved in advance in writing by the Grantor.

(d) Otherwise materially breaches the DDA, and such breach is not cured within the time provided in the DDA.

Such right to re-enter, repossess, terminate and revest 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 DDA.

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

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

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

(x) First, to reimburse the Grantor on its own behalf and on behalf of The Culver City Reimbursement Agency ("Agency") for all reasonable and necessary costs and expenses incurred by the Grantor in connection with reentering, terminating and revesting and resale of all such portions of the Developer Parcel, including but not limited to, salaries of personnel employed or utilized in connection with the recapture, management and resale of the Developer Parcel or part thereof (but less any income derived by the Grantor from the Developer

Parcel or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Developer Parcel or part thereof (or, in the event the Developer Parcel is exempt from taxation or assessment of such charges during the period of ownership, such taxes, assessments or charges (as determined by the Grantor assessing official) as would have been payable if the Developer Parcel were not so exempt); any payments made or necessary to be made to discharge or to prevent from attaching or being made any encumbrances or liens due to obligations, defaults or acts of the 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 Developer Parcel or part thereof; and any amounts otherwise owing the Grantor by the Grantee and its successor or transferee; and

(y) Second, to reimburse the Grantee, its successor or transferee up to the amount equal to (1) the sum of the Final Purchase Price Payment (as described in Section 301.3 of the DDA) paid to the Grantor by the Grantee for the Developer Parcel; (2) the costs incurred for the development of the Developer Parcel and for the improvements existing on the Developer Parcel at the time of the re-entry and repossession, less (3) any gains or income withdrawn or made by the Grantee from the Developer Parcel or the improvements thereon; and

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

Upon the revesting in the Grantor of title to the Developer Parcel as provided herein, the Grantor shall also be entitled to exercise all of its rights under the Assignment of Construction Contract (Attachment No. 8 to the DDA) and the Assignment of Plans, Reports and Data (Attachment No. 9 to the DDA).

To the extent that the rights established in this Section involves a forfeiture, the rights of the Grantor hereunder must be strictly interpreted against the Grantor, 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 Grantor is conveying the Developer Parcel to the Grantee for development of the Project as set forth in the DDA and not for speculation, and the fact that such right is expressly authorized by California Health and Safety Code Section 33438.

11. No Merger. 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 Developer Parcel or any part thereof after the conveyance of said Developer Parcel shall be deemed to be merged with this Grant Deed.

[Signatures On Next Page]

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized this 13TH day of FEBRUARY, 2012.

"GRANTOR"

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

Date: 2/13/12

By: [Signature]
John M. Nachbar
City Manager

APPROVED AS TO CONTENT:

By: [Signature]
Sol Blumenfeld
Community Development Director

ATTEST:

By: [Signature]
City Clerk

APPROVED AS TO FORM:

By: [Signature]
Carol Schwab
City Attorney

By: [Signature]
KANE, BALLMER & BERKMAN
City Special Counsel
MURRAY O. KANE

[Signatures Continue On Next Page]

State of California)
)
County of Los Angeles)

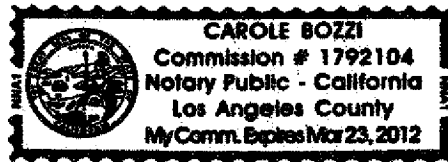
On February 13, 2012 before me, Carole Bozzi (here insert name of the officer), Notary Public, personally appeared John M. Nachbar, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they 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.

Carole Bozzi
Signature of Notary Public

[Seal]



State of California)
)
County of Los Angeles)

On February 13, 2012 before me, Carole Bozzi (here insert name of the officer), Notary Public, personally appeared Sol Blumenfeld, 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.

Carole Bozzi
Signature of Notary Public

[Seal]



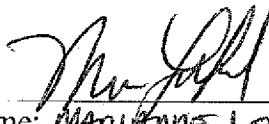
Grantee hereby accepts the written deed, subject to all of the matters hereinbefore set forth.

"GRANTEE"

COMBINED/HUDSON 9300 CULVER LLC,
a Delaware limited liability company

By: Combined Culver Venture LLC,
a Delaware limited liability company,
its managing member

Date: 2-9-12

By: 
Name: MARIANNE LOWENTHAL
Its: VICE PRESIDENT

By: Hudson 9300 Culver, LLC,
a Delaware limited liability company,
its managing member

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

Date: 2-8-12

By: 
Name: Mark T. Lammas
Title: Chief Financial Officer

State of California)
County of Los Angeles)

On February 9, 2012 before me, Carole Bozzi (here insert name of the officer), Notary Public, personally appeared Marianne Lowenthal, 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.

Carole Bozzi

Signature of Notary Public

[Seal]



State of California)
County of Los Angeles)

On February 8, 2012, 2012 before me, Christina Campisano (here insert name of the officer), Notary Public, personally appeared Mark T. Lammara, 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.

Christina Campisano

Signature of Notary Public

[Seal]

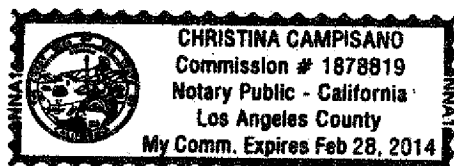


EXHIBIT "A"

LEGAL DESCRIPTION

9300 Culver Boulevard, Culver City, California

(Developer Parcel)

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

PARCEL 1, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN OF PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO.3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY HELEN GRIFFIN FORKE, STANLEY MOCK, ROBERT HEINEKEN, IN DEED RECORDED DECEMBER 11, 1981 AS INSTRUMENT NO. 81-1217854, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED INDEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY WM J. MURPHY, RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96507.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO

PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

ATTACHMENT NO. 6

RELEASE OF CONSTRUCTION COVENANTS

[See Attached]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDING USE

Parcel Number:

OFFICIAL BUSINESS

Document Entitled to Free Recording
Per Government Code §§ 6103 & 27383

RELEASE OF CONSTRUCTION COVENANTS

THIS RELEASE OF CONSTRUCTION COVENANTS ("Release") is hereby made as of this ___ day of _____, 201_, by THE CITY OF CULVER CITY, a charter city of the State of California ("City") in favor of COMBINED/HUDSON 9300 CULVER LLC, a Delaware limited liability company ("Developer").

RECITALS

WHEREAS, the City and the Developer entered into a Disposition and Development Agreement dated _____, 2012 which was approved by the City Council of the City on _____, 2012 pursuant to Resolution No. R-_____ and filed as Document No. _____ in the official records of the City Clerk for the City ("DDA") 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 ("Developer Parcel"), for the specific purpose of developing certain improvements on the Developer Parcel and adjacent to the Developer Parcel ("Project") in accordance with the terms and conditions contained in the DDA. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the DDA; and

WHEREAS, pursuant to the DDA, the City delivered a Grant Deed dated _____ conveying title of the Developer Parcel, which was accepted by the Developer and recorded in the Official Records of the Los Angeles County-Registrar on _____, as Document No. _____ ("Grant Deed"); and

WHEREAS, in accordance with and pursuant to Section 413 of the DDA, upon the Completion of the Project and upon the request of the Developer, the City shall issue for recordation against the Developer Parcel a Release of Construction Covenants acknowledging the Developer's satisfactory completion of the construction of the Project in accordance with the DDA; and

WHEREAS, the Developer has satisfactorily completed the construction of the Project as required by the DDA and has requested that the City issue the Release for the Project; and

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

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

1. The construction of the Project has been fully and satisfactorily performed and completed in accordance with the DDA.

2. After the recordation of this Release, any person or entity then owning or thereafter purchasing, or otherwise acquiring any interest in the Developer Parcel will not (because of such ownership, purchase, or acquisition) incur any obligation or liability under the DDA to construct the Project; however, such party shall be bound by any and all of the covenants, conditions, and restrictions concerning the use, maintenance and operation of the Developer Parcel which survive the recordation of this Release.

3. Nothing contained in this instrument shall modify any provisions of the DDA.

3. This Release is not a notice of completion as referred to in Section 3093 of the California Civil Code.

IN WITNESS WHEREOF, the City has executed this Release as of the date set forth above.

“CITY”

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

By: _____
John M. Nachbar
City Manager

APPROVED AS TO CONTENT:

By: _____
Sol Blumenfeld
Community Development Director

[Signatures Continue On Next Page]

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 _____, 2012 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 _____, 2012 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.

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WITNESS my hand and official seal.

Signature of Notary Public

[Seal]

EXHIBIT "A"

LEGAL DESCRIPTION

9300 Culver Boulevard, Culver City, California

(Developer Parcel)

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

PARCEL 1, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN OF PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO.3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

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ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY HELEN GRIFFIN FORKE, STANLEY MOCK, ROBERT HEINEKEN, IN DEED RECORDED DECEMBER 11, 1981 AS INSTRUMENT NO. 81-1217854, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED INDEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY WM J. MURPHY, RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96507.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO

PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

ATTACHMENT NO. 7

MEMORANDUM OF RIGHT OF FIRST OFFER

[See Attached]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDING USE

Parcel Number:

OFFICIAL BUSINESS
Document Entitled to Free Recording
Per Government Code §§ 6103 & 27383

MEMORANDUM OF RIGHT OF FIRST OFFER

(DEVELOPER PARCEL)

THIS MEMORANDUM OF RIGHT OF FIRST OFFER ("Memorandum of Right of First Offer") is executed in connection with that certain Disposition and Development Agreement dated as of _____, 2012 and entered into by and between the undersigned COMBINED/CULVER 9300 CULVER LLC, a Delaware limited liability company ("Developer") and THE CITY OF CULVER CITY, a charter city of the State of California ("City") ("DDA"), 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 ("Developer Parcel"), for the specific purpose of developing certain improvements on the Developer Parcel and adjacent to the Developer Parcel ("Project") in accordance with the terms and conditions contained in the DDA. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the DDA.

Pursuant to Sections 600 through 602 of the DDA, the Developer granted to the City the right of first offer to purchase the Developer Parcel, and any portion thereof, at a price and under the terms and conditions described in detail in the DDA, the terms of which bind the heirs, successors, and assigns of the Developer.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

"DEVELOPER"

_____,
a California limited liability company

By: _____

"CITY"

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

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 _____, _____ 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 _____, _____ 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

9300 Culver Boulevard, Culver City, California

(Developer Parcel)

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

PARCEL 1, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN OF PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO.3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG,

DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY HELEN GRIFFIN FORKE, STANLEY MOCK, ROBERT HEINEKEN, IN DEED RECORDED DECEMBER 11, 1981 AS INSTRUMENT NO. 81-1217854, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED INDEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE

THEREOF, AS RESERVED BY WM J. MURPHY, RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96507.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO,

IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL
RECORDS.

ATTACHMENT NO. 8

ASSIGNMENT OF CONSTRUCTION CONTRACT

[See Attached]

ASSIGNMENT OF CONSTRUCTION CONTRACTS

For Valuable Consideration, receipt of which is hereby acknowledged, COMBINED/HUDSON 9300 CULVER LLC, a Delaware limited liability company ("Developer"), as additional security for its obligations under that certain Disposition and Development Agreement ("DDA"), dated as of _____, 2012 to which the Developer and THE CITY OF CULVER CITY, a charter city of the State of California ("City") are parties, hereby assigns to the City all of the Developer's rights, title and interest, but not its obligations, in, under and to a construction contract between the Developer and _____, a California corporation ("Contractor") dated _____, upon the following terms and conditions. The DDA as used herein shall mean, refer to and include the DDA, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the DDA. Any capitalized term not herein defined shall have the same meaning ascribed to such term in the DDA.

A. The Developer is the owner of that certain real property described in Exhibit "A-1" attached hereto and incorporated herein by this reference ("Developer Parcel"), on which the Developer intends to construct certain of those certain Improvements and the Project defined and described in the DDA. The City is the owner of that certain real property adjacent to the Developer Parcel and described in Exhibit "A-2" attached hereto and incorporated herein by this reference ("City Parcel"), on which the Developer intends to construct certain of those certain Improvements and the Project defined and described in the DDA.

B. Pursuant to and in accordance with the DDA, the City has agreed to convey the Developer Parcel to the Developer for development of the Improvements and the Project on the Developer Parcel, and on the City Parcel as applicable and required by the DDA. As a requirement of the DDA and in order to protect the City's right in the event the Developer Parcel reverts to the City, the City has required that the Developer execute and deliver this Assignment of Construction Contracts ("Assignment") to the City as security for the performance of the Developer's obligations under the DDA. All of the terms and agreements contained in this Assignment shall be binding upon the Developer and Developer's successors and assigns.

NOW THEREFORE, the Developer hereby agrees, for itself and its successors and assigns, as follows:

1. The Developer hereby assigns, conveys and transfers to the City, as security for the Developer's obligations under the DDA, all of the 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 "B" attached hereto and incorporated herein by this reference (collectively, "Construction Contract"); and

(b) all other agreements now or hereafter entered into by the Developer with Contractor in connection with construction of the Improvements and the Project; 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 "B" shall be provided to the City concurrently with delivery of this Assignment. Each of the agreements described above in this Section 1 is referred to herein as an "Agreement."

2. (a) The Developer agrees to obtain and deliver to the City, concurrently with delivery of this Assignment, a Consent to Assignment from the Contractor substantially in the form attached hereto as Exhibit "C" and incorporated herein by this reference ("Consent").

(b) This Assignment and the Consent hereto do not relieve the Developer of its obligations under the Construction Contract. The City does not hereby assume any of the Developer's obligations or duties concerning any Construction Contract including, without limitation, any obligation to pay for the work done pursuant thereto.

3. Upon the occurrence of an Event of Default by the Developer under the DDA resulting in the City's exercise of its right of reverter under Section 713 of the DDA, the 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 the Developer under the Construction Contract as if the City had been an original party to such Construction Contract. The City may elect to assume some or all of the obligations of the Developer under the Construction Contract by giving notice to that effect to the Contractor; provided, however, that the City shall not be responsible for any default, liability, or obligation of the Developer under the Construction Contract occurring prior to the time the City gives such notice to the Contractor, and the City shall thereafter be responsible only to the extent expressly set forth in said notice.

4. The Developer hereby irrevocably constitutes and appoints the City as its attorney-in-fact, which power is coupled with an interest, so that the City shall have the right upon the exercise of its right of reverter to demand, receive and enforce the Developer's rights with respect to the Construction Contract, to give appropriate receipts, releases and satisfactions for and on behalf of the Developer, and to do any and all acts in the name of the Developer or in the name of the City with the same force and effect as the Developer could have done.

5. The Developer hereby represents and warrants to the City that, except for any assignment as may be required by the Developer's construction lender for the Project, the 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. The Developer represents and warrants that the copy of the Construction Contract provided by the Developer to the City shall be the complete and entire agreement between the parties thereto. The Developer agrees not to modify the Construction Contract without the City's written consent, except to the extent otherwise permitted in the DDA.

6. If any provision of this Assignment shall be invalid, illegal or unenforceable, it shall not affect or impair the validity, legality and enforceability of the other provisions of this Assignment or of the DDA. 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. The Developer shall indemnify and hold harmless the City against any liabilities, claims, costs or expenses, including reasonable attorneys' fees (including the market value of services of in-house counsel), incurred by the City as a result of this Assignment or the 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 the City's gross negligence or willful misconduct.

8. This Assignment shall be binding upon the Developer and the Developer's successors, legal representatives and assigns, and shall inure to the benefit of the City, its successors and assigns, including any purchaser upon foreclosure of the deed of trust securing any loan contemplated by the DDA, any receiver in possession of the property described therein, and any corporation formed by or on behalf of the City which assumes the City's rights and obligations under the DDA.

9. Upon the due recordation of a Release of Construction Covenants in accordance with the DDA, 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 Next Page]

IN WITNESS WHEREOF, the Developer has caused this Assignment to be executed as of the date first set forth above.

DEVELOPER:

COMBINED/HUDSON 9300 CULVER LLC,
a Delaware limited liability company

By: Combined Culver Venture LLC,
a Delaware limited liability company,
its managing member

Date: _____

By: _____

Name: _____

Its: _____

By: Hudson 9300 Culver, LLC,
a Delaware limited liability company,
its managing member

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

Date: _____

By: _____

Name: _____

Title: _____

EXHIBIT "A-1"

LEGAL DESCRIPTION

DEVELOPER PARCEL

9300 Culver Boulevard, Culver City, California

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

PARCEL 1, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO.3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY HELEN GRIFFIN FORKE, STANLEY MOCK, ROBERT HEINEKEN, IN DEED RECORDED DECEMBER 11, 1981 AS INSTRUMENT NO. 81-1217854, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED INDEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY WM J. MURPHY, RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96507.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO

PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

EXHIBIT "A-2"

LEGAL DESCRIPTION

CITY PARCEL

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

PARCEL 2, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN OF PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO. 3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

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ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL

MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

EXHIBIT "B"

LIST OF CONSTRUCTION CONTRACTS

[to be inserted]

EXHIBIT "C"

**FORM OF
CONSENT TO ASSIGNMENT OF CONSTRUCTION CONTRACTS**

The undersigned hereby consents to that certain Assignment of Construction Contracts ("Assignment") dated as of even date herewith, executed by _____, a California limited liability company ("Developer") for the benefit of THE CITY OF CULVER CITY, a charter city of the State of California ("City"), and agrees to perform pursuant to the terms and conditions of the undersigned's Construction Contract and/or Agreement with the Developer described in Exhibit "B" attached to said Assignment. If requested by the 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 the City, the undersigned shall provide a complete list of all of its subcontractors in connection with work for or on the Developer Parcel and the City Parcel done or to be done pursuant to the DDA and shall cooperate to provide and permit access to the City or its agents for inspection of the Site and the work in process. The undersigned also agrees that, in the event of a breach by the 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 the City at the City's address set forth below. The 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 the City to cure said default, but the City shall, in its sole discretion, have the option to do so but without the obligation therefor. The undersigned acknowledges that the City is relying on this Consent and the assurances herein in conveying the Developer Parcel to the Developer and approving the DDA and that this Consent shall also be for the benefit of and bind any assignee or successors of the 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 the Developer and the undersigned is in full force and effect as of the date hereof.

Dated as of _____, 20__

_____,
a California corporation

By: _____
Name: _____
Title: _____

Contractor's Address:

City's Address:

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

ATTACHMENT NO. 9

ASSIGNMENT OF PLANS, REPORTS AND DATA

[See Attached]

ASSIGNMENT OF PLANS, REPORTS AND DATA

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, COMBINED/HUDSON 9300 CULVER LLC, a Delaware limited liability company ("Developer"), does hereby, pursuant to this Assignment of Plans, Reports and Data ("Assignment") assign, pledge, transfer and set over to THE CITY OF CULVER CITY, a charter city of the State of California ("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 the Site (collectively, "Developer Parcel" and "City Parcel" defined below), 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 ("Architect's Agreement") by and between the Developer and any architect engaged to perform services with respect to the Site ("Architect") and those certain plans and specifications referred to therein, and all amendments, modifications, supplements, general conditions and addenda thereto (collectively, "Architectural Plans") prepared by the Architect for the account of the Developer in connection with the development of certain real property located in the City of Culver City, County of Los Angeles, State of California more particularly described on Exhibit "A-1" attached hereto and incorporated herein by this reference ("Developer Parcel") and on Exhibit "A-2" attached hereto and incorporated herein by this reference ("City Parcel"). The Plans, Reports and Data, including, without limitation, the Architect's Agreement and the Architectural Plans, are hereby assigned as consideration for the City's execution of that certain Disposition and Development Agreement dated _____, 2012 and entered into by and between the Developer and the City ("DDA"). All capitalized terms not defined herein shall have the meaning set forth in the DDA. For purposes hereof, "Environmental Reports" means any "Phase I" and/or "Phase II" investigations of the Site, and all final reports and test results (not including drafts) provided by the Developer's environmental consultant.

Upon the occurrence and during the continuance of a default under the DDA, the City shall have the right, but not the obligation, at any time, in its own name or in the name of the Developer, or otherwise, to take such action as the City may at any time or from time to time determine to be necessary or desirable in order to cure any default by the Developer under the Architect's Agreement, including, without limitation, the protection of the Developer's rights with respect to the Architectural Plans or to protect the rights of the Developer thereunder. The City shall not incur any liability if any action taken by the City or on its behalf in good faith, pursuant to the foregoing sentence, shall prove to be, in whole or in part inadequate or invalid, and the Developer hereby indemnifies and agrees to hold the City harmless from and against any and all loss, claim, demand, cost, liability, damage or expense, including, without limitation, attorneys' fees and expenses in connection with any such action or actions. The Developer agrees to have each Architect engaged to perform services in connection with the Site execute a Consent in the form attached hereto.

Upon a termination of the DDA, the City may exercise its rights hereunder and take possession of and title to the Plans, Reports and Data. The Developer shall deliver possession of

and title to the Plans, Reports and Data to the City within forty-eight (48) hours of the City's request.

The Developer and Architect, by executing the Consent to this Assignment, agree that the City does not assume any of the Developer's obligations or duties concerning the Architect's Agreement and the Architectural Plans, including, but not limited to, the obligation to pay for the preparation of the Architect's Agreement and the Architectural Plans at the City's request, until and unless the City shall exercise its rights hereunder.

The Developer hereby represents and warrants to the City that 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 the 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.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, or successors in interest of the Developer and the City.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Developer has caused this Assignment of Plans, Reports
and Data to be executed as of _____, _____.

DEVELOPER:

COMBINED/HUDSON 9300 CULVER LLC,
a Delaware limited liability company

By: Combined Culver Venture LLC,
a Delaware limited liability company,
its managing member

Date: _____

By: _____
Name: _____
Its: _____

By: Hudson 9300 Culver, LLC,
a Delaware limited liability company,
its managing member

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

Date: _____

By: _____
Name: _____
Title: _____

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 the 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 the Developer's interest in the Architectural Plans is assigned to the City, the undersigned will give written notice to the City of such breach. The 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 the 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 the Developer under any of the documents or instruments entered into in connection with said Architect's Agreement, the undersigned, at the 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 the City's behalf.

Dated: _____

ARCHITECT:

By: _____

Name: _____

Title: _____

EXHIBIT "A-1"

LEGAL DESCRIPTION

DEVELOPER PARCEL

9300 Culver Boulevard, Culver City, California

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

PARCEL 1, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN OF PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO.3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY HELEN GRIFFIN FORKE, STANLEY MOCK, ROBERT HEINEKEN, IN DEED RECORDED DECEMBER 11, 1981 AS INSTRUMENT NO. 81-1217854, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED INDEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY WM J. MURPHY, RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96507.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO

PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

EXHIBIT "A-2"

LEGAL DESCRIPTION

CITY PARCEL

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

PARCEL 2, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN OF PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO. 3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY HELEN GRIFFIN FORKE, STANLEY MOCK, ROBERT HEINEKEN, IN DEED RECORDED DECEMBER 11, 1981 AS INSTRUMENT NO. 81-1217854 OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY WM J. MURPHY, RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96507.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL

MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

ATTACHMENT NO. 10
RIGHT OF ENTRY AGREEMENT

[See Attached]

RIGHT OF ENTRY AGREEMENT

(Due Diligence)

THIS RIGHT OF ENTRY AGREEMENT ("Agreement") dated as of _____, _____ ("Date of Agreement"), is entered by and among THE CITY OF CULVER CITY, a charter city of the State of California ("City") and COMBINED/HUDSON 9300 CULVER LLC, a Delaware limited liability company ("Developer").

RECITALS

A. The City is the owner of that certain real property described in Exhibit "A-1" attached hereto and incorporated herein by this reference ("Developer Parcel") and that certain real property adjacent to the Developer Parcel and described in Exhibit "A-2" attached hereto and incorporated herein by this reference ("City Parcel"). The Developer Parcel and the City Parcel are collectively referred to as the "Site".

B. The City and the Developer entered into that certain Disposition and Development Agreement dated as of _____, 2012 ("DDA") pursuant to which, and in accordance with the terms of the DDA, the City has agreed to convey title to the Developer Parcel to the Developer and the Developer has agreed to develop and construct on the Developer Parcel a four level high quality office and retail complex with an Elevated Plaza and "Grand Stairs", providing approximately 115,108 square feet of gross building area containing a minimum of 32,654 square feet dedicated to retail and restaurant uses and containing a minimum of 55,470 gross square feet dedicated to office use and including public restrooms and a storage area, in addition to approximately 18,990 square feet of open space, and subterranean parking (defined herein as the "Parcel B Improvements"), as more fully set forth in the DDA. In addition, as required by the DDA and subject to the approval of the City, the Developer has agreed, in conjunction with the development of the Parcel B Improvements, to develop and construct on the City Parcel certain subterranean public parking improvements located adjacent to the Parcel B Improvements and a portion located within a portion of the Parcel B Improvements (defined herein as "Public Parking Improvements") and certain public improvements located adjacent to the Parcel B Improvements relating to the expansion of the Town Plaza Project (defined herein as the "Town Plaza Expansion Improvements"), as more fully set forth in the DDA. The DDA as used herein shall mean, refer to and include the DDA, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the DDA. Any capitalized term not herein defined shall have the same meaning ascribed to such term in the DDA.

C. The Developer desires to enter the Site for the purpose of conducting environmental testing and surveys of the Site prior to acquisition of the Developer Parcel and the development and construction on the Site, and the City desires to accommodate the Developer's desire to commence such actions by granting a right of entry as provided herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Right of Entry. Provided that all of the terms and conditions of Section 2 of this Agreement are fully satisfied, the City hereby grants to the Developer and its agents and contractors, a temporary and conditional right to enter upon, in and below the Site ("Right of Entry") for a continuous period from the Date of Agreement to January 31, 2014, for the purpose of surveying the Site for purposes of designing the Project and for carrying out relevant and necessary environmental testing of the Site in accordance with the work plan attached hereto as Exhibit "B" and incorporated herein by this reference.

Section 2. Conditions to Entry. Prior to the Developer entering the Site, or any portion of the Site, the following conditions must be satisfied:

- (a) The Developer shall give the City two (2) weeks written notice prior to each act of entering the Site and conducting investigation and testing of the Site.
- (b) The Developer shall furnish to the City evidence satisfactory to the City that the Developer or its contractors have obtained comprehensive liability insurance in an amount as is approved by the City for the purpose of protecting the City from claims or suits for, and damages to, property and injuries to persons, including accidental death (including attorneys' fees and costs), which may be caused by any of the Developer's activities under this Agreement, whether such activities or performance thereof be by the Developer or anyone directly or indirectly employed or contracted with by the Developer and whether such damage shall accrue or be discovered before or after the termination of this Agreement.
- (b) The Developer or its contractors must have submitted to the City, and the City shall have reasonably approved, a work plan setting forth the actions needed to carry out the environmental and other required testing or actions of the Site to be performed on the Site pursuant to this Agreement.

Section 3. Liens. With regard to actions performed on the Site under this Agreement, the Developer shall not permit to be placed against the Site, or any part thereof, any design professional's, mechanic's, materialmen's, contractor's, or subcontractor's liens (collectively, "Liens"). The Developer shall indemnify, defend and hold harmless the City from all liability for any and all liens, claims and demands, together with costs of defense and reasonable attorneys' fees, arising from any Liens. The City reserves the right, at its sole cost and expense, at any time and from time to time, to post and maintain on the Site, or any portion thereof, or on the improvements on the Site, any notices of non-responsibility or other notice as may be desirable to protect the City against liability. In addition to, and not as a limitation of the City's other rights and remedies under this Agreement, should the Developer fail, within ten (10) calendar days of written request from the City, either to discharge any Lien or to bond for any Lien, or to defend, indemnify, and hold harmless the City from and against any loss, damage, injury, liability or claim arising out of a Lien, then the City, at its option but without the obligation, may elect to pay such Lien, or settle or discharge such Lien and any action or judgment related thereto and all costs, expenses and attorneys' fees incurred in doing so shall be paid to the City by the Developer upon written demand.

Section 4. Minimal Interference; Restoration of Site. The Developer shall take all reasonable measures to minimize interference with the use of the Site by the City and any party permitted by the City to use the Site. The Developer shall promptly repair and restore any damage caused by its entry to the Site and any environmental or other testing or other activity performed by the Developer on the Site.

Section 5. Compliance With Laws/Permits. The Developer shall, in all activities undertaken pursuant to this Agreement, comply and cause its contractors, agents and employees to comply with all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees, including, but not limited to, all environmental laws. Without limiting the generality of the foregoing, the Developer, at its sole cost and expense, shall obtain any and all permits which may be required by any environmental law or other law for any activities the Developer desires to conduct or have conducted pursuant to this Agreement. In the event the Developer or its agents or employees discover any substance on the Site, the Developer shall immediately notify or cause notice to be given to the City.

Section 6. Indemnification. The Developer hereby agrees to indemnify, defend, assume all liability for and hold harmless the City and its 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, from all actions, claims, suits, penalties, obligations, liabilities, damages to property, claims or injuries to persons (collectively "Claims") which may be caused by the Developer's negligence or wrongful acts arising out of or in connection with the Developer's activities pursuant to this Agreement. The Developer's indemnity given under this Section 6 shall apply whether such negligence or wrongful acts are by the Developer or anyone directly or indirectly employed or under contract with the Developer, and whether such Claims shall accrue or be discovered before or after the termination of this Agreement. The indemnity and other rights afforded the City by this Section 6 shall survive after the expiration of this Agreement. Notwithstanding the foregoing, the Developer's indemnity shall not apply to the extent claims are caused by, arise out of, or in connection with, any negligent or intentional acts of the Developer.

Section 7. Inspection. The City and its representatives, employees, agents or independent contractors may enter and inspect the Site or any portion thereof or any improvements thereon at any time and from time to time at reasonable times to verify the Developer's compliance with the terms and conditions of this Agreement, and to conduct environmental testing and remediation upon receipt of the notice required pursuant to Section 4 hereof.

Section 8. No Real Property Interest. It is expressly understood that this Agreement does not in any way whatsoever grant or convey any permanent easement, lease, fee or other interest in the Site to the Developer.

Section 9. Notices. All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Agreement shall be in writing and shall be given by personal delivery, certified mail, return receipt requested, or overnight guaranteed delivery service and 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 1850
Los Angeles, California 90071

To Developer: Combined/Hudson 9300 Culver LLC
c/o Combined Properties, Incorporated
Attn: Marianne Lowenthal,
Executive Vice President, Development & Acquisitions
9320 Wilshire Boulevard; Suite 310
Beverly Hills, California 90212

Copy to: General Counsel
Combined Properties, Incorporated
1025 Thomas Jefferson Street NW, Suite 700 East
Washington, DC 20007-5201

Copy to: Mckenna Long and Aldridge
300 S. Grand Ave. Ste 1400
Los Angeles, California 90071
Attn: Dennis Roy, Esq.

Copy to: Combined/Hudson 9300 Culver LLC
c/o Hudson Pacific Properties, Inc.
Attn: Alex Vouvalides,
Senior Vice President, Acquisitions
11601 Wilshire Boulevard; Suite 1600
Los Angeles, California 90025
(310) 445-5706
alex@hudsonppi.com

Copy to: Chris Barton,
Executive Vice President, Operations & Development
Hudson Pacific Properties
11601 Wilshire Boulevard; Suite 1600
Los Angeles, California 90025
(323) 315-9431

Chris@hudsonllc.com

Any Notice shall be deemed received immediately if delivered by hand and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail.

Section 10. Governing Law. This Agreement shall be governed by the laws of the State of California.

Section 11. Interpretation. This Agreement shall be interpreted as a whole and in accordance with its fair meaning and as if each party participated in its drafting. Captions are for reference only and are not to be used in construing meaning.

Section 12. Amendment of Agreement; Merger. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by the Developer and the City. This Agreement merges all negotiations, stipulations and provisions relating to the subject matter of this Agreement which preceded or may accompany the execution of this Agreement.

Section 13. Attorneys' Fees. In the event of a dispute between the parties with respect to the terms or conditions of this Agreement, the prevailing party shall be entitled to collect from the other its reasonable attorneys' fees as established by the judge or arbitrator presiding over such dispute.

Section 14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument.

Section 15. Damages. Neither party shall have any right to indirect or consequential or punitive damages against the other, and each party hereby waives the right to claim the same against the other.

Section 16. Special Limited Obligation; No General Fund Liability, Except As Expressly Provided. Developer acknowledges and agrees that, except as expressly provided below, recovery of any damage claim by Developer against the City or any liability or financial obligation of the City pursuant to this Agreement and the ancillary agreements and documents is and shall be a special limited obligation, payable solely from payments made to the City by the Agency, and now on deposit in the segregated fund identified as the "Enterprise Fund", and is not and shall not be a pledge of or obligation payable through the City's general fund or any other funds of the City. Except as expressly provided below, nothing in this Agreement or any ancillary agreements or documents 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 this Agreement or any ancillary agreement or document. In the event the City does not have the funds to fulfill any financial obligation under this Agreement or any ancillary agreement or document, which is subject to its foregoing limitation, it shall not be considered a default or an Event of Default under this Agreement or under such ancillary agreement or document.

Notwithstanding anything above to the contrary, there shall be no limit upon the City's obligations, the source of payment of those obligations, or the Developer's rights or

remedies with respect to any of the following: (i) City's obligations and responsibilities under any of the documents being executed by the City at the Closing, including the Development and Construction Contract for Public Improvements, for the payment of design, construction or operating costs of the Public Improvements and such other costs and expenses, if any, for which the City agrees to general fund liability in those documents executed at Closing, (ii) the right of Developer to seek specific performance of the City's obligations under this Agreement and any ancillary agreements and documents, including all City Documents, (iii) any claim resulting from City actions in violation of this Agreement which restrict or make unavailable any specific performance remedies of the Developer with respect to the City's performance of this Agreement, or (iv) any claim resulting from City's intentional misconduct, intentional misrepresentation or fraud. As a condition to limitations set forth in this Section 713, City covenants to maintain the segregated Enterprise Fund and to use it only for the purposes provided in the documentation providing for its creation and funding.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Right of Entry Agreement as of the date first written above.

“DEVELOPER”

COMBINED/HUDSON 9300 CULVER LLC,
a Delaware limited liability company

By: Combined Culver Venture LLC,
a Delaware limited liability company,
its managing member

Date: _____

By: _____
Name: _____
Its: _____

By: Hudson 9300 Culver, LLC,
a Delaware limited liability company,
its managing member

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

Date: _____

By: _____
Name: _____
Title: _____

[Signatures Continue on Following Page]

“CITY”

THE CITY OF CULVER CITY,
a 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: _____
Carol Schwab
City Attorney

By: _____
KANE, BALLMER & BERKMAN
City Special Counsel

EXHIBIT "A-1"

LEGAL DESCRIPTION

DEVELOPER PARCEL

9300 Culver Boulevard, Culver City, California

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

PARCEL 1, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO.3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY HELEN GRIFFIN FORKE, STANLEY MOCK, ROBERT HEINEKEN, IN DEED RECORDED DECEMBER 11, 1981 AS INSTRUMENT NO. 81-1217854, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED INDEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY WM J. MURPHY, RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96507.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO

PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

EXHIBIT "A-2"

LEGAL DESCRIPTION

CITY PARCEL

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

PARCEL 2, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN OF PARCEL MAP NO. 66158, FILED ON APRIL 15, 2008 IN BOOK 355 PAGES 86 TO 88 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, CALIFORNIA.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREIN, AS RESERVED BY GRACE POIX, ET AL, IN DEED RECORDED JUNE 30, 1950 AS INSTRUMENT NO. 1720 IN BOOK 33548 PAGE 208, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND MINERAL SUBSTANCES, TOGETHER WITH THE RIGHT TO EXPLORE FOR, AND EXTRACT SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF ANY WELL, HOLE, SHAFT OR OTHER MEANS OF EXTRACTING SUCH SUBSTANCES SHALL NOT BE LOCATED WITHIN THE WASHINGTON-CULVER REIMPROVEMENT PROJECT NO. 3, AS RECORDED ON NOVEMBER 26, 1975 AS INSTRUMENT NO. 4313 OF LOS ANGELES COUNTY RECORDS, STATE OF CALIFORNIA AND SHALL NOT PENETRATE ANY PART OF OR PORTION OF SAID PROJECT AREA WITHIN 500 FEET OF THE SURFACE THEREOF.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 12, 1979 AS INSTRUMENT NO. 79-1142453.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY ALICE R. SKOOG AND WILLIAM ARTHUR SKOOG, AS CO-TRUSTEES OF THE ESTATE OF JOHN L. SKOOG, DECEASED IN DEED RECORDED JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED AUGUST 20, 1980 AS INSTRUMENT NO. 80-799836, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED OCTOBER 31, 1980 AS INSTRUMENT NO. 80-1090011, OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY HELEN GRIFFIN FORKE, STANLEY MOCK, ROBERT HEINEKEN, IN DEED RECORDED DECEMBER 11, 1981 AS INSTRUMENT NO. 81-1217854 OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED IN DEED RECORDED JANUARY 8, 1982 AS INSTRUMENT NO. 82-15621, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, BY DEED RECORDED FEBRUARY 11, 1982 AS INSTRUMENT NO. 82-155496, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY WM J. MURPHY, RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96507.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE THEREOF, AS RESERVED BY BILL

MURPHY BUICK, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED JANUARY 25, 1984 AS INSTRUMENT NO. 84-96508.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY ON ANY PORTION OF SAID PROPERTY WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE THEREOF, AS RESERVED BY ROBERT F. HEINECKEN AND STANLEY J. MOCK, IN DEED RECORDED APRIL 6, 1984 AS INSTRUMENT NO. 84-416556.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE REAL PROPERTY, BUT WITHOUT AND RIGHT TO PENETRATE USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY MAHENDRA LAL, NANCY LAL, NITENDRA PRASAD AND FAISUN N. PRASAD, IN DEED RECORDED DECEMBER 26, 1984 AS INSTRUMENT NO. 84-1500255.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY. BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED IN THE DEED RECORDED JANUARY 24, 1986 AS INSTRUMENT NO. 86-98190, OFFICIAL RECORDS.

ALSO EXCEPTING ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF THE SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO AND MODESTA ALONSO, BY DEED RECORDED JUNE 23, 1986 AS INSTRUMENT NO. 86-778647.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB THE SURFACE OF THE SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY FRANCISCO ALONSO, IN DEED RECORDED JULY 11, 1989 AS INSTRUMENT NO. 891097116, OFFICIAL RECORDS.

EXHIBIT “B”

WORK PLAN

[to be inserted]

ATTACHMENT NO. 11
GUARANTY AGREEMENT

[See Attached]

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT ("Guaranty") is made and entered into by COMBINED PROPERTIES, INCORPORATED, a District of Columbia corporation ("CPI"), and HUDSON PACIFIC PROPERTIES, L.P., a Maryland limited partnership ("Hudson") (collectively and individually referred to herein as "Guarantor"), to and for the benefit of THE CITY OF CULVER CITY, a charter city of the State of California ("City"), and its successors and assigns, effective as of January 31, 2012 ("Effective Date").

RECITALS

A. Combined/Hudson 9300 Culver LLC, a Delaware limited liability company ("Developer") and the City entered into that certain Disposition and Development Agreement dated January 31, 2012 ("DDA"), pursuant to which the Developer is required to cause the construction and development of certain improvements ("Improvements") upon real property more particularly described in the DDA individually as the "Developer Parcel" and the "City Parcel" and collectively the "Site". All of the terms and provisions of the DDA are fully incorporated herein by this reference as though fully set forth herein. The DDA as used herein shall mean, refer to and include the DDA, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto or other documents expressly incorporated by reference in the DDA. Any capitalized term not herein defined shall have the same meaning ascribed to such term in the DDA.

B. Guarantor is an affiliate of Developer and it will directly benefit should the Developer acquire title to the Developer Parcel and develop the Site in the manner and in accordance with the terms of the DDA. The Guarantor acknowledges that this Guaranty is required by the City as a condition precedent and as an inducement to the City to enter into the DDA and to convey by grant deed title to the Developer Parcel to the Developer and to carry out its obligations in accordance with the terms of the DDA.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration given by the City to Developer and Guarantor, the receipt and sufficiency of which are hereby acknowledged, and in further consideration of and to induce the City to execute the DDA, execute and deliver the grant deed, and perform its obligations under the DDA, the Guarantor does hereby irrevocably warrant, guarantee and agree, jointly and severally, as follows:

1. The Guarantor acknowledges receipt of a copy of the DDA and all of the instruments described therein and/or attached thereto.
2. If for any reason, other than acts or omissions of the City, the Developer should fail to perform any of its obligations under the DDA, including but not limited to failure to complete its construction of the Improvements on or before the date required by the DDA in all respects and in accordance with and in the manner set forth in the DDA and the plans and specifications approved by the City (which obligations are hereinafter referred to as the "Performance Obligations"), then the City at its option, and upon thirty (30) calendar days prior

written notice to the Guarantor, shall call upon the Guarantor and the Guarantor shall assume each and all of the outstanding obligations of the Developer constituting the Performance Obligations, and shall promptly commence and diligently prosecute to completion all such Performance Obligations in accordance with the terms of the DDA.

3. If for any reason the Developer fails to timely meet any of its financial obligations under the DDA or to pay any amounts for which the Developer may become liable under the DDA, including but not limited to the payment of the final Purchase Price payable by the Developer for the Developer Parcel and all other payments due from the Developer to the City under the DDA prior to and after the issuance of a Release of Construction Covenants (which obligations are collectively and hereinafter referred to as the "Payment Obligations"), then the City, at its option, and upon thirty (30) calendar days' prior written notice to the Guarantor, shall call upon the Guarantor and the Guarantor shall assume each and all of the outstanding financial obligations of the Developer constituting the Payment Obligations, and promptly pay each and all of the outstanding balances of the Payment Obligations in accordance with the terms of the DDA as they become due and payable.

4. The Guarantor's performance of the Performance Obligations may be excused during periods of delay caused by the City or by the occurrence of events described in Section 806 of the DDA.

5. To the full extent of the Developer's responsibility therefor, the Guarantor will pay and discharge all mechanic's and materialmen's liens or claims therefor imposed against the Site and/or Improvements and there shall be no mechanic's, materialmen's or other like liens or claims outstanding against those portions of the Developer Parcel and/or the Improvements for which the Developer is responsible, excepting the lien of a first priority deed of trust for the construction financing of the Improvements approved in advance and in writing by the City and any such liens which shall have been bonded over or for which adequate surety has been posted, all to the satisfaction of the City, and except as otherwise specifically permitted under the DDA.

6. This Guaranty is a present, absolute and continuing guaranty; the execution by the City of the DDA shall conclusively evidence the reliance by the City upon this Guaranty and the obligations and agreements of Guarantor as set forth herein.

7. The Guarantor waives (i) any right to require that any action be brought against the Developer or any other person, or to require that resort be first had to any security for the performance of the Developer's obligations prior to the enforcement of this Guaranty by the City, and (ii) any right to pursue any remedy in the Developer's power whatsoever; and if any right of action shall accrue to the City by reason of the failure of the Developer to perform any obligation or pay any sum of money required of the Developer pursuant to the DDA then, unless such default shall be cured by the Guarantor as aforesaid, the City, at its election, may proceed against: (A) Guarantor, together with Developer (B) against Guarantor, and Developer, severally; or (C) Guarantor only, in each case, without having commenced any action or having obtained any judgment against the Developer and whether or not the Developer is a party in any such action.

8. The joint and several obligations of the Guarantor shall not be discharged, impaired or otherwise affected by (i) any sale, transfer, assignment, pledge, surrender,

indulgence, forbearance, alteration, substitution, exchange, change in, amendment, revision, modification or other disposition of the DDA, the Site or any portion thereof, and/or Improvements; (ii) the acceptance by the City of any security for or other guarantors with respect to the Performance Obligations and/or Payment Obligations guaranteed hereunder (collectively the "Guaranteed Obligations"); (iii) any failure, negligence or omission on the part of the City to enforce the terms of the DDA or otherwise protect the Site and/or Improvements; or (iv) the release by the City of any security for the performance of the Guaranteed Obligations or the release by the City of any person (including any other guarantor) from liability upon the Guaranteed Obligations; it being expressly understood and agreed that the undertakings, liabilities and obligations of the Guarantor shall not be affected, discharged, impaired or varied by any act, omission or circumstance whatsoever (whether or not specifically enumerated herein) except the due and punctual performance of the Guaranteed Obligations.

9. The Guarantor hereby expressly waives (a) notice of acceptance of this Guaranty; (b) all notices to which the Guarantor might otherwise be entitled, except as required herein; (c) any defense arising (i) by reason of any disability of the Developer or (ii) by reason of the cessation from any cause whatsoever (except a defense available to the Developer under the DDA) of the liability of the Developer other than full performance of the Guaranteed Obligations; (d) diligence in enforcement and any and all formalities which might otherwise be legally required to charge the Guarantor with liability; and (e) all diligence in collection or protection and all presentment, demand, protest and notice of protest, notice of dishonor and notice of default.

10. In the event that the Guarantor should fail to fully perform the Guaranteed Obligations promptly as herein provided, the City shall have the following remedies:

(a) at its option and without any obligation so to do, but upon thirty (30) calendar days' prior written notice to the Guarantor, proceed to perform and/or pay on behalf of the Guarantor any and all of the Guaranteed Obligations; and the Guarantor shall, upon demand, pay to the City all such sums expended by the City in such performance on behalf of the Guarantor; and

(b) from time to time and without first requiring full performance of any of the Guaranteed Obligations by the Developer and without being required to exhaust any or all security held by the City, to require (subject to Paragraph 4 hereof) performance by the Guarantor of all of the Guaranteed Obligations (or any part thereof) pursuant to the terms hereof, by action at law or in equity or both, and further to collect in any such action compensation for all loss, cost, damage, injury and expense sustained or incurred by the City as a consequence of such breach.

11. This Guaranty is a guaranty of the performance and payment of certain obligations contained and provided for herein by the Guarantor, and the Guarantor shall be personally liable for any claims by the City against the Developer with respect to the Guaranteed Obligations. Nothing contained herein shall limit or otherwise impair the Guarantor's obligation to pay to the City, upon demand, all fees and costs (including, without limitation, attorneys' fees and disbursements) incurred by the City in instituting and/or maintaining any action for damages or specific performance against the Guarantor pursuant to the terms of this Guaranty.

12. As of the date of execution of this Guaranty, (i) the Guarantor warrants that it has full authority to execute this Guaranty and comply with its terms, and (ii) the Guarantor declares to and covenants with the City and its successors and assigns, that the Guarantor knows of no defense whatsoever to any action, suit or proceeding, at law or otherwise, that may be instituted on this Guaranty.

13. No failure on the part of the City to pursue any remedy hereunder or under the DDA shall constitute a waiver on its part of the right to pursue said remedy on the basis of the same or a subsequent breach.

14. The Guarantor, individually and collectively, shall promptly advise the City in writing of any material adverse change in its business or financial condition.

15. Until the Guaranteed Obligations have been performed in full, the Guarantor shall have no right of subrogation, and hereby waives any right to enforce any remedy that the City now has or may hereafter have against the Developer and waives the benefit of, and any right to participate in, any security now or hereafter held by the City from the Developer, except to the extent such security remains after full performance of the Guaranteed Obligations.

16. This Guaranty shall terminate upon the satisfaction of both the issuance by the City of the Release of Construction Covenants pursuant to the DDA and full payment by Developer of the financial obligations constituting the Payment Obligations accrued through the date of issuance of the Release of Construction Covenants.

17. This Guaranty shall be binding upon the Guarantor jointly and severally, and its successors and assigns.

18. Each reference herein to "City" shall be deemed to include The City of Culver City in its capacity as the City under the DDA, and each of its successors and assigns; and all of the provisions of this Guaranty shall run in favor of said named City and its said successors and assigns.

19. The Guarantor agrees that it will reimburse the City for all expenses, including reasonable attorneys' fees, incurred by the City in enforcing the Developer's performance of the Guaranteed Obligations or incurred by the City in the enforcement of this Guaranty. Any sums required to be paid by the Guarantor to the City pursuant to the terms hereof shall bear interest at the rate of three percent (3%) over the Bank of America reference rate (up to the maximum rate permitted by law) on the due date from the date said sums shall be due to the City until the same shall have been paid in full.

20. This Guaranty shall be governed by and construed in accordance with the laws of the State of California.

21. In addition to any other rights or remedies, the parties hereto may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Guaranty. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the Federal District Court in the Central District of California.

Notwithstanding anything herein, neither party, however, shall have any right to indirect or consequential or punitive damages against the other, and each Party hereby waives the right to claim the same against the other.

22. In the event that any legal action is commenced by the Guarantor against the City, service of process on the City shall be made by personal service upon the City Manager, or in such other manner as may be provided by law. In the event such legal action is commenced by the City against the Guarantor, service of process on the Guarantor shall be made by personal service upon the registered agent in California for CPI and the registered agent in California for Hudson, and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

23. Time is of the essence hereof.

24. If any term, provision, covenant or condition hereof or any application thereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, provisions, covenants and conditions hereof, and all applications thereof not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

25. This Guaranty may be executed by the Parties hereto in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. The Parties specifically agree that signatures on this Guaranty transmitted electronically or by facsimile shall be legally binding and that each Party is entitled and authorized to rely on such electronic or facsimile signature of the other Party hereon as if it were an original signature. Original signatures of the Guarantor shall also be provided to the City for its records.

26. Notwithstanding anything herein to the contrary, Guarantor shall be entitled to enforce any provision of the DDA benefiting the Developer, subject to Section 713 of the DDA.

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty as of the date first above written.

[Signatures on Following Page]

COMBINED PROPERTIES, INCORPORATED,
a District of Columbia corporation

Date: 1-31-12

By: 
Marianne Lowenthal
Executive Vice President,
Development & Acquisitions

HUDSON PACIFIC PROPERTIES, L.P.,
a Maryland limited partnership

By: Hudson Pacific Properties, Inc.
a Maryland corporation,
its general partner

Date: _____

By: _____
Name: _____
Title: _____

[Signatures Continue on Following Page]

COMBINED PROPERTIES, INCORPORATED,
a District of Columbia corporation

Date: _____

By: _____

Marianne Lowenthal
Executive Vice President,
Development & Acquisitions

HUDSON PACIFIC PROPERTIES, L.P.,
a Maryland limited partnership

By: Hudson Pacific Properties, Inc.
a Maryland corporation,
its general partner

Date: _____

By: 
Name: Mark T. Lammas
Title: Chief Financial Officer

[Signatures Continue on Following Page]

The City hereby accepts this Guaranty in accordance with the terms and conditions contained herein.

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

Dated: 1/31/12 By: John M. Nachbar
John M. Nachbar
City Manager

APPROVED AS TO CONTENT:

By: Sol Blumenfeld
Sol Blumenfeld
Community Development Director

ATTEST:

By: Martina R. Co
City Clerk

APPROVED AS TO FORM:

By: Carol Schwab
Carol Schwab
City Attorney

By: Murray O. Kane
KANE, BALLMER & BERKMAN
City Special Counsel

ATTACHMENT NO. 12

PUBLIC PARKING DESIGN SPECIFICATIONS

The Public Parking Design Specifications include the design criteria to which the Developer (defined below) shall design and construct the Public Parking Improvements in accordance with the Disposition and Development Agreement ("DDA") entered into by and between THE CITY OF CULVER CITY, a charter city of the State of California ("City"), and COMBINED/HUDSON 9300 CULVER, LLC, a Delaware limited liability company ("Developer"), dated on or about January 31, 2012, and in accordance with the Development and Construction Contract for Public Improvements ("Public Improvement Contract") to be entered into by and between the City and the Developer by the Closing (defined in the DDA) pursuant to the DDA. The Public Parking Improvements will be built within the City Parcel (defined in the DDA) and partially within the Developer Parcel (defined in the DDA) also known as "Parcel B", and the Public Parking Improvements will be owned by the City.

I. DESIGN CRITERIA

A. Building Codes:

The Developer assumes the sole responsibility for insuring that all design, construction and installation conforms to the California State Building Code and to all applicable provisions of the latest Building, Zoning, Plumbing, HVAC, and Electrical Codes as adopted and amended by the City of Culver City.

B. Facility Description:

The Developer's proposed development, as described in the DDA, and the Scope of Development attached to the DDA as Attachment No. 3. The development includes one level of below ground parking, which is comprised of approximately 100 public spaces and approximately 98 private spaces. The public spaces will be located within the City Parcel and partially within the Developer Parcel and the private spaces will be located within the Developer Parcel.

The primary use of the Public Parking Improvements portion of the Parking Improvements structure is for the self-parking of passenger vehicles with certain areas devoted to dedicated stairs and elevators for the vertical circulation of pedestrians within the Parcel B Improvements and subterranean parking level.

The public parking level is designed as a partially open "mechanically ventilated" parking structure of Group S3 occupancy, per the California State Building Code. The one level subterranean parking is designed for a two-way traffic flow with majority of spaces situated in the two-way aisles with 90° angle of parking. Vertical vehicular circulation will be via an express ramp, located within the Access Road. The express ramp shall be designed to rise one level per run, with the ramps to all levels stacked, up to the Level 7 parking.

C. Dimensions and Clearances:

The minimum vertical clearance from the finish floor to the finished ceiling shall be 9'-0". The minimum vertical clearance to underside of any structural element, ductwork, piping or other obstruction shall be 8'-2" at drive aisles. Generally, there may be eight to ten drop beams crossing over the drive aisles as required to support the building structure. The Developer shall use reasonable efforts to minimize the number of drop beams crossing drive aisles in the final design. Drop beams over drive aisles providing access to handicapped

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PUBLIC PARKING DESIGN SPECIFICATIONS

spaces are prohibited. Frame beams between parking spaces may encroach to 7'-0". The structural system utilized shall further provide for installation of lighting and piping above the 8'-2" minimum clearance required. Sleeves through beams are required where horizontal pipe runs thru beams are necessary.

D. Parking Spaces:

The structure shall provide approximately 200, non-tandem spaces, including 2 accessible stalls per State of California Building Code Title 24 (ADA) requirements, and as many as feasible motorcycle parking stalls and bicycle parking spaces. To the extent feasible, the Developer shall use reasonable efforts to increase the number of spaces beyond the 200 spaces in the final design.

1. Parking spaces shall be a minimum of 8'-6" x 18', except stalls located between stalls measuring 9'-0"-wide can be reduced to 8'-3"-wide. All stalls adjacent to any obstructions (columns, walls...) shall be minimum 9'-0" wide.
2. The base number of parking spaces shall be accessible for self-parking; i.e., no spaces shall be "buried", or situated in such a manner that it would become necessary to move another car to utilize the parking space.
3. Minimum drive aisle widths for 90 degree angle of park to be 27'-0".
4. Minimum 15' inside turning radius shall be provided at the top and bottom of ramps to ensure the proper ease of movement for vehicles. For a minimum of 30% of all 630 spaces, all columns located in between parking rows shall be located with minimum 2' setback from the face of the column to the edge of the drive aisle.
5. Final plans must be approved by the City of Culver City.
6. Parking for persons with disabilities shall conform to the State of California Building Code Title 24 (ADA) requirements. In addition, disabled persons exiting a vehicle must not pass behind any vehicle other than their own. A dedicated accessible path shall be provided.
7. Motorcycle parking spaces shall be a minimum of 3' wide x 8' Long.

E. Ramp / Floor Slopes:

Express ramps shall not exceed a 14% slope. Transition ramps shall not exceed a maximum of 8% slope. Ramp slopes over 10% are required to have 12' long transitions at the top and the bottom. Minimum floor slope shall be 1% at all points. Floors are to be sloped to interior drains.

F. Drainage:

Provide a trench drain at the bottom of each entry or exit ramp into the parking structure and appropriate drainage, provided such appropriate drainage does not drain to the bottom of each entry or exit ramp. The parking structure shall be designed in such a manner that each floor shall be sloped locally toward drains to provide drainage for water blown in through unprotected or exposed exterior wall openings during inclement weather. The floor slope towards the drain shall be 1% minimum to insure positive drainage. Minimum floor slopes must consider any camber in the floor system to insure positive drainage.

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PUBLIC PARKING DESIGN SPECIFICATIONS

The drainage shall comply with the Storm Water Development requirements in the Storm Water Management and Discharge Control Ordinance, the City's SUSMP, and the City's grading and drainage regulation and implementing documents.

G. Deck Surfacing:

Approved slip-resistant epoxy or elastomeric membrane waterproof wear coating shall be applied to all slabs over construction joints, storage rooms, electrical rooms, elevator equipment rooms and any other areas not used solely for the parking of passenger vehicles. All traffic membrane areas shall have a UV/wear-resistant abrasive finish.

Minimum thickness for 2 coat epoxy systems to be 42 mils minimum or 3 coat urethane coatings to be 70 mils at all vehicular traffic areas. At pour strips provide coating over an area 12" beyond each side of said pour strip.

Provide inspection reports and manufacturer warranty for waterproofing.

H. Stairways and Exits:

The number and location of stairways and exits, as well as the stairway construction shall conform in all details to the minimum requirements of the California State Building Code, and other adopted regulations. All stairways shall be enclosed with a 2-hour rating and contain vision windows on the exterior side of the building consistent with the building's architecture (as depicted in the Basic Concept and Schematic Drawings).

All treads and intermediate landings shall be concrete and shall have non-slip surfaces. All treads nosing pieces shall be beveled or rounded (No sharp corners) as part of the tread pan assembly.

All hand railings, guardrails (if installed), stringers and metal stair components shall have joints continuously welded and ground smooth. Steel shall be galvanized or shop blasted and primed with a zinc-rich epoxy primer and site top coated with a polyurethane steel coating system. Handrail ends shall be turned against the adjacent walls and (if pipe or tube) capped. All embeds and sleeves encased in concrete or masonry shall be galvanized after fabrication. All railings shall be painted. Color to be selected and approved by the City (i.e. Grey).

I. Elevators:

Provide two 3,500 lb., 350 ft. /min., for the primary use of the public parking and accessory access from the Parcel B Improvements podium level, and a single 3,500 lb., 350 ft. /min., elevators located on the northwest corner of the parking levels for the primary use of the public parking, with accessory access from Parcel B Improvements podium level. The elevators must be designed to serve all levels for both locations.

1. Elevator Finishes—Doors and frames shall be brushed stainless steel. Interior cab finishes shall be brushed stainless steel, with non-slip ceramic tile flooring. Tile size and color to be identified by the City.

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PUBLIC PARKING DESIGN SPECIFICATIONS

Elevators are for public use at all times by using the elevator call buttons. Elevator glass shall be etch free and vandal proof.

2. Reference Standards—Compliance with Regulatory Agencies shall include the most-stringent applicable provisions of following Codes and/or Authorities, including revisions and changes in effect on date of these specifications.

- CCR Title 8, Subchapter 6, Elevator Safety Orders (Register 79, No. 1, 1-6-79 with all update amendments);
- Safety Code for Elevators, Dumbwaiters, Escalators and Moving Walks, AMSE/ANSI A17.1;
- Inspectors' Manual, AMSE/ANSI A17.2;
- California Electrical Code;
- Life Safety Code, NFPA No. 101;
- The California Elevator Safety Construction Code, CCR Title 24, Part 7;
- Handicapped Code, Title 24, CCR Part 2, and American with Disabilities Act (ADA); and
- Requirements of and any other Codes, Ordinances and Laws applicable within the governing jurisdiction.

J. Subterranean Ramp Screening:

The materials and design of the subterranean ramp screening to be determined and approved by City after the samples have been provided.

K. Security:

The vehicular entries and exits must be able to be secured with powered, key operated roll-down security grilles. The area will require 3 individual grilles that can be operated separately, for operational flexibility. The grille type, material, and finish will be determined by the City.

Maximum surveillance of parking floor is essential to obtain adequate security. For this reason interior walls and obstructions must be kept to a minimum.

Provide all conduit, wiring and cameras for a complete CCTV system. The cameras shall be located at stair and elevator cores on every level, to provide full coverage of the area. Cameras will be required inside the elevator cabs. Cameras will also be required at the vehicular entries and exits aimed so that the license plate and drive can be recorded. Additional cameras will potentially be required within the parking floors. The cameras shall be pan-zoom-tilt, bubble style with vandal proof enclosures/casing. The total number of cameras and final locations will be determined by the City. As part of CCTV system, provide connection for the video signal from cameras to a Security and/or Parking Control Office to be designated by the City. Specifications for the camera system will be provided, as an attachment to this document, by the City (at a later date).

Blue light Emergency Phones shall be provided in every elevator lobby, on every floor.

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PUBLIC PARKING DESIGN SPECIFICATIONS

All light fixtures, plumbing items, signs and other equipment shall be installed with "tamper-proof" hardware to minimize vandalism and theft.

L. Signs and Graphics:

Overhead traffic directional signs will be required. Interior signs to be Sintra with painted background and 3M reflective sheeting for sign copy. Pedestrian way finding signage within the garage will be required.

Identification of each parking level through use of graphics, 2' wide color band on each column, letters, numerals, etc. on columns, and elevator doors shall be provided. The City to determine and approve the colors and design. Parking structure exterior and interior, illuminated and non-illuminated vehicular and pedestrian directional signage and graphics shall be provided subject to receiving approval from the City.

Exterior signage shall conform to City requirements, and consist of the following:

1. A projecting sign consisting of individual 4' by 4' square internally illuminated sign cabinets spelling out "P-A-R-K" (one letter per cabinet), shall be located on the exterior building wall edge immediately north of the public parking garage access along Eighth Avenue and depicted on Basic Concept and Schematic Drawing page number 8.04. The top of the "P" letter cabinet shall not be placed above 65' in height; the bottom of the "K" letter cabinet shall be no lower than the general floor level of the project's Level 3. The letter cabinets shall be spaced approximately 1' from each other, and approximately 1' from the face of the exterior building wall on supports compatible with building architecture. Sign shall not project more than 5' from property line. Letter font shall be "Interstate Bold." Letters shall be white on teal background (teal color specification is "3M Scotchcal Series 230-246." Letter height shall be 2'-9".
2. A projecting sign meeting the requirements of number 1 (above) shall be located on the exterior building wall edge at the corner of Eighth Avenue and Market Street (perpendicular to the Market face of the building wall) and depicted on Basis Concept and Schematic Drawing page number 8.03. A 2-SF arrow ("Interstate Bold" font) shall be installed at the bottom of the "K" letter cabinet. The arrow shall be individually-shaped and not within a cabinet, and meet the color specifications for letters noted above.
3. A wall-mounted sign consisting of individual letters spelling out "PUBLIC PARKING" shall be located on the face of the exterior building wall located immediately above the public parking garage driveway. Letter font shall be "Interstate Bold" and be all capital letters.

M. Parking Control System:

The parking structure access is provided thru 3 entry / exit lanes, one dedicated entry lane, one dedicated exit lane and one reversible lane (equipped to allow for reversible operation).

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PUBLIC PARKING DESIGN SPECIFICATIONS

Provide Amano McGann public access system consistent with other City parking structures with automatic gates, ticket dispensers, red/green ball-type traffic control lights and cashier/attendant booth with the required equipment and intercom system. The booth type, size, and finishes to be determined and approved by the City.

In addition, the system shall provide employee/staff card access with card readers, transponders, nested areas and other required Parking Control System equipment.

Developer must provide for the complete Parking Control System to be On-Line to the Ince Parking Structure parking management control office located at 9099 Washington Boulevard in Culver City, California.

Developer must provide a complete revenue control system with ticket dispensers, automatic fee calculation, cashier booth, and a complete automatic count system, including but not limited to, buried detector loops, count monitoring system, illuminated signs at entry, etc. to advise parkers as to how many spaces are available as they are entering the parking structure.

Specifications for the Parking Access and Revenue Control Equipment will be provided, as an attachment to this document, by the City (at a later date).

N. Miscellaneous Metal:

Trench and area drain assemblies, pipe sleeves, embeds, supports, miscellaneous supports, anchorages, etc. encased in or in contact with concrete or masonry, shall be galvanized. Where the Design Criteria indicate that metals are to be painted, surface preparation, priming and steel coating will conform to the 80% Construction Drawing specifications.

O. Hollow Metal Doors and Frames:

Hollow metal doors and pressed metal frames as required.

Doors and frames, to be color code painted as selected by the City. Provide U.L. Fire Rating labels where required.

Doors shall be fabricated of cold-rolled galvanized furniture steel with 18 gage minimum face sheets and shall be used for all rooms and where required by applicable Building Code.

Frames shall be welded type steel frames, fabricated of cold-rolled galvanized furniture steel; 16 gage steel for 3'-0" openings, 14 gage over 3'-0".

P. Finish Hardware:

Locksets, latch sets, etc., shall be heavy-duty Lever Series type with removable 6 pin core as approved to match other hardware used by the Developer. All locksets shall be keyed to the City's standards.

Q. Painting:

Paints shall be as manufactured by Dunn-Edwards, Frazee, ICI Dulux, Sherwin Williams, or other manufacturers will be acceptable subject to the City's prior approval and in conformance to specified systems in type and quality.

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PUBLIC PARKING DESIGN SPECIFICATIONS

All ferrous and non-ferrous metals shall be protected by a steel coating system finish. Metals shall be either galvanized or primed with a zinc-rich epoxy primer followed by a High-build intermediate coat and a polyurethane topcoat.

Paint all concrete beams, ceiling areas and walls with primer and final coats.

Concrete form release agents shall be selected for compatibility with subsequent coatings. Paint colors to be selected from a full range of colors by the City.

R. Marking, Striping and Curbs:

Provide all labor and materials required for striping all parking spaces and for painting directional arrows for the parking space layout and traffic flow. All parking spaces shall be double striped using 4" painted lines. Precast concrete curb bumpers (wheelstops) are not required. Galvanized metal concrete filled bollards, as accessible sign post, will be required as barrier for these stalls. Concrete filled bollards will also be required, as barriers at the edge of exit / entry lanes, all access points to elevator / stair lobbies, providing separation and barrier between pedestrian and vehicular areas. Bollards shall be placed at 4'-0" O.C. Max. Pipe-guards are required to protect drain piping, exposed electrical boxes and conduits. All column corners in the path of vehicular travel or impact shall have galvanized metal corner guards, from slab to 30" AFF, as required by the City.

S. Storage / Electrical / Elevator Machine Rooms:

To be provided as required. Lighting, fire protection system and HVAC of rooms shall be as required by applicable codes and ordinances.

T. Level 1 (Street Level) Elevator Lobby:

All flooring, light fixtures, wall finishes, the glass window between the lobby and the entry drive lane to be designed by architect upon the Owner's direction.

U. Operations Area:

An operations area consisting of the following five components shall be located on Level 1 (Street Level) immediately north of the vehicle entry and exit lanes along Eighth Avenue:

V. Police Bicycle Storage Space (if provided)

A police bicycle storage space, with a minimum area of 370 S.F., shall be built. Access to the storage space shall be through the public parking areas of the structure. The storage space tenant improvements shall be determined and approved by the City and the Culver City Police Department.

II. INTERIOR TREATMENTS

A. Columns, Beams and Underside of Slabs:

To have surfaces smooth free of fins and projections, rock pockets, or pin holes and voids greater than 3/16" filled. Surfaces shall be sanded if necessary to achieve uniform smooth

ATTACHMENT NO. 12

PUBLIC PARKING DESIGN SPECIFICATIONS

finish and painted. Ceiling soffits shall be free of deck panel buttons, have all nails/staples, bolts, wood form chips and other projections removed and all voids filled to match color and texture of adjoining concrete. Form all soffit/slab edges above grade exposed to the exterior with a continuous uniform drip 4" from edge.

B. Floors:

Finish with steel trowel, finish in rotary pattern to obtain heavy/coarse sweated swirl finish with 1/4" ridges, on parking floors. Provide sample panel for the City's approval. All stair / elevator stops on the upper levels to be finished in ceramic tiles. All walls in these areas shall also be finished. All finishes, wall finishes or other upgraded finishes to be selected and approved by the City.

C. Concrete Walls:

Walls shall have all fins and projections removed and voids filled. Walls shall receive an architectural "sack finish" and be painted. Exterior corners are to be chamfered. Horizontal form joints shall be covered by reveals. Provide reveals as required.

D. Concrete Block Walls:

All CMU walls shall be 8" x 8" x 16" standard concrete masonry units fully grouted with required reinforcing. All CMU walls shall be painted. All CMU walls in the immediate vicinity of the elevator (what would be the elevator lobby area – similar to the tiled floor landing area) shall receive an enhanced finish.

E. Vehicular Restraint:

Vehicular restraint shall be provided by cast-in-place concrete or precast concrete spandrels, or as otherwise selected, with review and approval of the City.
Any spandrel connections shall be galvanized and concealed in grout pockets or in curbs. Spandrels shall be designed in accordance with the minimum standards of the California State Building Code for vehicular impact loads and heights.

F. Building Entries/Exits:

Building entry and exit area finishes shall be determined in conjunction with and approved by the City.

G. Fencing (if provided):

Any fencing material used within the interior portions of the public parking garage shall be vinyl-coated chain link, with posts and all other members painted to match the vinyl coating color, unless another material is approved by the City.

III. PLUMBING AND FIRE PROTECTION SYSTEMS

All plumbing work shall conform to all applicable codes and ordinances of the City of Culver City and State of California.

ATTACHMENT NO. 12

PUBLIC PARKING DESIGN SPECIFICATIONS

Provide required standpipe systems, sprinkler system, storm sewer system and storm drain connections.

Interior emergency floor drain system connected through vertical interior storm drain risers and conducted through horizontal below grade storm drain piping to the site drainage system. Provide storm water grease/oil, sand interceptor or fossil fuel filter system per code conformance with storm water mitigation requirements.

Any sprinkler system that may be necessary, the use of horizontal pipe runs in excess of five feet must be approved by the City.

Provision of fire protection systems shall be provided in conformance with applicable codes, Fire Department regulations and local authority's approval. Provide fire extinguishers as required by the Fire Department and agreed to by the City. Per City of Culver City and Uniform Fire Code, provide sprinkler system. Standpipes are required at stairwells. The sprinklers and standpipes shall be interconnected to form a "combined system". All piping to be cleaned and painted.

IV. ELECTRICAL

The electrical work to be provided shall include the furnishing of all labor and materials for a complete and operable electrical system for the parking levels. Provide a separate meter for the City parking levels.

Prepare detailed electrical drawings showing the lighting system, power supply, circuitry, and appurtenant electrical work. All electrical work shall conform to all applicable City and State Codes and Ordinances.

All contractors proposed alternates shall be approved in advance by the City. In the event the Contractor installs alternate materials or installation methods, differing from the approved plans, that are not acceptable to the City, the Contractor shall make the necessary corrections or do the additional work required, or both, at no additional cost to the City.

A. Electrical Service:

Provide primary conduit /feeder, medium voltage transformer and secondary conduit/feeder to main parking structure meter and switchgear. Meter, switchgear, and all panel boards are to be located in the electrical room. Serving voltage to be 277/480 V-three phase, 4 wire. Provide dry-type transformers as required. Power wiring and disconnect switches to be provided and installed for each circuit. Secondary voltage is 120/208, 3 phase, 4 wire. Provide power wiring for convenience outlets at each elevator on each level, storage room, electrical room and elevator equipment rooms. Provide telephone switchboard in electrical equipment room and phone service to elevator cab, and to top and bottom Level of the shaft near each elevator. Confirm other phone service locations with the City. Provide additional circuits as required for the operation of the parking control equipment. All transformers and meters shall be located underground or behind the property lines, screened from public view.

ATTACHMENT NO. 12

PUBLIC PARKING DESIGN SPECIFICATIONS

B. Emergency Power:

Provide emergency power to elevators, sump pumps, mechanical ventilation system and emergency lighting per applicable codes.

C. Lighting:

Drawings of the Entry (Ground) Level and a Typical Level showing the lighting layout and the computer generated point by point photometrics for each level, must be submitted for City's review and approval. Lighting layout and controls shall have the capability of providing the following minimum maintained foot-candle levels measured at the floor (or as required by Codes):

	<u>Average Maintained</u>
Interior driving aisles	10.0
Interior parking areas at vehicle door	5.0
Interior parking areas at front of each vehicle	1.0
Stairways, elevators, elevator lobbies	20.0
Entry / exit areas	50.0

Light distribution is important. The average maintained maximum to minimum ratio must not exceed 10:1.

Provide lighting panel-boards adjacent to the main switchboard. Circuits to be time switched by programmable lighting controller.

D. Light Fixtures:

Parking area fixtures will all be Fluorescent Fixtures. The fixtures shall be energy efficient fixtures, meeting LEED standards. Fixtures in rooms will be florescent with zero degree electronic ballasts and T-8 lamps.

V. MECHANICAL

Provide mechanical ventilation system in accordance with the State of California Building Codes. Where possible the system should be a "Push-Pull" system to avoid any unnecessary ductwork. Mechanical fans to be variable speed and controlled with a Carbon- Monoxide Monitoring System.

ATTACHMENT NO. 13

CONCEPTUAL PLAN OF RETAIL AND RESTAURANT SPACE

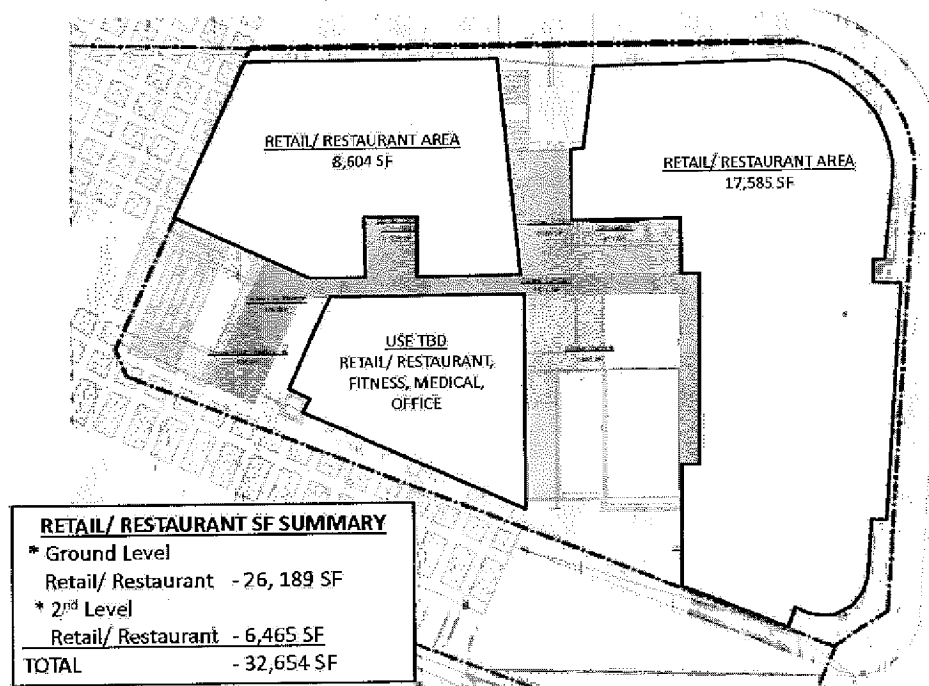
[See Attached]

ATTACHMENT NO. 13

CONCEPTUAL PLAN OF THE RETAIL AND RESTAURANT SPACE

9300 Culver Blvd – Culver City, CA

Projected Area & Uses – GROUND LEVEL



ATTACHMENT NO. 14

LIST OF PRE-APPROVED TENANTS

[See Attached]

LIST OF PRE-APPROVED TENANTS

January 2012

(9300 Culver Boulevard – Qualifying Tenants)

Clothing/Shoes/Jewelry/Acc.	50 Digs	100 Kenneth Cole New York	150 Quicksilver
1 7 For All Mankind	51 DNA	101 Kicks	151 Ralph Lauren
2 A X Armani Exchange	52 Dosa	102 Koi	152 Rampage
3 Adidas	53 Eggy	103 Lacoste	153 Rebel
4 Agnes B	54 Eileen Fisher	104 Laundry By Shelli Segal	154 Reinstein/Ross
5 Aldo	55 Eli Thomas for Men	105 Lazaro Jewelry & Home Acces.	155 Replay
6 Alexia Crawford Accessories	56 Elisa	106 Lesportsac	156 Robert Lee Morris
7 Allen Edmonds	57 Em& Co.	107 Levi's	157 Robert Marc Opticians
8 American Eagle Outfitters	58 Epic Apparel	108 LF	158 Rolling Robots
9 Ann Taylor Loft	59 Ernest Sewn	109 London Sole	159 Rosie Pope Maternity
10 Anne Fontaine	60 Ever	110 Look! Optical	160 San Francisco Shirt Company
11 Annie Creamcheese	61 Eye Society	111 Lovella Bridal	161 SelimaOptique&Accessories
12 Anthropologie	62 Facial Index	112 Lucky Brand	162 Sketchers
13 Anubee Children's Boutique	63 Flying A	113 Lucy	163 Smith Alder
14 Arche	64 Flying Lizard Designs	114 LululemonAthletica	164 Spazio
15 Ash Francomb	65 Foravi	115 M0851	165 Sports Footwear
16 Athleta	66 Fragments	116 Madewell	166 St. Croix
17 Barneys New York CO-OP	67 Franco Uomo	117 Malo	167 Stade
18 BCBG Max Azria	68 Free People	118 Marc Jacobs	168 Steve Madden
19 Beach Bunny	69 French Connection	119 Marithe + Francois Girbaud	169 Steven Alan
20 Beau Bijou	70 FrontRunners	120 Max Studio	170 Stuart Moore
21 Becker Surf	71 Furla	121 Maxmara	171 Stuart Weitzman
22 Belenky Brothers	72 Gap	122 Michael Stars	172 Sunglass Hut
23 Betsy Johnson	73 Gap Body	123 MiuMiu	173 Swatch
24 Big Buddha	74 Georgiou Studio	124 Moondance Jewelry	174 Swiss Army
25 Blue Jean Bar	75 Gilly Hicks	125 Morgenthal-Frederics Opticians	175 Ted Baker
26 Boca Men and Women	76 Guess by Marciano	126 Myoptics	176 The Blue Jeans Bar
27 Boutique Fushia	77 H&M	127 Nanette Lepore	177 The Hundreds
28 Boutique Harajuku	78 Hlaska	128 Nike	178 The Walking Company
29 Brandy Melville	79 IceBreaker	129 North Face	179 Timberland
30 Buffalo Exchange	80 Il Bisonte	130 Oakley	180 Tommy Bahama
31 By George	81 Ilori	131 Old Focals	181 Toms
32 Calleen Cordero	82 Irene's Story	132 Olive And Bette'S	182 Top to Top
33 Calvin Klein	83 Ivan Grundahl/Linea 5	133 Oliver Peoples	183 Topman
34 Calypso St. Barth Home	84 James Perse	134 Onassis	184 Topo Ranch
35 Camper	85 J Crew (New Concept)	135 Original Penguin Soho	185 Tourneau
36 Chico's	86 J. Crew	136 Orvis	186 True Religion
37 Christopher Fischer	87 J'adore Paris	137 Patagonia	187 Tse
38 Citizens for Humanity	88 Jack Spade	138 Penelope Boutique	188 Union Made
39 Club Monaco	89 Jest Jewels	139 Pharmacy Board Shop	189 Unis
40 Cole Haan	90 Jill Platner	140 Phat Farm/Baby Phat	190 United Colors Of Benetton
41 Crumpler	91 Joan's on Third	141 Pink Stripes	191 Urban Outfitters
42 Custo	92 Joe's Jeans	142 Pitaya	192 Vajra Collection
43 Custo Barcelona	93 John Varvatos	143 Platt Boutique Jewelry	193 Vera Bradley
44 D.I. Rhein	94 Johnny Cupcakes	144 Pleats Please Issey Miyake	194 Versani
45 Dan Deutch Optical Outlook	95 Juicy Couture	145 Popkiller	195 Via Spiga
46 David's	96 K.Swiss	146 Prana	196 Weathervane
47 Dean's Leather	97 Kaitlyn	147 Pretty Ballerinas	197 XXI Forever
48 Denim Bar	98 Kaori'S Closet Tokyo	148 Puma	198 Zina
49 Diesel	99 Kate Spade	149 Push	

LIST OF PRE-APPROVED TENANTS

January 2012

(9300 Culver Boulevard – Qualifying Tenants)

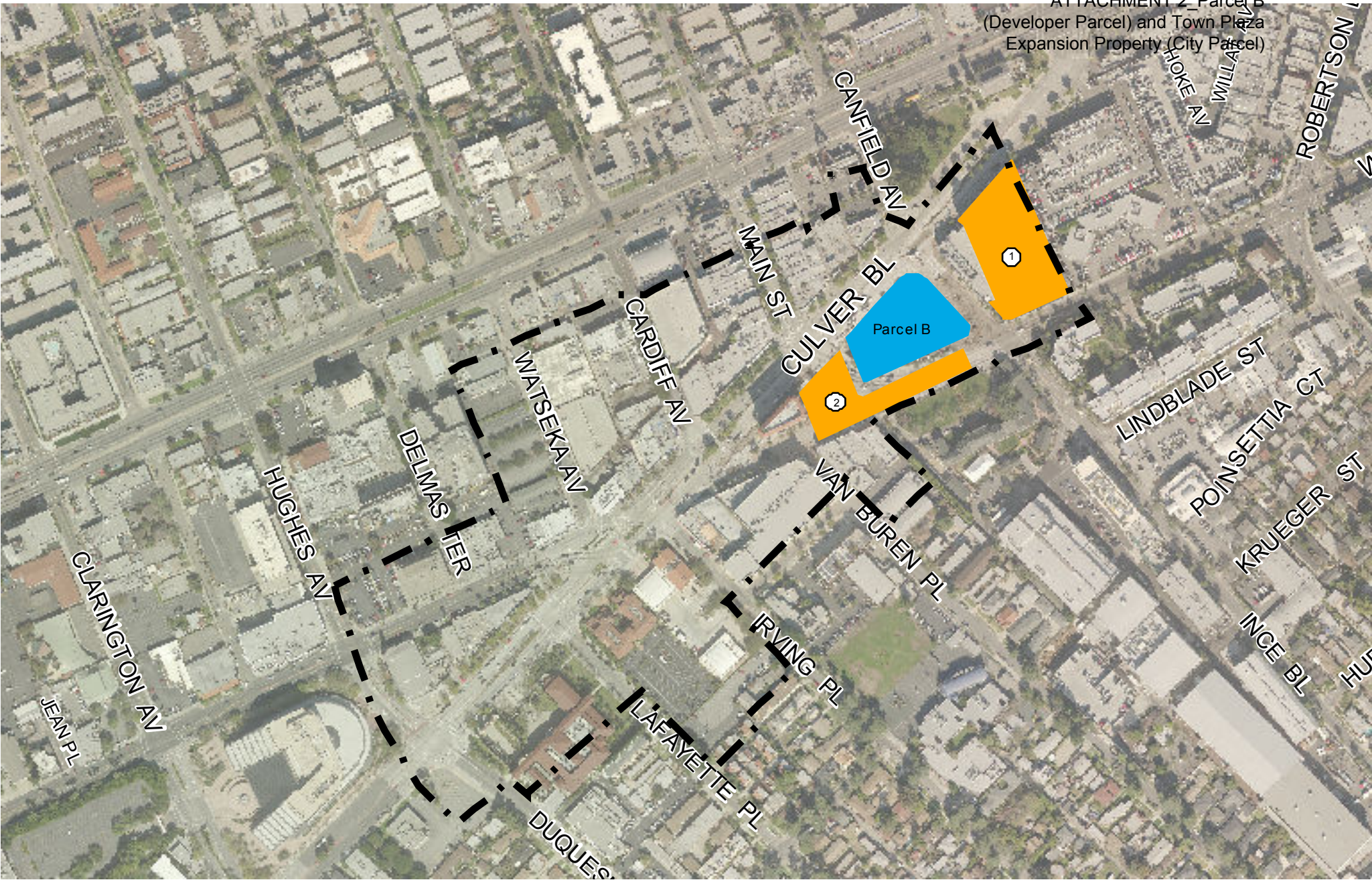
Home Furnishings	Specialty Store/Services	296 Papyrus	344 Left Bank Brasserie
199 CarrolBoyes	247 100% Pure	297 Priscilla of Boston	345 Lemonade
200 CB2	248 Amorepacific	298 Pure Beauty	346 Literati Café
201 Crate & Barrel	249 Apple	299Pylones	347 Lovebirds Café
202 Flou*	250 Art of Shaving	300Raspitins Records	347 Madame Chocolat
203 Hastens*	251 Atelier, Aveda Lifestyle Salon Spa	301Senna Makeup Studio	348 Market Gourmet
204 Jonathan Adler	252 Bang And Olufsen	302 Sephora	349 Meatball Shop
205 Kreiss Collection*	253 Bare Escentuals	303 Skincare Lab	350 Mendocino Farms
206 LigneRoset*	254 Barnes and Noble	304 Sony	351 Mini Bay Cities
207 Luce Plan*	255 Bella Cures	305 Swatch	352 Novel Café
208 Maclaren	256 Bellarmine Salon	306 Vintage Wine Merchants	353 Pasta Pomodoro
209 MaisonParadi	257 Benefit	307 W's Salon	354Petros
210 Michele Varian	258 Bliss	308 White Lilac	355 Pierre la Fond
211 Modernica*	259 Boffi	309 Optometrist Office	356 Pizza Antica
212 Module R	260 BrujaBotanica	310 Dentist Office 360 Pluto's	357Porta Via
213 Montauk Sofa*	261 Cohiba Cigar Lounge		358 Potato Corner
214 Moroso*	262 Cork	Dining/Restaurant/Lounge	359 Richie Palmer's Pizzeria
215 Poltrona Frau*	263 CosBar	311 5 Napkin Burger	360 Rosa Mexicano
216 PomPom	264 Dry Bar	312 7 Grand	361 Rosie McCann's Irish Pub & Rest.
217 Property*	265 Empty Vase	313 800 Degrees	362 Roux Louisiana Kitchen
218 Restoration Hardware	266 Face Stockholm	314 Ahn-Joo	363 Santa Monica Seafood
219 Rooms and Gardens*	267 Village Dental	315 Amber India	364Silvergreens
220 Sur la Table	268 Floral Art	316 Beard Papa's	365 Sino
221 The Container Store*	269 Floyd's Barbershop	317 Blowfish Sushi	366 Spotted Pig
222 The Shade Store*	270 Gilly Hicks	318 Bottega Louie	367 Straits
223 Vera Bradley	271 Hairroin Salon	319 Boudin	368Tartinery
224 West Elm	272 Hastens*	320 Bread Bar	369 The Counter
225 Williams Sonoma	273 Hennessy + Ingalls	321 Burger Lounge	370 The Curious Palate
226 Z Gallerie	274 Ideal Image*	322 Café Almadine	371 The Gypsy Den
	275 Ingo Mauer	323 Chi Dynasty	372Thea Mediterranean Cuisine
Sweets/Dessert	276 InSpa	324 Cocofa Bakery & Café	373TrattoriaAmic
227 21 Choices	277 Jacob Maarse	325 Consuelo Mexican Bistro	374 Umami Burger
228 Babycakes	278 Keetsa*	326 Coral Tree	375Urth Café
229 Bennett's	279 Kiehl's	327 CrepeMaker	376Village California Bistro & Wine Bar
230 Bulgarini Gelato	280 KLEUR Nail Art Studio	328 D'Angelo	377Vintage Wine Bar
231 Crumbs Bake Shop	281 Laser Away*	329 Dean & Deluca	378Wahoo's Fish Taco
232 Kara's Cupcakes	282 Lather	330 Deluca's Italian Deli	379Wonderlust
233 LetteMacarons	283 Lavande Nail Spa	331 Eataly	380Yankee Pier
234 Menchie's	284 L'Occitane	332 El Jardin Tequila Bar & Rest.	381 Yard House
235 Milk	285 MAC Cosmetics	333 Frida Mexican Cuisine	
236 Pazzo Gelato	286 MaiDo	334 Granville Café	Fitness/Studio
237 Pinkberry	287 Malin& Goetz	335 Hatfield's Sycamore Kitchen	382 Club One Fitness
238 Platine Bakery	288 Nail Bar	336 Huckleberry	383 Curves
239 Sprinkles	289 Nixon	337 It's All About the Bread	384 Flywheel
240 Suzie Cakes Market	290 Olin Avenue	338 Jewel City Diner	385 Karina Smirnoff Dance
241 Sweet Rose	291 Optical Illusions	339Katsuya	386 Soul Cycle

LIST OF PRE-APPROVED TENANTS

January 2012

(9300 Culver Boulevard – *Qualifying Tenants*)

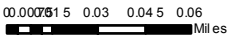
242 Swenson's	292 Ora Gold	340Katwalk	387 YAS Fitness Center
243 Temptations	293 Origins	341 La Boulange	388YogaWorks
244 Twirl	294 Paper Source	342 LB Steak	389 Bar Method
245 Yogurtland	295 Dan Deutsch Optical Outlook	343 Le Pain Quotidien	390 Pop Physique
246 Nice Cream			
* First Floor Use Prohibited			



ATTACHMENT 2- Parcel B
(Developer Parcel) and Town Plaza
Expansion Property (City Parcel)

PARCEL B
PUBLIC PARKING FACILITIES

- 1. Ince Parking Structure 9099 Washington Boulevard
- 2. Town Plaza Parking



August 7, 2012

City of Culver City
c/o Murray Kane, Esq.
Kane, Ballmer & Berkman
515 South Figueroa Street
Suite 1850
Los Angeles, CA 90071

Re: Appraisal Report
9300 Culver Boulevard
Culver City, California
APN: 4206-029-934

Job No. 4592B

Dear Mr. Kane:

In accordance with your request, this writing transmits three copies of our Summary Appraisal report concerning the above-referenced property. The report which follows describes the property, its environs, the work carried out in this assignment, our analyses and supporting data. This report is intended for use only by the Culver City Redevelopment Agency and their representatives. Use of this report by others is not intended by the appraiser.

Based on our investigations and analyses, it is our opinion that as of August 7, 2012, the subject property development site land, as currently entitled and approved for development pursuant to the development proposal submitted by Combined Properties to the City of Culver City, has an estimated Fair Re-Use Value of:

COMBINED PROPERTIES ENTITLED DEVELOPMENT SITE (AS PROPOSED)
(FAIR RE-USE VALUE)

FOUR MILLION TWO HUNDRED THOUSAND DOLLARS

(\$4,200,000)

Also based on our investigations and analyses, it is our opinion that as of August 7, 2012, the subject property development site land, without current entitlements or development approvals, has an estimated market value, of:

UNENTITLED DEVELOPMENT SITE (MARKET VALUE "AS IS")

TWO MILLION DOLLARS

(\$2,000,000)

These opinions are based in part upon information provided by the client concerning the proposed entitled development of the site by Combined Properties and entitlements in place as detailed in the following report; and by the existing zoning and approval restrictions and regulatory entitlement process reviewed with the client for undeveloped vacant land.

Murray Kane, Esq.
August 7, 2012
Page 2

This report was completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and in accordance with the Code of Professional Ethics of the Appraisal Institute. The report is prepared in accordance with the reporting requirements set forth under Standards Rule 2-2b of the Uniform Standards of Professional Appraisal Practice.

This report is subject to "Certification and Restriction Upon Disclosure and Use" as well as the "Contingent and Limiting Conditions Upon Which Appraisal Is Made" which follow this letter. In addition, this report is subject to the following specific conditions:

- We have not reviewed a title report concerning the subject property. Visual inspection reveals no obvious encroachments impacting the subject. Our valuation assumes that no negative title issues exist.
- We have not reviewed the results of any Phase I environmental assessment reports concerning the subject property. Visual inspection reveals no significant conditions onsite for the subject. Our valuation assumes that no environmental problems exist.

Retained in our files are worksheets, field notes, maps, and other data upon which our analysis and conclusions are based. Should you have any questions concerning the contents of this report, feel free to call and we will respond promptly.

Respectfully submitted,

LEA ASSOCIATES, INC.



John J. Gobbell, Jr., MAI
CA# AG010590



Michael M. Popwell, SR/WA
CA# AG004804

CERTIFICATION AND RESTRICTION UPON DISCLOSURE AND USE

I certify that, to the best of my knowledge and belief, . . .

- The statements of fact contained in this report are true and correct.
- While the undersigned have not previously appraised the subject property, Lea Associates has performed an appraisal of the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment was not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.
- Tony Kim provided real property appraisal assistance to the persons signing this certification in terms of market data research.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, John J. Gobbell, Jr., MAI, has completed the continuing education program of the Appraisal Institute.
- As of the date of this report, John J. Gobbell, Jr., MAI (No. AG010590) and Michael M. Popwell, SR/WA (No. AG004804) have satisfied the requirements as Certified General Real Estate Appraisers, licensed by the State of California.
- I have made a personal inspection of the property that is the subject of this report.



John J. Gobbell, Jr., MAI
CA# AG010590



Michael M. Popwell, SR/WA
CA# AG004804

CONTINGENT AND LIMITING CONDITIONS UPON WHICH APPRAISAL IS MADE

This report is made expressly subject to the contingent and limiting conditions, factors and assumptions here with:

1. That the vesting and legal description furnished this appraiser are correct.
2. That measurements and areas furnished by others are correct. No survey has been made for the purpose of this appraisal.
3. That the property is appraised as if free and clear of liens and that the title is good and merchantable.
4. That no guarantee is made as to the correctness of estimates or opinions furnished by others which have been used in making this appraisal.
5. That no liabilities be assumed on account of inaccuracies in such estimates or opinions.
6. That no liability is assumed on account of matters of a legal nature, affecting this property, such as title defects, liens, encroachments, overlapping boundaries, etc.
7. That this appraisal is subject to review upon presentation of data which might be later made available, undisclosed or not available at this writing.
8. That the appraiser herein, by reason of this appraisal, is not required to give testimony or attendance in court or any governmental hearing with reference to the property in question, unless arrangements have previously been made therefore.
9. That the maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied.
10. That no liability is assumed on account of the existence of hazardous material or toxic waste on the subject property.
11. That no liability is assumed for specific compliance with the requirements of the Americans with Disabilities Act (ADA).

INTRODUCTION

SCOPE OF THE APPRAISAL

The purpose of this appraisal report is to provide our opinion of the comparative values of the subject property under two development entitlement and approval scenarios, as follows:

1. The subject property development site land market value as currently entitled and approved for development pursuant to the development proposal submitted by Combined Properties to the City of Culver City (Fair Re-Use Value).
2. The subject property development site land market value without entitlements or development approvals and subject to the regulatory review and approval process for development of a new project on the existing vacant land (Market Value).

The subject property consists of a surface parking lot. We have analyzed the fee simple interest in the subject property under the two property approval and entitlements scenarios noted above.

This is a summary appraisal report which supports our rationale and reasoning in estimating the value of the subject property. This report is subject to the “Certification and Restriction Upon Disclosure and Use” and “Contingent and Limiting Conditions upon Which this Appraisal is Made.” In addition, this report is subject to the special conditions outlined in the transmittal letter. In our valuation analyses, we have considered the applicability of the applicable approaches to value.

Our Sales Comparison Approach search efforts included a review and confirmation of sale transactions of commercial land sales in the surrounding area. We have completed an analysis of the property using the Sales Comparison Approach. The Sales Comparison Approach benefits from local land sales in the immediate area. Sales ultimately selected for our analysis were examined in terms of per square foot land area and per square foot of floor area ratio (FAR) units of comparison and applied to the subject property valuation scenarios after making necessary qualitative and quantitative adjustments to the characteristics of the subject property.

Our Land Residual Approach, also known as a ‘Developer’s Approach,’ is a hybrid of the Income Approach and the Cost Approach to value. This analysis applies a capital value residual analysis to the proposed Combined Properties development scenario and three theoretically possible as-is site development profiles for the subject vacant land site. This capital value analysis procedure results in the solution for an unknown component of value once the other factors of production have been determined. Our analysis examines the proposed development profile, constructs a project cost estimate, projects an income and expense statement, capitalizes the net operating income to a prospective future value upon completion, subtracts the total development costs to determine the value attributable to the land, and discounts that prospective future land value to a present value of the land as of the date of value.

It is the intended use of this appraisal to assist the City of Culver City and its legal counsel in its decision-making concerning setting a potential sale price for the subject property.

DEFINITION OF FAIR RE-USE VALUE

A common definition utilized by State of California redevelopment agencies, consistent with California Redevelopment Law, has been as follows:

The value of a piece of property being sold by a redevelopment agency, reflecting additional conditions and limitations beyond those permitted by land use and zoning codes. These conditions result in a lower value because the “highest and best use” cannot be achieved under the limitations imposed.

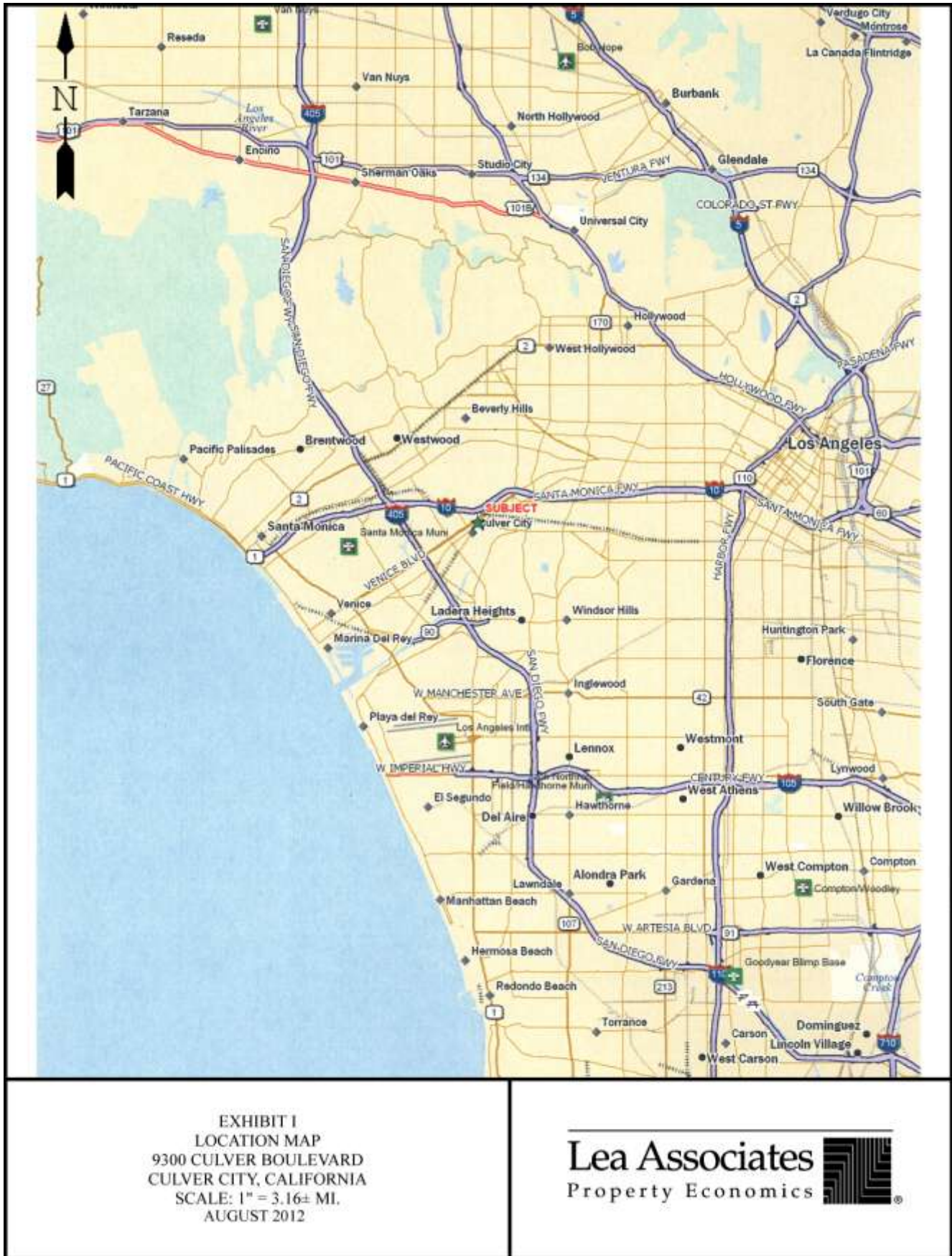
DEFINITION OF MARKET VALUE

The Comptroller of the Currency defines Market Value as:^{1/}

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a) Buyer and seller are typically motivated;
- b) Both parties are well-informed or well-advised, and each acting in what he considers his own best interest;
- c) A reasonable time is allowed for exposure in the open market;
- d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
- e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

^{1/}Also defined under 12 CFR, Part 34, Subpart C-Appraisals, 34.42(f) Definitions.



PROPERTY RIGHTS APPRAISED

The property rights herein appraised consist of the fee simple interest in and to the subject property, excluding mineral rights.

DEFINITION OF FEE SIMPLE ESTATE

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”^{2/}

EXPOSURE TIME

This refers to the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on the analysis of past events assuming a competitive market. In the subject’s case, the exposure time was estimated to be four to eight months.

DATE OF VALUE

The date of value is August 7, 2012, generally corresponding to the completion of our current investigations and analyses of relevant data. The report is dated the same.

AREA OF SURROUNDING INFLUENCE

Location

The subject property is located in the Downtown area of the City of Culver City. Specifically, the subject property is located on the southwesterly corner of Culver Boulevard and Washington Boulevard (formerly Ince Boulevard).

Regional Influences

The county of Los Angeles contains approximately 4,083 square miles. It is bounded on the north by Kern County, on the east by San Bernardino County, on the southeast by Orange County, and on the northwest and west by Ventura County and the Pacific Ocean, respectively. Los Angeles County had a January 1, 2012 population estimate of 9,884,632 reported by the California Department of Finance. Although population growth has slowed over the past several years compared to the previous decade, all indications suggest that the population will continue to grow on an overall albeit slow basis into 2013 and the remainder of the decade.

^{2/} *The Dictionary of Real Estate Appraisal*, Fifth Edition, (Appraisal Institute, Chicago, 2010) 78.

Los Angeles County has a well-grounded and diversified economic base in industry and agriculture. Historically, major industries have been aerospace/defense, entertainment, and oil. In addition, as trade between the Pacific Rim countries and the United States has increased, the ports of Long Beach and Los Angeles have progressively handled more cargo, and the importing and exporting of raw materials and finished products, along with their distribution, has become an important segment of the local economy. Los Angeles is also recognized as a West Coast financial center.

Evidence of the local economy is reflected in area employment rate figures produced by the Bureau of Labor Statistics of the United States Department of Labor.

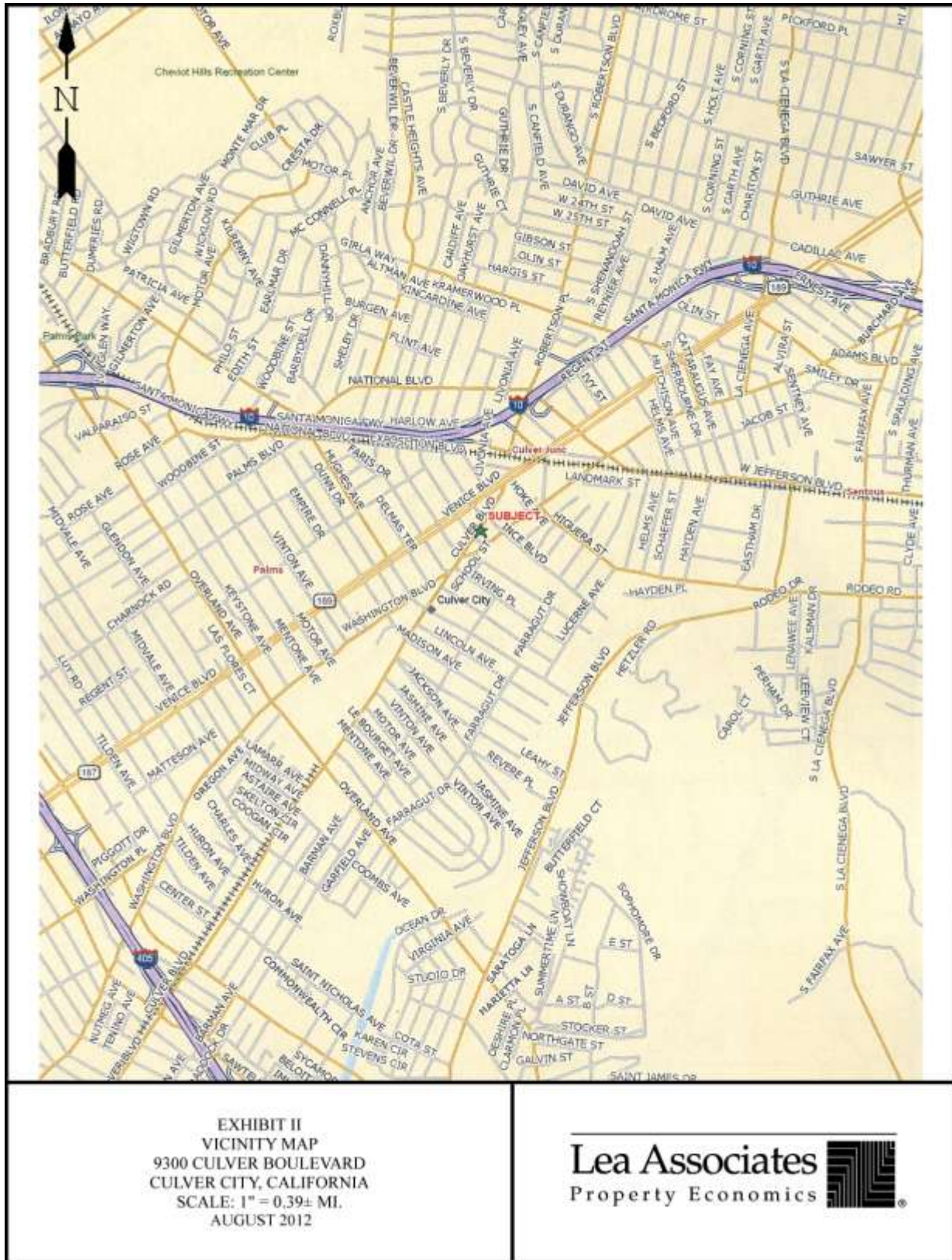
**CIVILIAN LABOR FORCE STATISTICS
LOS ANGELES COUNTY**

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2000	4,671,800	4,421,900	249,900	5.3%
2001	4,777,000	4,506,900	270,100	5.7%
2002	4,789,800	4,465,600	324,200	6.8%
2003	4,788,800	4,451,700	337,100	7.0%
2004	4,859,070	4,587,820	291,250	6.0%
2005	4,967,400	4,714,900	252,600	5.1%
2006	4,860,600	4,631,600	229,100	4.7%
2007	4,921,200	4,675,300	245,900	5.0%
2008	4,972,000	4,598,300	373,800	7.5%
2009	4,869,400	4,285,100	584,300	12.0%
2010	4,910,500	4,291,400	619,100	12.6%
2011	4,924,400	4,318,900	605,500	12.3%
6/2012	4,820,900	4,286,700	534,200	11.1%

Source: California Employment Development Department U.S. Labor Market Information Division

Unemployment has finally begun a decline in the country with Los Angeles County still well above the national average. While home prices have generally stabilized in most of the county and there are reported fewer foreclosure actions reported, the U.S. recession is exasperated by the unending reports from the Global economic crisis. The state of the economy has softened demand in every real estate sector and only this year there appears positive movements in the commercial development sector.

The following summary depicts the trend of total taxable sales in Los Angeles County since 2000. The total taxable sales of a region, is another indicator used in tracking economic activity and measures the purchasing power of the residents in the region.



TAXABLE SALES COUNTY OF LOS ANGELES
2000 - 2010
(in thousands)

<u>Year</u>	<u>Total Taxable Sales</u>	<u>% Change</u>
2000	106,673,534	9.6%
2001	107,426,692	0.7%
2002	108,753,064	1.2%
2003	113,685,422	4.3%
2004	122,533,104	7.8%
2005	130,722,373	6.7%
2006	136,162,552	4.2%
2007	137,820,418	1.2%
2008	131,881,744	-4.3%
2009	112,744,727	-14.5%
2010	113,855,960	0.1%

Source: Taxable Sales in County of Los Angeles, California State

The figures show a steady increase in taxable sales with significant growth from 2003 through 2006. However, taxable sales began declining in 2008 and experienced a large drop in the 2009 year. As of the latest data from 2010, there is a leveling off of the decline and we would expect a modest growth in taxable sales for the 2011 and 2012 years. The latest quarterly report for the first quarter of 2011 indicates that taxable sales rose 8.0%, though this is thought to be largely due to soaring fuel prices.

The City

The City of Culver City was incorporated in 1917 and currently functions under a council-manager type of municipal government. The city contains just less than five square miles and is bordered by the city of Los Angeles to the west, south and east, with Los Angeles County to the southeast. The city is well served by the greater Los Angeles freeway network, with the San Diego Freeway (Interstate 405) forming the westerly boundary, State Route 90 Freeway at the southern extreme and the Santa Monica Freeway (Interstate 10) on the north. This provides convenient access to all parts of West Los Angeles, and Southern California as a whole.

The City of Culver City is essentially fully built up with primarily highest and best use improvements. Hence, population figures show very little change and emphasize stability.

<i>Year</i>	<i>Population</i>	<i>% Change</i>
1990	38,793	- -
2000	38,816	- -
2001	39,300	1.2%
2002	39,850	1.4%
2003	40,200	0.9%
2004	40,550	0.9%
2005	40,630	0.2%
2006	40,723	0.2%
2007	40,564	-0.4%
2008	40,464	-0.3%
2009	40,507	0.1%
2010	38,911	-3.9%
2011	38,973	0.2%
2012	39,004	0.2%

Source: State of California Department of
Finance

Primary arterials within Culver City are Venice Boulevard, Washington Boulevard, Culver Boulevard, and Jefferson Boulevard, aligned in a southwesterly/northeasterly direction. Overland Avenue and Sepulveda Boulevard are the primary northwesterly/southeasterly arterials. Major employers within the city are Sony Pictures Entertainment, the Westfield - Culver City Mall, Brotman Medical Center, Culver City Unified School District, and the City of Culver City.

Surroundings

The subject area is located in the downtown area of Culver City. There is a wide mixture of retail and office uses along Culver and Washington boulevards.

To the west of the subject property is the historic Culver Hotel, and a retail area adjacent to the hotel which includes a Pacific Theatres and several restaurants. Also to the west on Culver Boulevard are Culver City City Hall, the Kirk Douglas Theatre and Sony Pictures Studios. There is ample retail and small office development above Venice Boulevard, north of the subject.

East of the subject are a Trader Joe's supermarket and a public parking structure. Further east is the historic Helms Bakery facility (now a retail furnishing and restaurant project). There are also auto dealerships to the east. Southerly of the subject are the historic Culver Studios. The parcel immediately south is slated for construction of a public area project (Town Plaza).

MARKET OVERVIEW

We have utilized CoStar/Comps, Inc. to gather statistical trend data in the subject's vicinity. We gathered sales data from a radius of seven miles from the subject property (enough for 100 sales in each time period). Improved building sales were used as a proxy to determine a market conditions adjustment

as there was not an adequate number of commercial land sales to produce reliable results. The results of the CoStar/Comps, Inc. trend report are shown below:

RETAIL BUILDING SALES
CULVER CITY AND VICINITY

	<u>8/1/2008- 7/31/2009</u>	<u>8/1/2009- 7/31/2010</u>	<u>8/1/2010- 7/31/2011</u>	<u>8/1/2011- 7/31/2012</u>
# of Sales	114	133	130	165
Median Price psf	\$361.91	\$341.90	\$297.09	\$318.50
% Change Per Year	--	-5.5%	-13.1%	7.2%
% Change To Latest Period	-12.0%	-6.8%	7.2%	--
Average Capitalization Rate	6.0%	5.7%	6.5%	6.3%

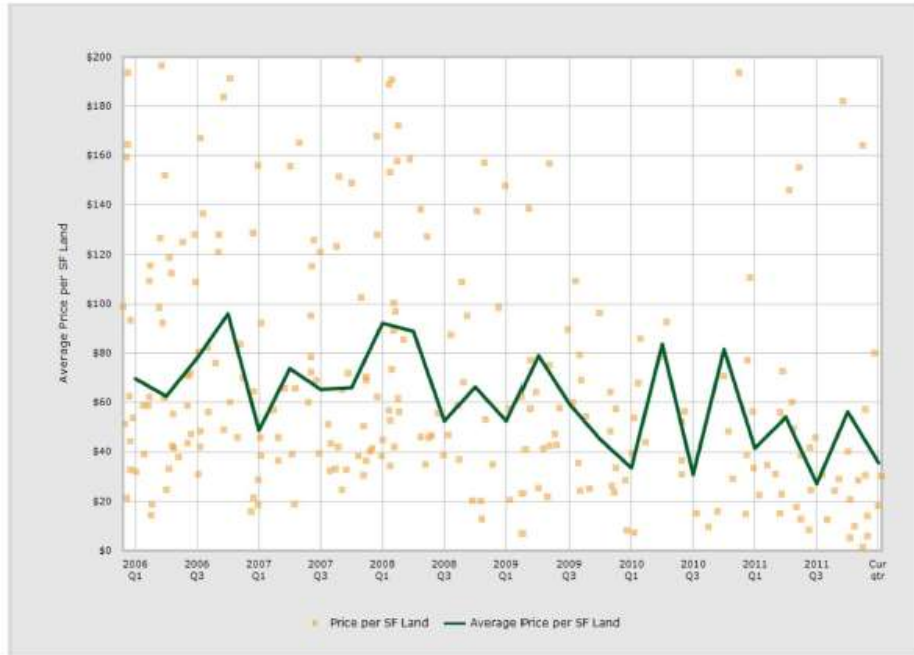
Source: CoStar/Comps, Inc.

The above data shows price levels have decreased for two years and have finally began a turnaround for the most recent period. Prices decreased approximately 18% between the second half of August 2008/July 2009 year to the August 2010/July 2011 year. Since that low point in per square foot pricing, the current August 2011/July 2012 year pricing has edged upward 7%.

The first graph shows the commercial land sales in Los Angeles County over the past six years for development sites ranging from 0.25 acre to 1.0 acre. As can be seen in the graph, the average per square foot of land area pricing has trended moderately downward over the period of the graph. Smaller development sites are the most readily developable and are subject to the greatest market variability over time. Our conclusion from the available data is that these smaller development site pricing levels have fallen over the six-year time frame but appear to be stabilizing since mid-2009.

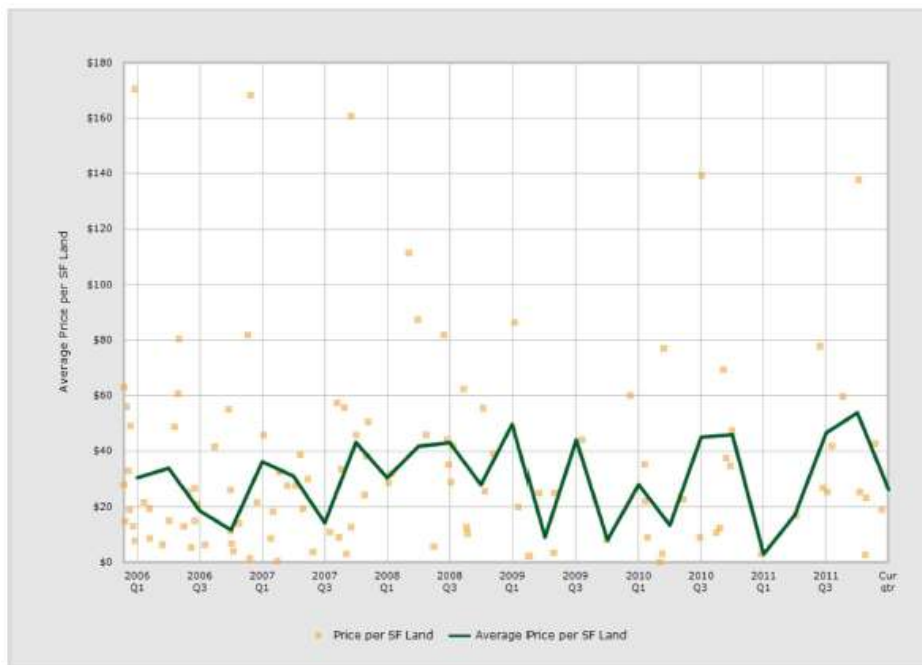
The second land sales graph shows the commercial land sales in Los Angeles County over the past six years for development sites ranging from 1.0 acre to 5.0 acres. As can be seen in the graph, the average per square foot of land area pricing has remained within relatively stable range but increased in variability over the six years of the graph. Generally, larger development sites are the most difficult market segment to analyze and are subject to market variability over time with changing economic outlooks. Our conclusion from the available data is that commercial development site pricing remains site and use specific and that no general land sale trends set the market for individual sites.

COMMERCIAL LAND SALES
LOS ANGELES COUNTY
¼ TO 1 ACRE



Source: CoStar/Comps, Inc.

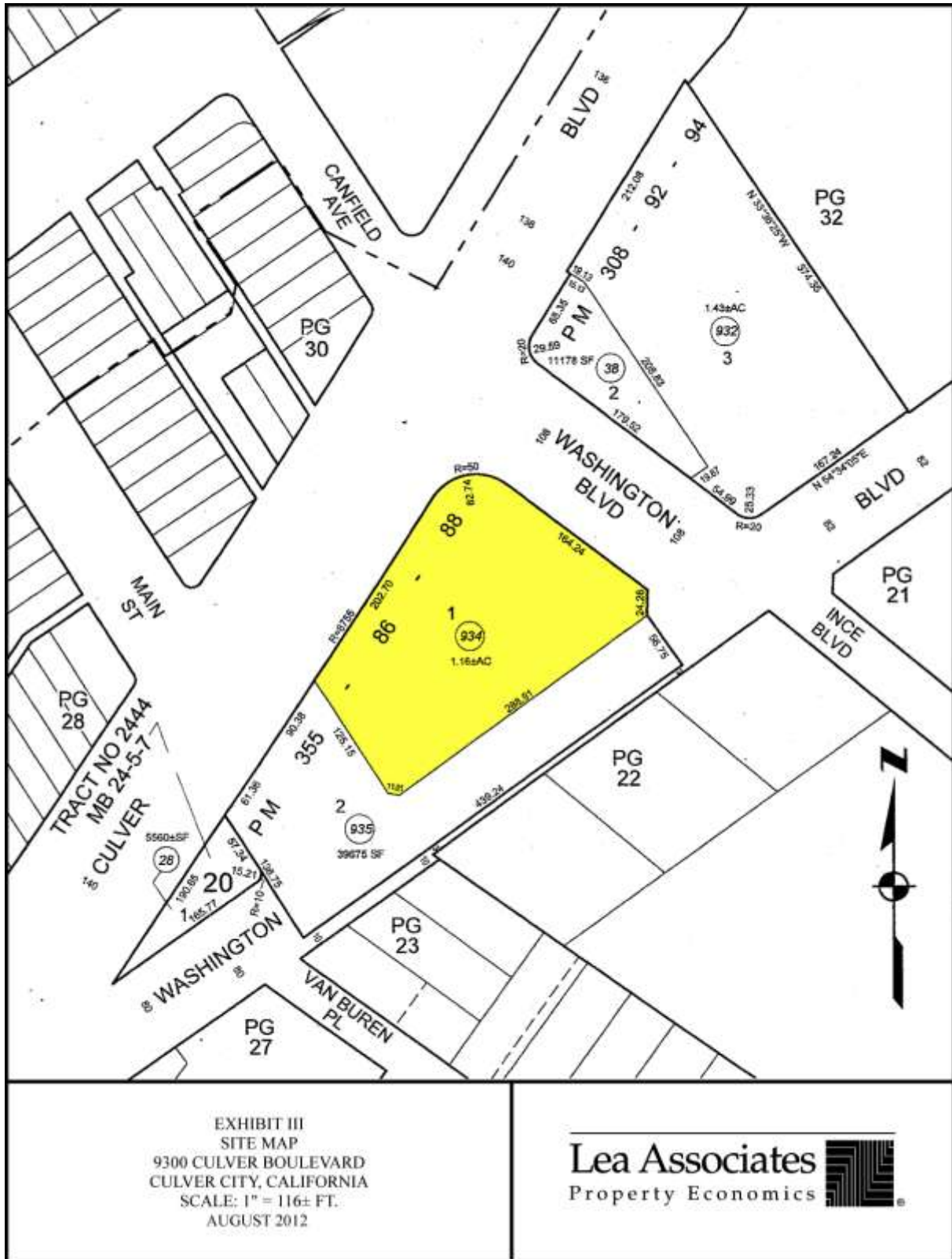
COMMERCIAL LAND SALES
LOS ANGELES COUNTY
1 TO 5 ACRE



Source: CoStar/Comps, Inc.

We have also reviewed the latest retail market research report prepared by Marcus & Millichap. According to their 2nd Quarter 2012 Retail Research Market Update, the vacancy rate in the Westside Cities sub-market is 4.7%, up 50 basis points from the previous year. In addition, they also report the vacancy rate for retail space in the Culver City/El Segundo/Inglewood sub-market at 4.1%, a 60 basis point increase over the previous year. However, they also report effective rents at \$32.27 psf per year, a 2.4% increase from the previous year. They also report the number of single-tenant retail building sale transactions has tripled over the past year with a median sales price of \$318 psf; and sales activity in the multi-tenant sector has improved mildly, albeit low, with the median sales price at \$209 psf.

Overall, the market is seen to be climbing out of its recession-era slump. Our trend data shows that prices rose seven percent over the previous year. As shown by the trend data, capitalization rates have stabilized in the mid-six percent range. Effective rental rates increased over the past year, a positive signal. However, vacancy rate in the local sub-market also increased marginally over the last year. The commercial market shows gathering signs of growth and price appreciation.



SUBJECT PROPERTY

OWNER OF RECORD

The subject property shows title held by:

The City of Culver City
9770 Culver Boulevard
Culver City, California 90232-2703

The last recorded transaction was recorded on March 14, 2011 as Document No. 388074. It was a grant deed. It was a non-arms length transfer from the Culver City Redevelopment Agency to the City of Culver City. There have been no market transactions within the last five years. The subject is not currently listed for sale.

There is a negotiated disposition and development agreement (DDA) with the City-selected developer Combined Properties for a purchase price of approximately \$4,020,000. The negotiated disposition price reflects an agreed upon value of \$5,050,000 less the \$1,030,000 land write-down, taking into account various set-asides and credits regarding the specific development attributes and City-negotiated public benefits and facilities to be provided by the developer. The DDA is reported by the City to be non-transferable and does not run with the land.

Location

9300 Culver Boulevard
Culver City, CA

The subject property is located on the southwesterly corner of Culver Boulevard and Washington Boulevard (formerly Ince Boulevard).

Legal Description

The subject property legal description is summarized as Lot 1, Parcel Map 355, as recorded in Pages 86-88 of Parcel Maps.

LAND

Shape:	Irregular;
Area:	1.16± acres or ±50,530 sf (per Assessor's map);
Topography:	Level at street grade;
Soils and Drainage	
Conditions:	No soil report has been made available, but a visual inspection of the subject and surrounding property and developments revealed no other adverse conditions.
Census Tract No.:	7024.00

Earthquake Zone:	The subject property is not within a Special Study Zone due to historic earthquake activity (per Flood Data Systems, Inc.). However, all of Southern California is subject to earthquakes as the result of an extensive system of faults.
Hazardous Substances:	Based on our on-site inspection of the subject property we have not observed any hazardous substances that might impact the marketability and/or the value of the subject property. Our appraisal report and its value conclusion are subject to our receipt and review of the environmental assessment report and the following of any clean-up recommendations contained in that report.

ZONE

The subject property is zoned CD, Commercial Downtown District by the City of Culver City. The CD zoning is intended to accommodate medium to large scale commercial uses. This zoning classification allows for a wide variety of commercial uses including administrative or professional offices, restaurants, financial institutions, shopping centers, theaters, general retail stores, amusement/entertainment facilities, motels and medical offices. Mixed use and live/work developments are also permitted.

Development standards include:

Minimum lot area:	None
Minimum front street setback:	None required
Minimum side and rear setback:	None required unless adjacent to a residential zone
Maximum Building height:	56 feet at the subject location
Maximum FAR:	No FAR limits

Parking requirements vary according to use. A sample of the requirements is as follows:

General retail and restaurant uses:	2.5 spaces per 1,000 sf
General or professional offices:	3.4 spaces per 1,000 sf
Medical or dental offices:	3.4 spaces per 1,000 sf

Also, parking spaces may be leased from City parking structures to conform to parking standards for existing buildings. However, new developments must construct parking on-site to conform to the applicable parking standards. On-site surface parking in the Commercial Downtown District is not specifically permitted by the City's prescriptive zoning code; and new development with surface parking is reported to be almost certainly unacceptable for discretionary City approvals in this sensitive City center development standards area.

The subject parking lot is considered to be a legal nonconforming interim use.

ASSESSOR'S DATA

Assessor's Parcel No.:	4206-029-934
Assessed Values:	2011
Improvements:	N/A
Land:	N/A
Total:	N/A
Actual Taxes:	N/A
Tax Code Area:	3153
Tax Rate	\$1.074229 per \$100 assessed valuation

In accordance with Proposition 13, the subject would be reassessed under sale or other subsequent transfer.

ENTITLEMENTS

The subject development site is analyzed as 1) Entitled with the current Combined Properties development proposal; and as, 2) "As Is" unentitled vacant land condition.

Combined Properties Proposed Development Site Entitlement

The subject development site has undergone a development process by the City of Culver City. The City solicited development proposals from qualified proposers through a public Request for Proposals process. Several responsive proposals were received and evaluated by the City, and the consortium Combined Properties was recommended for development of the site. After entering into exclusive negotiations with Combined Properties, the development proposal was refined to a combination of office and retail with some subsurface on-site parking. In addition to the subject property site development, Combined Properties proposes to utilize off-site parking built and operated by the City to meet its minimum parking requirements for the proposed development. The City has approved in concept to the specific proposal by Combined Properties in exchange for the developer meeting public benefit goals including, but not limited to, the following:

- Esthetically pleasing design integration to surrounding landmarks,
- Conducive mix of office and retail tenants to support existing built form,
- Creation of a sense of place within the City Center and to maintain pedestrian orientation,
- Appropriate traffic circulation and mitigation measures for the difficult intersection, and
- Expressed development density to provide critical mass to the City Center environs.

The subject property could proceed with development subsequent to transfer under the conditions of the Combined Properties proposal. The specifics of the proposed development include a total gross building area of 115,108± square feet, 98 on-site subterranean parking spaces, office uses of 59,618± square feet, retail uses of 34,495± square feet, and restaurant uses of 13,141± square feet.

In addition, in order to fulfill the remaining parking requirement, the developer will be permitted to lease 317 existing parking spaces (the amount of parking required for the subject project) in the city-owned parking structure across the street to the east. We also note that the city is planning to construct 102 subterranean parking spaces with the proposed adjacent Town Plaza public project.

As-Is Unentitled Vacant Development Site

The subject development site as-is unentitled poses a unique development opportunity with unique zoning and community requirements. Our investigation of the site involves the determination of an as-is maximally development profile using our knowledge of land development inputs and constrains. The zoning is principally controlled by the 56-foot height limit and the requirement to provide on-site parking to meet City use requirements.

These two factors, plus the prohibitive cost of constructing underground parking, result in a development scenario controlled principally by the provision of structured parking. While a myriad of possible configurations may be imagined, we have concluded that a maximum development of 88,200± rentable square feet (94,659± gross square feet) with 252 structured parking spaces could be accommodated within the developable building massing area. This scenario has been vetted by the City of Culver City in our discussions with them regarding site development constraints.

In relating the above factors to the marketplace, we have recognized that the development cost burden to provide the minimally required on-site parking is prohibitive. Therefore, we have also considered two less dense developments in our Land Residual Approach to land value analyses. These are outlined in the Land Residual Approach section of this report and suggest that a typical one-story retail development with surface parking may yield the greatest underlying land value. However, it is abundantly clear to the appraisers that the City will not consider this form of development to meet the minimal zoning and community goal requirements to attain the necessary discretionary approvals for development.

EASEMENTS

We have not received a title report for the subject parcel. Inspection of the subject property revealed no apparent conditions that would negatively impact property value.

UTILITY AVAILABILITY

All of the usual and necessary public utilities are available to the subject property.

ACCESS AND STREET IMPROVEMENTS

The subject property enjoys full pedestrian and vehicular access to Culver and Washington boulevards. Culver Boulevard is a primary arterial dedicated to a width of 140 feet. It is aligned in a northeast/southwest direction and allows for two lanes of traffic in each direction with left turn pockets, and two right turn lanes onto Washington Boulevard. Curbside parallel parking is only permitted along the northerly side of the street. Washington Boulevard is a main arterial dedicated to a width of 108 feet. It is aligned in a northwest/southeast direction and allows for two lanes of traffic in each direction. Curbside parallel parking is not permitted along either side of the street. Both streets are improved with concrete curbs, gutters, and sidewalks at the subject location. Street lighting is provided along both sides of each street.

Improvements

Summary: The subject is an asphalt- and concrete-paved surface parking lot. Details of the subject were obtained during our inspection of the property.

OCCUPANCY

The subject property is currently used for surface parking, a nonconforming use, on a permit basis by the City of Culver City.

HIGHEST AND BEST USE

Highest and Best Use may be defined as:

"The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."^{3/}

Our analysis of Highest and Best Use includes two studies: Highest and Best Use of land as if vacant and Highest and Best Use of property as improved. The highest and best use of both land as if vacant and property as improved must meet four criteria. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive.

As Vacant (without Entitlements)

Legally Permissible: The present zoning provides for a variety of commercial related uses within the Commercial Downtown District. The immediate surrounding land uses are dominated by commercial uses. This would suggest that a development of a similar nature would be consistent with the current land use in the area, as well as the existing zoning. The nature and built-form of future development within the City center area is particularly sensitive to design standards and the existing pedestrian orientation of the immediate environs. New development will be expected to meet a variety of community goals to attain minimal discretionary approvals from the City.

Physically Possible: The subject site consists of an approximately 50,500± sf lot. The topography of the site is a level site at street grade. These characteristics would be conducive to a wide variety of uses.

Financially Feasible: Those improvement programs that would produce a positive return on the investment required to construct them. Sale prices for improved properties are again increasing, and new commercial development is being proposed at several sites in the wider market area. With the improving outlook for the Southern California economy and the West

^{3/} *The Appraisal of Real Estate*, 13th Edition (Appraisal Institute, Chicago, 2008) 277-278.

Los Angeles commercial marketplace in particular, new development is considered imminent.

Maximally Productive:

The maximally productive use is that which results in the highest return to the subject property. Economic conditions are conducive for development. Therefore, we conclude the maximally productive use for the subject site is for commercial development consistent with the underlying land.

As Vacant (with Entitlements)

Legally Permissible:

As noted in the preceding entitlement section, the subject development site has undergone an extensive development proposal process. The Combined Properties proposal includes a combination of office and retail with some subsurface on-site parking. The specifics of the proposed development include a total gross building area of 115,108± square feet, 98 subterranean parking spaces, office uses of 59,618± square feet, retail uses of 34,495± square feet, and restaurant uses of 13,141± square feet. This development scenario is a legally permissible use pursuant to the Combined Properties and City ratification of a development agreement and transfer of the property.

Physically Possible:

The subject site consists of an approximately 50,500± sf lot. The topography of the site is a level site at street grade. The development as proposed by Combined Properties is physically possible.

Financially Feasible:

The Land Residual Approach analysis of the subject Combined Properties development scenario, based on our analysis, is financially feasible.

Maximally Productive:

The maximally productive use is that which results in the highest return to the subject property land. Our analyses of various development scenarios for the subject site indicate that the Combined Properties proposed development is maximally productive. This is due to a combination of factors, two of which we find important is the ability of the Combined Properties to use the City-owned off-site parking structure to meet minimum parking requirements and the ability to proceed in a timely fashion with development of a fully entitled site upon transfer to the developer.

As Improved

Since no structure currently exists on the property, we have not examined the highest and best use of the property as improved.

VALUATION

INTRODUCTION

In theory, there are three approaches to value, the Cost Approach, the Sales Comparison Approach, and the Income Approach.

The Cost Approach is based on the principle of substitution under the assumption that an informed buyer would pay no more than the cost of reproducing a substitute property with the same utility as the subject property. This process involves estimating either the reproduction or replacement cost new for the improvements, deducting an estimated dollar amount for accrued depreciation and adding the estimated land value. Land value is usually estimated by the Sales Comparison Approach.

The Sales Comparison Approach is also based on the principle of substitution under the assumption of reasonable market behavior. This approach involves direct comparison of similar properties that have sold to the subject property. The data from these comparables are converted to pertinent units of comparison that are analyzed and adjusted for differences which are considered significant, leading to a value indication for the subject property.

The Income Approach is based on the principle of anticipation of future benefits and reflects the present worth of these rights accruing to ownership. Traditionally, the estimated net annual stabilized income is capitalized into value at a rate commensurate with the relative certainty of its continuance and the risk involved in ownership of the property. This is known as direct capitalization. Alternatively, the annual net operating income that the property generates during a holding period plus the reversion of capital at the time the property is sold is discounted to a present value using a market-derived discount rate. This is known as a discounted cash flow analysis.

The subject development site's Land Residual Approach is a combination of the Income Approach and Cost Approach. This analysis applies a capital value residual analysis to the proposed Combined Properties development scenario (Fair Re-Use Value) and three theoretically possible "as-is" site development profiles for the subject vacant land site. This capital value analysis procedure results in the solution for an unknown component of value once the other factors of production have been determined. Our analysis examines the proposed development profile, constructs a project cost estimate, projects an income and expense statement, capitalizes the net operating income to a prospective future value upon completion, subtracts the total development costs to determine the value attributable to the land, and discounts that prospective future land value to a present value of the land as of the date of value

After reviewing the approaches to value, your appraisers have considered the quantity and quality of the data available for examination under each of the approaches utilized, inherent dangers and advantages in each approach, and the relevancy of each to the subject property and the appraisal problem. In our valuation of the subject property, we have utilized the Sales Comparison Approach and the Land Residual Approach to value. The Cost Approach to value is not an independent avenue to estimate value for the vacant development site and the Income Approach is not typically utilized to value vacant land in the subject market. However, elements of the Cost Approach and the Income Approach are used in the Land Residual Approach to value. Finally, in the Reconciliation subheading of this report section, we present an evaluation of the Sales Comparison Approach and the Income Approach, as well as a discussion regarding our final estimate of value.

SALES COMPARISON APPROACH - LAND VALUE

The market for commercial land sales in the subject's vicinity was surveyed to obtain sale information for our use in estimating the Fair Re-Use Value and Market Value of the subject property. The sources of market data included the Los Angeles County Assessor's and Recorder's data compiled by Real Quest, Co-Star/Comps Inc., LoopNet, the Multiple Listing Service, and interviews with knowledgeable brokers. After the sale data was collected, we verified the details of the transactions with the buyer, seller, or broker, whenever possible.

The market data items were then field inspected and compared and contrasted to the subject property. The sale items uncovered in our investigations are displayed on the preceding Table I, and displayed geographically on the facing Market Data Map. In comparing these transactions to the subject property, we considered the time of sale, general location, specific location including commercial exposure and interior or corner location, entitlement status, development density, site size, zoning, shape, depth and access. The following paragraphs address some of the significant differences and similarities between the comparables and the subject, as we evaluate this data and use it for deriving an opinion of value for the subject property.

In this analysis and in other similar studies, we observed that both the price psf of site area and the price psf of development area, or floor area ratio (FAR) to be the most consistent pricing parameters for sites similar to the subject. Accordingly, our comparison analyses between the sale items and the subject property have been conducted with the primary emphasis on price psf of land area and psf of FAR area. Therefore, any references to superiority or inferiority are on this basis and are not necessarily reflective of total property value. We have generally observed that the higher the permissible FAR (floor-to-area ratio) the higher the price psf. However, when examining actual development FAR, the price psf of proposed development FAR also varies according to the density of the site development scenario. As an inverse relationship, typically the lower the FAR, the higher the price per square foot of FAR.

Qualitative adjustments were made for the elements of comparison of the comparable land sales to the subject property. In addition, we have made no time of sale or market conditions adjustments to the seven sales under consideration. Our conclusion from the available Los Angeles County land sale data is that smaller development site (under one acre) pricing levels have been variable but with no discernible trend line since mid-2009; and that the larger development site (one to five acres) pricing levels remain site and use specific and that no general land sale trends set the market for individual sites.

The nine transactions shown on Table I range in size from roughly 5,000 sf to 45,000 sf. Unit prices ranged from approximately \$70 to \$225 psf of land area, with most in the \$70 to \$130 psf range. The sales range in transaction date from January 2009 to February 2012.

As Entitled (Combined Properties Scenario)

The following analysis first considers the subject with its entitled FAR but absent the land write-down considerations.

Item No. 1 is a January 2009 sale of an interior site located on Washington Boulevard. Date of sale is superior to the subject. The interior site was considered inferior to the subject's corner location in terms of commercial potential; however this site is being developed for residential use. The property was entitled at the time of sale for a 39 condominium project, however at a lower FAR. Its Marina location is felt to be superior to the subject. Overall, we would expect lower price indicators for the subject due

primarily to date of sale and location. In addition, little weight is placed on this comparable due to the residential product type proposed at the time of sale.

Item No. 2 is a December 2011 sale of a site located mid-block on Glencoe Avenue, below Washington Boulevard, and which is currently operating as a police impound yard. The site is within the Coastal Zone and Marina Loft District. The nearby multifamily residential development area indicates this site is a mid-rise condominium/apartment site. Again, little weight is placed on this comparable due to the likelihood of residential development in a superior Marina location. We would expect lower price indicators for the subject.

Item No. 3 is the sale of an interior site on Washington Boulevard, within the City of Culver City. The property was entitled for a 10,700 sf project at the time of sale. It was considered similar in entitlement status. However, the site was purchased by the City of Culver City, which does not plan on constructing the building. Although the site was purchased by the City, no threat of eminent domain was used. The property was listed for sale and the City made an offer based on an appraisal of market value of the site. The location was considered slightly inferior. The smaller lot size was considered to be superior on a price psf of land area basis. The shape was considered to be similar. The traffic count and FAR was considered to be inferior. Overall, we would expect the subject property to sell for a similar price psf of land area, given offsetting factors. We would also expect the site to sell for a similar price per square foot of FAR.

Item No. 4 is an April 2010 of a property located on the southwesterly corner of Washington Place and Centinela Avenue. The sale was a foreclosure sale. Plans were submitted for an approximately 39,400 sf building in 2007. However, the property was not entitled at the time of sale, an inferior feature. The corner location was a similar feature. However, the general location was considered slightly inferior to the subject's downtown location. The zoning and shape were considered similar. The smaller site area was considered superior on a price psf of land area basis. In addition, the property is improved with a vacant 1,500± sf building at the time of sale, which would need to be demolished in order to redevelop the property. This was considered a slightly inferior feature. Overall, we would expect the subject to sell for a slightly higher price psf of land area and a slightly higher price per square foot of FAR due primarily to entitlement status with offsetting factors.

Item No. 5 is a September 2009 sale of a site located on the northeasterly corner of Washington Place and Sawtelle Boulevard, approximately one and three-quarter miles southwesterly of the subject property. The corner location was a similar feature. However, the general location was inferior to the subject's downtown Culver City location. The smaller lot size was considered superior on a price psf of land area basis. The listing broker indicated the property was not entitled at the time of sale. The sale is inferior to the subject in this regard. However, he indicated the sale included plans which were originally submitted in 2005 for an approximately 17,000 sf building. Overall, we would expect the subject to sell for a higher price psf of land area, primarily due to its entitlement status and location. On a price per square foot of FAR basis, we would expect a lower price indicator due to the inverse relationship between FAR and price per square foot of FAR.

Item No. 6 is an August 2011 sale of a prime corner retail site at Sepulveda and Washington boulevards. The property is a 2.2± acre site with a 34,125± square foot one-story retail development center under construction with completion anticipated in phases over October to December 2012. The low development as built FAR of 0.4 demonstrates the inverse relationship between psf land and FAR values. We expect the subject to have a higher psf of land value due primarily to its low FAR and entitlement status. We would expect the subject to have a lower price per square foot of FAR psf value

given the inverse relationship between FAR and price per square foot of FAR (offset somewhat by entitlement status).

TABLE I
MARKET DATA SUMMARY
EFFECTIVELY VACANT LAND SALES
CULVER CITY & VICINITY, CALIFORNIA

ITEM NO.	LOCATION/(APN)	SALE DATE	ZONE	SITE AREA (SF) ¹	TRAFFIC COUNTS	Development Sft/ Density (FAR)	PRICE			REMARKS
							TOTAL	PSF LAND	PSF FAR	
1	13340 W Washington Boulevard Culver City 4230-008-053 & 059	Jan-09	CG & CM (GM)	33,008	40,636	<u>54,500</u> 1.3 ³	\$ 7,350,000	\$ 223	\$ 135	Entitled at the time of sale for a 39 condominium project. Improved with a restaurant at the time of sale.
2	4140 Glencoe Avenue Los Angeles - Marina Del Rey 4230-006-006	Dec-11	LACM-2D	41,382	15,974	<u>62,073</u> 1.5	\$ 6,800,000	\$ 164	\$ 110	Not entitled in Costal Zone, reported as Lof District, 2D height limit, estimated buildable FAR residential at R3 - 800sf per unit.
3	12601 W Washington Boulevard Culver City 4231-019-050	Sep-10	CG	6,000	21,906	<u>10,700</u> 1.8 ³	\$ 625,000	\$ 104	\$ 58	Purchased by the City of Culver City. Entitled at the time of sale for a 3-story, 10,700± sf building.
4	SWC Washington Pl & Centinela Ave 12402 Washington Place Culver City 4231-001-046 & 047	Apr-10	CN	15,360	22,758 <u>28,693</u> 51,451	<u>39,400</u> 2.6	\$ 1,250,000	\$ 81	\$ 32	Not entitled, REO Transaction; improved with a 1,500± sf building at the time of sale.
5	NEC Washington Pl & Sawtelle Blvd 11281 Washington Place Culver City 4214-002-040	Sep-09	CG	12,306	22,333 <u>17,306</u> 39,639	<u>17,050</u> 1.4 ³	\$ 850,000	\$ 69	\$ 50	Not entitled at the time of sale. Included plans for a 3-story 17,050± sf mixed use building.
6	SEC Sepulveda Bl & Washington Bl 4114 Sepulveda Boulevard Culver City 4213-014-001,004,006,044,045	Aug-11	C3	96,398	19,300 <u>21,962</u> 41,262	<u>34,125</u> 0.4 ³	\$ 7,500,000	\$ 78	\$ 220	U/C Culver Crossroads with 4.5/1000 parking opening October - December 2012.
7	NEC Washington Blvd & Mentone Ave 10451 Washington Boulevard Los Angeles - Palms 4208-007-014	Feb-12	LAC2-1	7,802	22,578	<u>11,703</u> 1.5	\$ 875,000	\$ 112	\$ 75	Not entitled. Continue use as parking.
8	SWC Culver Blvd & Madison Ave 10100 Culver Boulevard Culver City 4207-011-004, 032 & 033	Nov-09	CG & R4	44,920	22,265	<u>94,000</u> 2.1	\$ 4,600,000	\$ 102	\$ 49	No entitled at the time of sale. Improved with an office building at the time of sale.
9	6118-6118 Washington Boulevard Culver City 4205-010-013 to 015	Aug-10	CG	6,750	22,345	<u>10,000</u> 1.5 ³	\$ 875,000	\$ 130	\$ 88	Not entitled at the time of sale; Buyer indicated they are constructing a 10,000 sf office building on the site.
Subject	SWC Culver Blvd & Washington Blvd 9300 Culver Boulevard Culver City 4206-029-934	Oct-11 (D.O.V.)	CD	50,530	34,698	<u>115,000</u> 2.3				Entitled for the construction of a three-story, 115,000 sf retail/office building. Currently improved as a parking lot.

¹ Net of perimeter dedications

² Permitted FAR

³ Planned or Entitled FAR

SOURCE: LEA ASSOCIATES, INC., SURVEY, JULY 2012

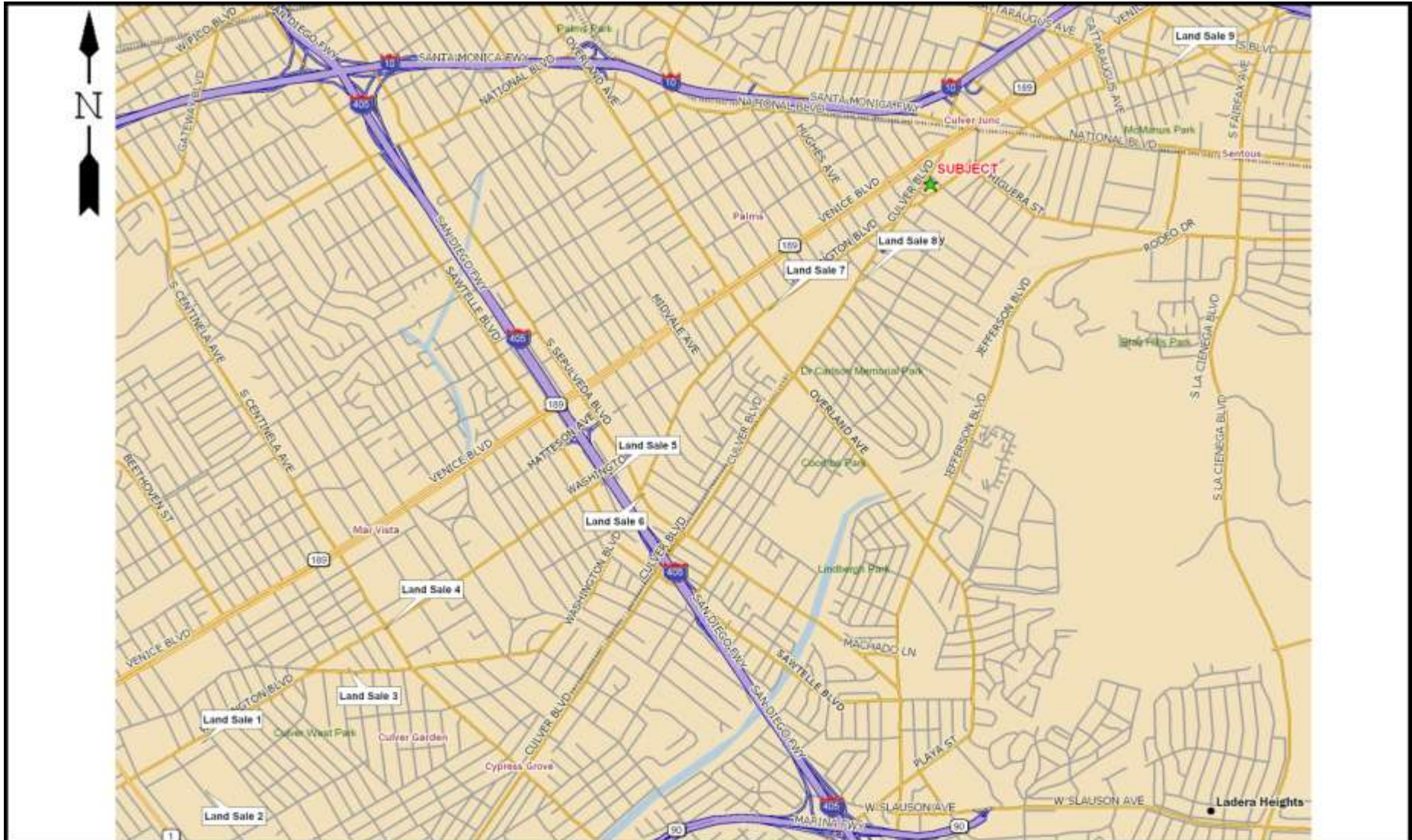


EXHIBIT IV
MARKET DATA MAP - VACANT LAND SALES
9300 CULVER BOULEVARD
CULVER CITY, CALIFORNIA
SCALE: 1" = 2600± FT
AUGUST 2012

Lea Associates
Property Economics



Item No. 6 is an August 2011 sale of a prime corner retail site at Sepulveda and Washington boulevards. The property is a 2.2± acre site with a 34,125± square foot one-story retail development center under construction with completion anticipated in phases over October to December 2012. The low development as built FAR of 0.4 demonstrates the inverse relationship between psf land and FAR values. We expect the subject to have a higher psf of land value due primarily to its low FAR and entitlement status. We would expect the subject to have a lower price per square foot of FAR psf value given the inverse relationship between FAR and price per square foot of FAR (offset somewhat by entitlement status).

Item No. 7 is a February 2012 sale of a secondary corner site at Culver Boulevard and Madison Avenue. The property has a developable FAR of 1.5 and will continue to be used as a surface parking lot by a nearby owner. FAR is slightly inferior. Lack of entitlements is also inferior to the subject. This property is superior in terms of its size on a psf basis. Traffic count and location is slightly inferior to the subject property. Given offsetting factors, the psf of land is considered similar to the subject property. We would expect the subject to have a lower price per square foot of FAR psf value given the inverse relationship between FAR and price per square foot of FAR (offset somewhat by entitlement status).

Item No. 8 is a sale of a site located on the southwesterly corner of Culver Boulevard and Madison Avenue, five blocks southwesterly of the subject property. The location, lot size, lot shape, and FAR were all considered similar. Traffic count is slightly inferior. Plans for a 94,000 sf development were submitted several years ago. However, they were rejected. Therefore the property was considered inferior in entitlement status. Therefore, we would expect the subject to sell for a higher price psf and price psf FAR due primarily to entitlement status.

Item No. 9 is an August 2010 sale of a site located on Washington Boulevard, approximately one mile northeasterly of the subject property. It has an interior location which is inferior to the subject's corner location. The property was unentitled at the time of sale, an inferior feature. The buyer indicated they are currently constructing a 10,000 sf office building on the site. The project FAR is inferior to the subject's FAR. The smaller lot size was superior on a price psf of land area basis. The traffic count is slightly inferior. Overall, we would expect the subject to sell for a similar price psf of land area due to offsetting factors. We would also expect the subject to sell for a lower price psf of FAR as the sale comparable has a lower FAR and thus a higher price psf FAR.

In summary, we placed little reliance on Sale Nos. 1 and 2 given their residential character. Of the remaining seven sales, there are three sales which are unentitled and undeveloped (Sale Nos. 4, 7 and 8) and four sales which have planned or permitted/under construction projects (Sale Nos. 3, 5, 6 and 9). In summary, two of the sale comparables were entitled at the time of sale (Sale Nos. 1 and 3). Again, we placed very little weight on Sale No. 1. Sale No. 3 showed a price psf of \$104 psf and a price per square foot of FAR of \$58 psf. Our previous discussion and analysis indicated slightly higher price indicators in comparison to Item No. 8. We would also consider Item Nos. 7 and 9 similar on a psf of land area basis but superior to the subject on a price per square foot of FAR basis.

In addition, the developments proposed for Sale Nos. 3, 4 and 8 are the most similar in density/FAR when compared to the subject property.

Based on our analysis of the market data, we have concluded that the subject should be valued at a unit rate of \$110 psf of land area and \$50 per square foot of FAR. The two indicators of value are very supportive of each other and we have given approximately equal weight to both indicators. This results in the following:

50,530± sf land x \$110 psf of land:	=	\$5,550,000 Rounded
115,108 sf FAR x \$50 psf FAR:	=	\$5,750,000 Rounded
Concluded Market Value (before write-down):		\$5,600,000

As stated previously, there is a negotiated disposition and development agreement (DDA) with the City-selected developer Combined Properties for a purchase price of approximately \$4,020,000. The negotiated disposition price reflects an agreed upon value of \$5,050,000 (\$100 psf of land area, \$44 psf FAR) less the \$1,030,000 land write-down, taking into account various set-asides and credits regarding the specific development attributes and City-negotiated public benefits and facilities to be provided by the developer. The DDA is reported by the City to be non-transferable and does not run with the land.

To arrive at a Fair Re-Use Value indication via the Sales Comparison Approach to value, the land write-down has been deducted from the estimated market value, shown as follows:

Market Value Estimate Via Sales Comparison Approach:	\$5,600,000
Less: Land Write-Down:	<u>\$1,030,000</u>
Fair Re-Use Value Via Sales Comparison Approach:	\$4,570,000

Given the above discussion and analysis, the concluded estimate of fair re-use value for the subject site, as per the Sales Comparison Approach to value, is as follows:

FOUR MILLION FIVE HUNDRED SEVENTY THOUSAND DOLLARS

(\$4,570,000)

As Unentitled

The above discussion and analysis applies with the exception of the subject being unentitled with a lower potential FAR under this “unentitled” scenario. As previously discussed within the Entitlements section of this report and demonstrated in the forthcoming land residual analysis, the subject site as unentitled faces certain development constraints imposed by its zoning. Essentially, the requirement for on-site parking (with no surface parking allowed) makes development somewhat prohibitive, especially when attempting to maximize FAR. This is difficult to quantify in a Sales Comparison Approach, especially when it appears that the comparison items do not face the same specific development challenge.

If surface parking were allowed for the subject, we would expect a psf of land value indicator for the subject at the level indicated by Comparable No. 6 (similar in size, entitlement status, location, traffic) at approximately \$80 psf of land area. Given the subject’s parking requirement, we would expect a value for the subject at or below the low end of the range of the comparison items under this valuation scenario. Again, this is difficult to quantify within the Sales Comparison Approach to value and thus the Sales Comparison Approach would appear to indicate a market value for the subject at less than \$70 psf of land area as unentitled. This is shown as follows:

Market Value Less Than: 50,530 sf land area x \$70 psf land area: \$3,550,000 (Rounded)

In the forthcoming Reconciliation section of this report, the market value estimates previously concluded within this section (Sales Comparison Approach) are reconciled with the value estimates produced by the forthcoming land residual analysis.

LAND RESIDUAL APPROACH TO VALUE

Combining the elements of the Cost Approach and the Income Approach to value, the Land Residual Approach applies a capital value residual analysis to the proposed Combined Properties development scenario (yielding a Fair Re-Use Value) and three theoretically possible as-is site development profiles (yielding potential market values) for the subject vacant development site. This capital value analysis procedure results in the solution the underlying or residual land value once the other factors of production have been determined. Our analysis examines the proposed development profiles, constructs a project cost estimate, projects an income and expense statement, capitalizes the net operating income to a prospective future value upon completion, subtracts the total development costs to determine the value attributable to the land, and discounts that prospective future land value to a present value of the land as of the date of value. The process is accomplished in two steps, first the land's capital value extraction and second the discounting of that future capital value attributable to the land to a present value as of the date of valuation.

An essential market driven element in the development of a residual to land value is the achievable rental rates which the development use mix will achieve. For our analysis, we have conducted a survey of nearby retail and office projects to gain insight to the probable levels of the rental rates achievable upon development. The analysis is a static direct capitalization approach using current rates to determine a present date capital value from which the various current date development costs are subtracted to yield the remaining capital value attributable to the underlying land.

Retail Rent Survey

We have gathered market data within the Culver City retail submarket area to examine the subject property's retail component market potentials. The market is robust and numerous leased transactions and available for lease building comparables were identified during our research. Sources used to identify the comparables include LoopNet Inc., CoStar/Comps, Inc., and the AIR CDX database. We identified seven properties which are detailed in Table II and the location map on the following pages.

The surveyed properties include older existing buildings without on-site parking in the City Center area, a new under construction one-story retail center at Sepulveda and Washington boulevards, and proposed development at Washington and National boulevards. Overall, quoted rents are all stated on a triple net (NNN) basis on a rentable square foot (rsf) measurement with operating expense pass-throughs. The leased and available spaces monthly rents range from \$3.33 to \$6.00 rsf NNN, and the average and median rates are \$4.73 and \$5.00 NNN rsf, respectively. The rental rates are all for first floor street level frontages retail shops.

The quoted expense pass-through charges range from \$0.25 to \$0.90 rsf, and the average and median rates are \$0.58 and \$0.55 rsf, respectively. When combined on a property by property basis, the effective gross rent for the retail comparables range from \$3.58 to \$6.00 rsf, and both the average and median rates are \$5.05 rsf.

For the proposed Combined Properties development scenario, which includes a mix of street front and plaza-type retail shops, we have concluded an overall general retail space monthly rental rate of \$3.50 rsf NNN, and for the restaurant spaces \$3.75 rsf NNN. These rates are effective rental rates and would include any rental concessions such as free rent and additional tenant improvement allowance which would typically be offered to absorb the 48,000 square feet of retail and restaurant space in the proposed new development.

In addition to the Combined Properties projected retail rate, we have estimated rental rates for the remaining three development scenarios which are discussed subsequently. The site "as-is" maximum development scenario approaches the magnitude of the Combined Properties proposed development and the general retail rate is maintained at \$3.50 rsf NNN. The site as-is alternative two-story and one-story development scenarios are smaller-scaled developments with predominately street-frontage retail spaces and those rates are increased to \$4.00 rsf NNN.

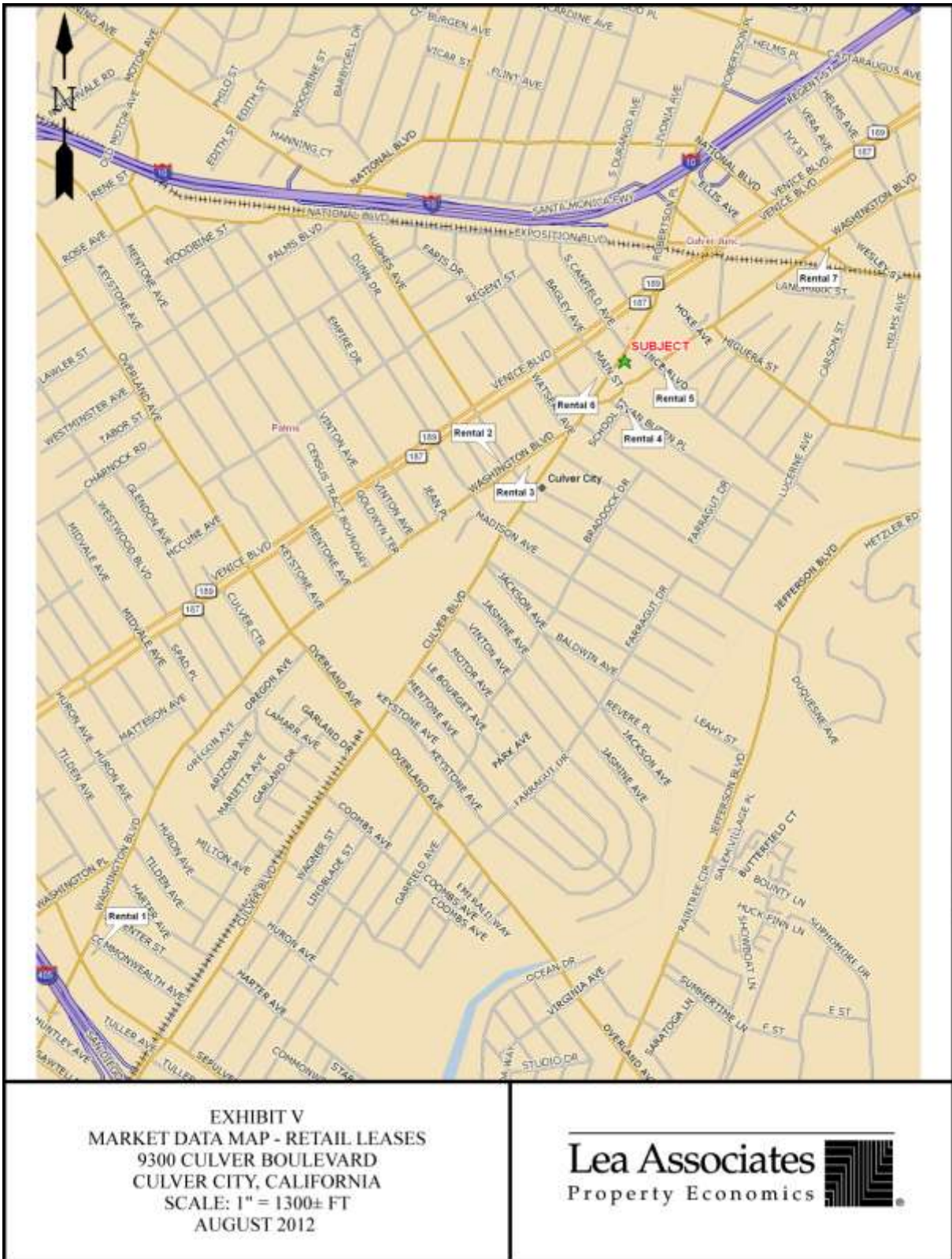
TABLE II
MARKET DATA SUMMARY
RETAIL LEASE ITEMS
CULVER CITY

ITEM NO	LOCATION/TENANT	LEASE DATE	OCCUPANCY DATE	DESCRIPTION OF LEASED SPACE	LEASED AREA (SF)	FLOOR(S)	TERM/ ESCALATIONS	LEASE TYPE ¹	EFFECTIVE NNN PSF ²	EXPENSES PSF ³	TI ALLOWANCE	COMMENTS
1	Culver Crossroads SEC Sepulveda and Washington 4114 Sepulveda Blvd Culver City 4213-014-001,004,005,006,044,045	Available U/C	Oct-Dec '12	One-story, 34,125 sf single story retail building under construction scheduled for Oct-Dec 2012. 2,000 sf total available. 4.5 parking spaces per 1000 sf.	2,000	1	5 Yr. CPI	NNN	\$4.50	\$0.55	Vanilla Shell	New retail center at SEC Sepulveda and Washington with green building features and extensive landscaping. Existing completed leasing information
2	9901 Luxe NWC Washington and Hughes 9901 Washington Blvd Culver City 4207-004-034	Proposed	May '14	Proposed 6-story 123,879 sf mixed retail and residential building, 5,000 sf available. 3 floors subterranean parking. 2.24 parking spaces per 1000 sf. Breaks ground July 2012.	5,000	1	Negotiable	NNN	\$5.00 \$6.00	N/A	Negotiable	The information regarding this proposed project is limited to that provide in the AIR listing pursuant to owner's instructions to brokers.
3	9810 Washington Blvd Culver City 4207-006-915	May '12	N/A	One-story 3,600 sf restaurant under renovation. No parking. Nearby city parking lot.	5,000	1	5 Yr. CPI	NNN	\$5.00	\$0.90	Landlord Rebuild	Leased to two tenants on one 5-year and one 10-year lease. Landlord rebuilding space to 'warm vanilla shell.' Occupancy date not available.
4	3912 Van Buren Place Culver City 4206-023-004	June '12	N/A	One-story 3,000 sf building built in 1921 used as restaurant. Recently renovated. No parking. Nearby city parking lot.	3,000	1	5 Yr. & Options CPI	NNN	\$3.33	\$0.25	Vanilla Shell New Bathrooms	Existing restaurant use, tenant add own Ties, three months free rent.
5	Town Plaza NEC Washington and Ince 9426 Washington Blvd. Culver City 4206-023-003	Available	N/A	Two-story 10,000 sf building built in 1921. Leased space 5,000 sf on second floor office. No parking. Nearby city parking	5,000	1	5 or 10 Yr. Options Fixed step or CPI	NNN	\$4.00 full floor \$5.50 partial floor	\$0.70	Vanilla Shell	No on-site parking.
6	NWC Culver and Main 3849 Main St Culver City 4206-028-017	Available	N/A	Two story 26,117 sf building built in 1929. Space available 1,581 sf. No parking. Nearby city parking lot.	1,581	1	5 - 7 - 10 Yr. Fix step or CPI	NNN	\$5.50	\$0.50	Vanilla Shell	No on-site parking.
7	Lagado Crossing SEC Washington and National 8770 Washington Blvd Culver City 4312-028-020,021,022,038	Proposed	Aug '14	Proposed one-story 32,000 sf mixed-use building. 19,000 sf available. Ground breaks August 2012.	19,500	1	Negotiable	NNN	\$3.75	N/A	Negotiable	The information regarding this proposed project is limited to that provide in the AIR listing pursuant to owner's instructions to brokers.

² Adjusted for free rent concessions

³ Adjusted for to a FSG basis equivalent based on differences of expense basis.

SOURCE: LEA ASSOCIATES, INC., SURVEY, JULY 2012



Office Rent Survey

We have also gathered market data within the Culver City office submarket area to examine the subject property development's office component market rent potential. The market is observed to include a mix of entertainment and general office users with a dearth of the later in newer office complexes. The same sources as the retail survey are used to identify the comparables, and these include LoopNet Inc., CoStar/Comps, Inc., and the AIR CDX database. We identified nine properties which are detailed in Table III and the location map on the following pages.

The surveyed properties include older existing buildings without on-site parking in the City Center area and three proposed developments in the Hayden Avenue corridor and south on Jefferson Boulevard. Overall, quoted monthly rents are in modified gross (MG) and full service gross (FSG) on an rsf basis. The MG rents generally pass through electric and janitorial, often at the \$0.35 to \$0.50 rsf per month level. Excluding reported concessions, the FSG equivalent monthly office rents range from \$2.90 to \$5.50 rsf, and the average and median rates are both \$3.75 rsf.

For the proposed Combined Properties development scenario, we have concluded an overall office space monthly rental rate of \$3.50 rsf FSG. This rental rate includes \$1.00 rsf in expenses which are the responsibility of the landlord. The rate is an effective rental rate and would include any rental concessions such as free rent and additional tenant improvement allowance which might be offered to absorb the 51,000 square feet of new office space in the proposed new development.

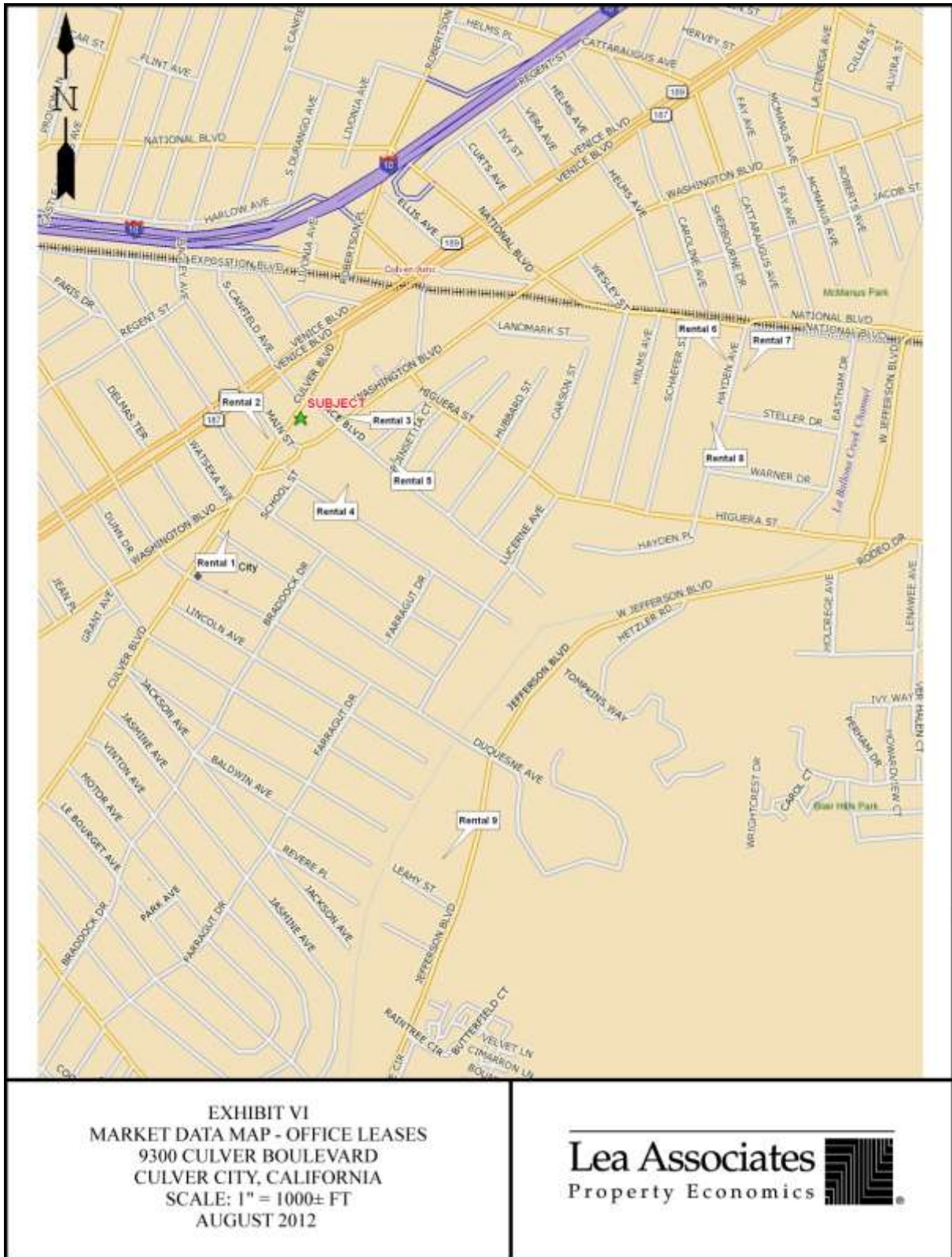
In addition to the Combined Properties projected office rent rate, we have estimated rental rates for the remaining three development scenarios which are discussed subsequently in the income approach analyses. The site as-is maximum development scenario approaches the magnitude of the Combined Properties proposed development and the office rate is maintained at \$3.50 rsf FSG. The site as-is alternative two-story development scenarios is a smaller-scaled development with second floor office space and thus is increased to the \$3.75 rsf FSG rent level. The fourth scenario, the one-story retail development with surface parking, has no dedicated office space and any office tenant would pay the retail rental rate.

TABLE III
MARKET DATA SUMMARY
OFFICE LEASE ITEMS
CULVER CITY

ITEM NO	LOCATION/TENANT	LEASE	OCCUPANCY	DESCRIPTION OF LEASED SPACE	LEASED	FLOOR(S)	TERM/ ESCALATIONS	LEASE	FSG		TI ALLOWANCE	COMMENTS
		DATE	DATE		AREA (SF)			TYPE ¹	EFFECTIVE RENT PSF ²	EQUIVALENT RENT PSF ³		
1	Meralta Plaza SEC Culver Blvd and Lafayette Pl 9696 Culver Blvd. Culver City 4207-007-043	Jun-11	N/A	Three-story 32,416 sf office building built in 1983. 4,147 sf available. Parking ratio 3/1000 sf.	4,249	1 3	3 - 5 - 10 Yr. CPI " "	MG	\$2.95			Building maintains near full occupancy and is only newer non-entertainment building in vicinity.
		Nov-11	N/A		3430			MG	\$2.92			
		Avail. 9/12	N/A		1,549			MG	\$3.55	\$3.75	\$5	
		Avail. 2012	N/A		2,598			MG	\$3.45	\$3.65	\$5	
2	NWC Culver Blvd and Main St 9415-9421 Culver Blvd Culver City 4206-028-017	Apr-11	N/A	Two-story 9,000 sf building built in 1929. 386 space parking structure adjacent.	9,000	2	N/A	MG	\$3.25	\$3.75	As Is	Tenant lease information not available. Rate is asking rate at time space was available.
3	Town Plaza NEC Washington and Ince 9426 Washington Blvd, Unit F2 Culver City 4206-023-003	Available	N/A	Two-story 10,000 sf building built in 1921. 8,781 sf available.	5,000	2	Negotiable	NNN	\$2.50	\$2.90	As Is	No on-site parking.
								NNN	full floor \$3.50 partial floor	\$3.90		
4	Culver City Studios SWC Washington Blvd and Ince 9336 Washington Blvd, Bldg J Culver City 4206-022-002	Leased & Avail.	N/A	Two-story 25,666 sf Mansion building built in 1920. Production offices. Total facility 240,000 sf and 155,000 sf stages. 60,000 sf modern office, 60,000 sf older buildings.	N/A	1 & 2 1 to 3	Mansion short term. Modern offices 3 - 5 Yr Fixed step or CPI	FSG	\$5.50	\$5.50	As Is Negotiable	Mansion building high quality unique historic small user (200 to 800 sf) offices. Other buildings in complex at competitive rates. Includes 3/1000 parking, additional parking available at \$145, reserved \$250-\$300.
					N/A			FSG	\$3.50	\$3.50		
5	3960 Ince Blvd Culver City 4206-020-020	Available	N/A	Two-story 24,278 sf building built in 1924. 24,834 sf available.	24,834	1 & 2	3 - 5 Yr. CPI	MG	\$2.70	\$3.15	Negotiable	No on-site parking.
6	Thirty 5 Thirty 5 3535 Hayden Ave Culver City	Jul-11	N/A	Four-story 52,332 sf building. 16,154 sf available. Parking ratio 3:1, 3,516 spaces.	1,172	N/A	Min. 3 Yr. Fixed 3%	MG	\$2.65	\$3.05	\$15 SF	Parking available at 2/1000 at \$100
		Available	N/A		1500	N/A						
7	The Pterodactyl 3540 Hayden Ave Culver City	Proposed	N/A	Two-story 12,200 sf building. Parking ratio 3.00/1,000 sf. Spaces available approx. 8 months after lease execution.	12,200	1 & 2	Negotiable	MG	\$3.25	N/A	N/A	Unique structure on top of existing parking structure.
8	Glass Tower 3585 Hayden Ave Culver City 4206-002-006	Proposed	N/A	Two-story 2,700 sf building. Parking ratio 3.00/1,000 sf.	2,700	1 & 2	Negotiable	NNN	\$4.00	N/A	N/A	The information regarding this proposed project is limited to that provide in the AIR listing pursuant to owner's instructions to brokers.
9	9919 Jefferson Blvd Culver City 4207-031-018	Proposed	N/A	Proposed three-story 132,387 sf office building. Parking ratio 3.00/1,000 sf.	132,387	1, 2 & 3	Negotiable Fixed 3%	NNN	\$2.90	\$3.90 \$4.15	\$50 SF	18 to 21 mos. construction with 60,000 preleased. Parking 3/1000 at \$75 to \$100.

² Adjusted for free rent concessions

³ Adjusted for to a FSG basis equivalent based on differences of expense basis.



Combined Properties Proposed Project Development Scenario (As Entitled)

The Combined Properties proposed development project is the result of a RFP process conducted by the City, negotiations between the City and the developer, and review, comment and refinement by outside consultants including Keyser Marston Associates (KMA). We have reviewed the Combined Properties Volume I proposal dated September 8, 2011, and the Keyser Marston Associates' Parcel B Reuse Valuation Analysis dated January 12, 2012. From these inputs and our independent research, we have constructed a capital value land residual analysis.

The capital value analysis we have prepared uses a number of inputs relative to the Combined Properties proposal and the City of Culver City, and as vetted by KMA in their work with the City in the development negotiation process. The project direct construction costs are factors set by the City (demolition, off-site improvements, garage ramp relocation, public restroom expansion, and subterranean and structure parking). Building core and tenant improvement allowance costs represent the Combined Properties' construction cost estimated for the project as proposed. Project indirect costs are estimates originally set by KMA and are considered to be an overall representation of the probable cost factors associated with development of a complex new project construction such as that proposed here. In addition, the City provided the public permits and fees cost for the project based on the total gross square footage. We have also included an independent estimate of an allowance for entrepreneurial profit at 15% of the direct and indirect cost.

Financing costs consider the interest on the land purchase over the development period, the interest of construction financing over the actual construction period to permanent take-out financing, and the loan origination fee for both. The land carry and construction financing cost is project at 7.0%; and the loan origination fees are projected at 2.0% of the total principle amounts. For the Combined Properties proposal, which would commence construction at the time of land transfer, the total loan period is projected at 18 months.

The results of the above discussion and analysis are shown on Table IV on the following page. These inputs and calculations result in a total development cost of \$37,623,600 (not including entrepreneurial profit). The residual analysis table continues (on the following page) with the projected net operating income and income capitalization resulting in the development land residual value at a future date. The project income is based on our conclusion of rental rates for the planned development built as proposed. The office space rents are inputted at \$3.50 psf FSG and general retail space rents are inputted at \$3.50 psf NNN. Restaurant rents for quick service, sit-down and high-end restaurant tenants are inputted at \$3.75 psf NNN. In addition to the tenant leased space, we have inputted average parking income at \$100 per space per month. Altogether, the proposed project generates an annual gross potential income of \$4,662,000. We have applied a 5% vacancy and collection loss upon achievement of stabilized operations and the resulting effective gross income is \$4,429,000.

Operating expenses are estimated at \$12.00 psf per year for the office tenants. This cost includes both fixed costs such as real property taxes, payroll and insurance, as well as variable expenses including such items as utilities, janitorial, repairs and maintenance, service contracts, and management fees. Our estimate of typical operating expenses is based on the information published by the Institute of Real Estate Management (IREM) for Los Angeles newer suburban office buildings. Retail and restaurant space are leased on a NNN basis with operating expenses passed through to the tenant. Parking expenses are projected at \$450 per year per space. And finally, a reserve fund for capital replacements is inputted at \$1.00 per square foot per year. The total operating expenses for the project (exclusive of pass through expenses for NNN tenants) is estimated at \$864,000.

The annual net operating income is \$3,565,000. This annual stabilized income is then capitalized at the threshold return being required by investors in the marketplace. We have projected this return based on rates of return evidenced in the subject market for new projects and as published in the current PWC Real Estate Investor Survey. For recent sales of significant newly completed retail projects in the greater Los Angeles/Orange County market area, the capitalization rates range from 7.3% to 8% for the most similar projects. Within the same market area, capitalization rates generated from the recent sale of newly completed office projects range from 7.5% to 8.0%. We have projected a capitalization rate of 7.5% for the subject project.

The capital value projected for the project upon completion and stabilized operation is \$47,533,000. The total development cost was computed at \$37,623,600 prior to entrepreneurial allowance. After the inclusion of a 15% entrepreneurial allowance, the estimated land residual value (prior to discounting to present value) is \$4,265,400, rounded to \$4,270,000. This new development project value is a prospective future value in current dollars upon completion of construction and attainment of stabilized occupancy projected at two years subsequent to commencement of construction.

TABLE IV
LAND RESIDUAL ANALYSIS - PARCEL B, CULVER CITY
COMBINED PROPERTIES DEVELOPMENT SCENARIO (AS ENTITLED)

I. CONSTRUCTION COSTS						1
A. Direct Costs						
Demolition						2 \$50,000
Off-Site Improvements						2 350,000
Garage Ramp Relocation						2 62,500
Public Restroom Expansion						2 65,100
On-Site Improvements		50,730	Sf Land	\$4.00 /Sf		203,000
Subterranean Parking		98	Spaces	\$38,000 /Space		3,724,000
Structure Parking		0	Spaces	\$27,000 /Space		0
Building Core + Shell		115,108	Sf GBA	\$157 /Sf		18,124,000
Tenant Improvements						
Office		59,618	Sf Usable Area	\$40 /Sf		2,385,000
Retail		34,495	Sf Usable Area	\$40 /Sf		1,380,000
Restaurant						
Quick Service		1,581	Sf Usable Area	\$40 /Sf		63,000
Sit-Down		5,095	Sf Usable Area	\$40 /Sf		204,000
High-End		6,465	Sf Usable Area	\$40 /Sf		259,000
Contractor's Costs		0%	Direct Costs			0
Direct Cost Contingency Allowance		5%	Direct Costs			1,343,000
Total Direct Costs		115,108	Sf GBA	\$245 /Sf		\$28,212,600
B. Indirect Costs						
Arch, Engineering & Consulting		6.0%	Direct Costs			\$1,693,000
Public Permits & Fees		115,108	Sf GBA	\$8.70 /Sf		1,001,000
Taxes, Ins, Legal & Accounting		2.0%	Direct Costs			564,000
Leasing Commissions						
Office - Speculative Tenant		59,618	Sf Rentable Area	\$5.00 /Sf		298,000
Retail		34,495	Sf Rentable Area	\$5.00 /Sf		172,000
Restaurant						
Quick Service		1,581	Sf Rentable Area	\$5.00 /Sf		8,000
Sit-Down		5,095	Sf Rentable Area	\$5.00 /Sf		25,000
High-End		6,465	Sf Rentable Area	\$5.00 /Sf		32,000
Marketing		107,254	Sf Rentable Area	\$5.00 /Sf		536,000
Developer Fee		3.0%	Direct Costs			846,000
Soft Cost Contingency Allowance		5.0%	Indirect + Financing Costs			470,000
Total Indirect Costs						\$5,645,000
C. Financing Costs						
Interest During Construction						
Land		\$4,270,000	Cost	7.0% Interest		\$448,000
Construction		\$37,600,000	Cost	7.0% Interest		\$2,566,000
Loan Origination Fees		\$37,600,000	Financed @	2.0 Points		752,000
Total Financing Costs						\$3,766,000
D. Total Construction Costs						
		115,108	Sf GBA	\$327 /Sf		\$37,623,600

TABLE IV
LAND RESIDUAL ANALYSIS - PARCEL B, CULVER CITY
COMBINED PROPERTIES DEVELOPMENT SCENARIO (AS ENTITLED)
(Continued)

II. NET OPERATING INCOME

A. Rental Income

Office	⁶	59,618	Sf Rentable Area	\$3.50 /Sf /Month	2,504,000
Retail	⁷	34,495	Sf Rentable Area	\$3.50 /Sf /Month	1,449,000
<u>Restaurant</u>					
Quick Service	⁷	1,581	Sf Rentable Area	\$3.75 /Sf /Month	71,000
Sit-Down	⁷	5,095	Sf Rentable Area	\$3.75 /Sf /Month	229,000
High-End	⁷	6,465	Sf Rentable Area	\$3.75 /Sf /Month	291,000
Parking		98	Spaces	\$100.00 /Space /Month	118,000
Gross Potential Income					\$4,662,000
(Less) Vacancy & Collection		5.0%	Gross Income		(233,000)
Effective Gross Income		107,254	Sf Rentable Area	\$3.44 /Sf /Month	\$4,429,000

2

B. Operating Expenses

Operating Expenses Office	⁶	59,618	Sf Rentable Area	\$12.00 /Sf /Year	\$715,000
Operating Expenses Retail	⁷	0	Sf Rentable Area	\$0.00 /Sf /Year	\$0
Parking Expenses		98	Spaces	\$425.00 /Sp /Year	42,000
Capital Reserves		107,254	Sf Rentable Area	\$1.00 /Sf /Year	107,000
Total Operating Expenses					\$864,000

C. <u>Stabilized Net Operating Income</u>		107,254	Sf Rentable Area	\$2.77 /Sf /Month	\$3,565,000

III. DEVELOPMENT LAND RESIDUAL VALUE

A. Capitalized Value

Net Operating Income					\$3,565,000
Overall Capitalization Rate					7.50%
Total Capitalized Value					\$47,533,000

B. Developer Entrepreneurial Profit				15.0% Tot. Const. \$s	\$5,644,000

C. <u>Total Construction Cost</u>					\$37,623,600

D. <u>Estimated Land Residual Value</u> (Prior to Discounting to Present Value)					\$4,265,400
Rounded					\$4,270,000

- ¹ Based on development program as proposed by Combined Properties.
² Cost set by the City.
³ Assumes contractor costs are included in the Building Core + Shell estimate.
⁴ Assumes an 18 month development period and a 100% average balance.
⁵ Assumes an 18 month construction period and a 65% average balance.
⁶ The analysis assumes office rent is assessed on a full service gross (FSG) basis.
⁷ The analysis assumes retail and restaurant rents are assessed on a triple net (NNN) basis.

SOURCE: LEA ASSOCIATES, INC.

Maximum Development Scenario (As Unentitled)

The maximum development scenario for the site “as is” results from an analysis of the site as set forth in the subject property entitlements discussion of the site as unentitled vacant land. There we concluded that a maximum development of 88,200± rentable square feet (94,659± gross square feet) in a four-story configuration and with 252 structured parking spaces could be accommodated within the developable building massing area. This scenario has been vetted by the City of Culver City in our discussions with them regarding site development constraints.

The following land capital value analysis utilizes new inputs for the project configuration and project rental rates, as described previously, as well as the anticipated development period. Other factors, including direct and indirect per square foot costs and ratios, are kept constant for this comparative analysis. Of particular impact are the following elements in each section of Table V presented on the following two pages.

- The development profile contains a gross building area exclusive of structured parking of 94,659± square feet with rentable office and retail spaces allocated 67% and 33%, respectively.
- The development contains 252 structured parking spaces.
- The carrying period for construction financing is 18 months and for land financing is estimated at 48 months (30 months for entitlement processing prior to construction).
- While we would expect the allowance for entrepreneurial profit to be greater than the prior scenario due to lack of entitlements and a longer development period, this hypothetical project would be smaller and simpler in scope. Therefore, we have left the profit allowance the same.

The total construction cost is computed at \$35,356,000 (prior to entrepreneurial allowance). The net operating income is projected at \$2,903,000. The capital value projected for the project upon completion and stabilized operation is \$38,707,000. The estimated land residual value is negative \$1,950,000, prior to entitlement processing cost and discounting to present. Even at a lower 12% profit allowance, the number is negative. This new development project value is a prospective future value in current dollars upon completion of construction and attainment of stabilized occupancy projected at four years subsequent to commencement of the entitlement approval process. It is apparent from our analysis that the maximum development scenario is overly burdened by the cost of providing on-site structured parking to minimum City standards.

TABLE V
LAND RESIDUAL ANALYSIS - PARCEL B, CULVER CITY
MAXIMUM DEVELOPMENT SCENARIO (AS UNENTITLED)

I. CONSTRUCTION COSTS						1
A. <u>Direct Costs</u>						
Demolition						2 \$50,000
Off-Site Improvements						2 350,000
Garage Ramp Relocation						2 0
Public Restroom Expansion						2 0
On-Site Improvements		50,730	Sf Land	\$4.00 /Sf		203,000
Subterranean Parking		0	Spaces	\$38,000 /Space		0
Structure Parking		252	Spaces	\$27,000 /Space		6,804,000
Building Core + Shell		94,659	Sf GBA	\$157 /Sf		14,904,000
<u>Tenant Improvements</u>						
Office		59,090	Sf Usable Area	\$40 /Sf		2,364,000
Retail		29,110	Sf Usable Area	\$40 /Sf		1,164,000
<u>Restaurant</u>						
Quick Service		0	Sf Usable Area	\$40 /Sf		0
Sit-Down		0	Sf Usable Area	\$40 /Sf		0
High-End		0	Sf Usable Area	\$40 /Sf		0
Contractor's Costs		0%	Direct Costs			0
Direct Cost Contingency Allowance		5%	Direct Costs			1,292,000
Total Direct Costs		94,659	Sf GBA	\$287 /Sf		\$27,131,000
B. <u>Indirect Costs</u>						
Arch, Engineering & Consulting		6.0%	Direct Costs			\$1,628,000
Public Permits & Fees		94,659	Sf GBA	\$8.70 /Sf		824,000
Taxes, Ins, Legal & Accounting		2.0%	Direct Costs			543,000
Leasing Commissions						
Office - Speculative Tenant		59,090	Sf Rentable Area	\$5.00 /Sf		295,000
Retail		29,110	Sf Rentable Area	\$5.00 /Sf		146,000
<u>Restaurant</u>						
Quick Service		0	Sf Rentable Area	\$5.00 /Sf		0
Sit-Down		0	Sf Rentable Area	\$5.00 /Sf		0
High-End		0	Sf Rentable Area	\$5.00 /Sf		0
Marketing		88,200	Sf Rentable Area	\$5.00 /Sf		441,000
Developer Fee		3.0%	Direct Costs			814,000
Soft Cost Contingency Allowance		5.0%	Indirect + Financing Costs			410,000
Total Indirect Costs						\$5,101,000
C. <u>Financing Costs</u>						
Interest During Construction						
Land		\$0	Cost	7.0% Interest		\$0
Construction		\$35,400,000	Cost	7.0% Interest		\$2,416,000
Loan Origination Fees		\$35,400,000	Financed @	2.0 Points		708,000
Total Financing Costs						\$3,124,000
D. <u>Total Construction Costs</u>		94,659	Sf GBA	\$374 /Sf		\$35,356,000

TABLE V
LAND RESIDUAL ANALYSIS - PARCEL B, CULVER CITY
MAXIMUM DEVELOPMENT SCENARIO (AS UNENTITLED)
(Continued)

II. NET OPERATING INCOME

A. Rental Income

Office	⁶	59,090	Sf Rentable Area	\$3.50 /Sf /Month	2,482,000
Retail	⁷	29,110	Sf Rentable Area	\$3.50 /Sf /Month	1,223,000
<u>Restaurant</u>					
Quick Service	⁷	0	Sf Rentable Area	\$3.75 /Sf /Month	0
Sit-Down	⁷	0	Sf Rentable Area	\$3.75 /Sf /Month	0
High-End	⁷	0	Sf Rentable Area	\$3.75 /Sf /Month	0
Parking		252	Spaces	\$100.00 /Space /Month	302,000
Gross Potential Income					\$4,007,000
(Less) Vacancy & Collection		5.0%	Gross Income		(200,000)
Effective Gross Income		88,200	Sf Rentable Area	\$3.60 /Sf /Month	\$3,807,000

B. Operating Expenses

Operating Expenses Office	⁶	59,090	Sf Rentable Area	\$12.00 /Sf /Year	\$709,000
Operating Expenses Retail	⁷	0	Sf Rentable Area	\$0.00 /Sf /Year	\$0
Parking Expenses		252	Spaces	\$425.00 /Sp /Year	107,000
Capital Reserves		88,200	Sf Rentable Area	\$1.00 /Sf /Year	88,000
Total Operating Expenses					\$904,000

C. <u>Stabilized Net Operating Income</u>		88,200	Sf Rentable Area	\$2.74 /Sf /Month	\$2,903,000

III. DEVELOPMENT LAND RESIDUAL VALUE

A. Capitalized Value

Net Operating Income					\$2,903,000
Overall Capitalization Rate					7.5%
Total Capitalized Value					\$38,707,000

B. Developer Entrepreneurial Profit				15.0% Tot. Const. \$s	\$5,303,000

C. <u>Total Construction Cost</u>					\$35,356,000

D. <u>Estimated Land Residual Value</u>	(Prior to Discounting to Present Value)				(\$1,952,000)
Rounded					(\$1,950,000)

- ¹ Based on development program as proposed by Combined Properties.
² Cost set by the City.
³ Assumes contractor costs are included in the Building Core + Shell estimate.
⁴ Assumes an 18 month development period and a 100% average balance.
⁵ Assumes an 18 month construction period and a 65% average balance.
⁶ The analysis assumes office rent is assessed on a full service gross (FSG) basis.
⁷ The analysis assumes retail and restaurant rents are assessed on a triple net (NNN) basis.

SOURCE: LEA ASSOCIATES, INC.

Alternative Low-Rise Development Scenario (as Unentitled)

The low-rise retail and office development scenario is an alternative development scenario resulting from the very minimal land residual value yielded in the prior site maximum development scenario (as unentitled). While that development profile accomplishes much of the City's development parameters envisioned for the site, the cost of on-site structured parking burdens the project to such an extent that the resulting land value is extremely low. The following alternative development scenario envisions a two-story retail and office project with structured parking. The development is project at 50,000± rentable square feet (53,661± gross square feet) with 143 structured parking spaces.

The land capital value analysis again follows that described previously for the Combined Properties proposed development as well as the maximum development scenario (as unentitled). The relevant inputs are for the project configuration, development period and rental rates. The other factors, as before, are kept constant for this comparative analysis. Of particular impact are the following elements in each section of Table VI presented on the following two pages.

- The development profile contains a gross building area exclusive of structured parking of 53,661± square feet with rentable office and retail spaces allocated 50% and 50%, respectively.
- The development contains 143 structured parking spaces.
- The carrying period for construction financing is 18 months and for land financing is estimated at 48 months (30 months for entitlement processing prior to construction).
- The ground floor retail rental rates is increased to \$4.00 psf NNN to capture the smaller development tenant potential and the office space rate is increased slightly to \$3.75 psf FSG.
- The capitalization rate selected is 7.25%, slightly lower than the prior two valuation scenarios given the smaller scale of the project.

The total construction cost is computed at \$21,228,000 (before entrepreneurial profit allowance). The net operating income is projected at \$1,960,000. The capital value projected for the project upon completion and stabilized operation is \$27,034,000. The estimated land residual value is \$2,622,000, rounded to \$2,620,000 (prior to entitlement processing cost and discounting to present). This new development project value is a prospective future value in current dollars upon completion of construction and attainment of stabilized occupancy projected at four years subsequent to commencement of the entitlement approval process.

TABLE VI
LAND RESIDUAL ANALYSIS - PARCEL B, CULVER CITY
ALTERNATIVE LOW RISE RETAIL & OFFICE DEVELOPMENT SCENARIO (AS UNENTITLED)

I. CONSTRUCTION COSTS						1
A. Direct Costs						
Demolition						2 \$50,000
Off-Site Improvements						2 350,000
Garage Ramp Relocation						2 0
Public Restroom Expansion						2 0
On-Site Improvements		50,730	Sf Land	\$4.00 /Sf		203,000
Subterranean Parking		0	Spaces	\$38,000 /Space		2 0
Structure Parking		143	Spaces	\$27,000 /Space		2 3,857,000
Building Core + Shell		53,661	Sf GBA	\$157 /Sf		1 8,449,000
Tenant Improvements						
Office		25,000	Sf Usable Area	\$40 /Sf		1 1,000,000
Retail		25,000	Sf Usable Area	\$40 /Sf		1 1,000,000
Restaurant						
Quick Service		0	Sf Usable Area	\$40 /Sf		1 0
Sit-Down		0	Sf Usable Area	\$40 /Sf		1 0
High-End		0	Sf Usable Area	\$40 /Sf		1 0
Contractor's Costs		0%	Direct Costs			3 0
Direct Cost Contingency Allowance		5%	Direct Costs			745,000
Total Direct Costs		53,661	Sf GBA	\$292 /Sf		1 \$15,654,000
B. Indirect Costs						
Arch, Engineering & Consulting		6.0%	Direct Costs			\$939,000
Public Permits & Fees		53,661	Sf GBA	\$8.70 /Sf		2 467,000
Taxes, Ins, Legal & Accounting		2.0%	Direct Costs			313,000
Leasing Commissions						
Office - Speculative Tenant		25,000	Sf Rentable Area	\$5.00 /Sf		125,000
Retail		25,000	Sf Rentable Area	\$5.00 /Sf		125,000
Restaurant						
Quick Service		0	Sf Rentable Area	\$5.00 /Sf		0
Sit-Down		0	Sf Rentable Area	\$5.00 /Sf		0
High-End		0	Sf Rentable Area	\$5.00 /Sf		0
Marketing		50,000	Sf Rentable Area	\$5.00 /Sf		250,000
Developer Fee		3.0%	Direct Costs			470,000
Soft Cost Contingency Allowance		5.0%	Indirect + Financing Costs			280,000
Total Indirect Costs						\$2,969,000
C. Financing Costs						
Interest During Construction						
Land		\$2,620,000	Cost	7.0% Interest		4 \$734,000
Construction		\$21,200,000	Cost	7.0% Interest		5 \$1,447,000
Loan Origination Fees		\$21,200,000	Financed @	2.0 Points		424,000
Total Financing Costs						\$2,605,000
D. Total Construction Costs		53,661	Sf GBA	\$396 /Sf		\$21,228,000

TABLE VI
LAND RESIDUAL ANALYSIS - PARCEL B, CULVER CITY
ALTERNATIVE LOW RISE RETAIL & OFFICE DEVELOPMENT SCENARIO (AS UNENTITLED)
(Continued)

II. NET OPERATING INCOME

A. Rental Income

Office	⁶	25,000	Sf Rentable Area	\$3.75 /Sf /Month	1,125,000
Retail	⁷	25,000	Sf Rentable Area	\$4.00 /Sf /Month	1,200,000
<u>Restaurant</u>					
Quick Service	⁷	0	Sf Rentable Area	\$4.00 /Sf /Month	0
Sit-Down	⁷	0	Sf Rentable Area	\$4.00 /Sf /Month	0
High-End	⁷	0	Sf Rentable Area	\$4.00 /Sf /Month	0
Parking		143	Spaces	\$100.00 /Space /Month	171,000
Gross Potential Income					\$2,496,000
(Less) Vacancy & Collection		5.0%	Gross Income		(125,000)
Effective Gross Income		50,000	Sf Rentable Area	\$3.95 /Sf /Month	\$2,371,000

B. Operating Expenses

Operating Expenses Office	⁶	25,000	Sf Rentable Area	\$12.00 /Sf /Year	\$300,000
Operating Expenses Retail	⁷	0	Sf Rentable Area	\$0.00 /Sf /Year	\$0
Parking Expenses		143	Spaces	\$425.00 /Sp /Year	61,000
Capital Reserves		50,000	Sf Rentable Area	\$1.00 /Sf /Year	50,000
Total Operating Expenses					\$411,000

C. <u>Stabilized Net Operating Income</u>		50,000	Sf Rentable Area	\$3.27 /Sf /Month	\$1,960,000

III. DEVELOPMENT LAND RESIDUAL VALUE

A. Capitalized Value

Net Operating Income					\$1,960,000
Overall Capitalization Rate					7.25%
Total Capitalized Value					\$27,034,000

B. Developer Entrepreneurial Profit				15.0% Tot. Const. \$s	\$3,184,000

C. <u>Total Construction Cost</u>					\$21,228,000

D. <u>Estimated Land Residual Value</u> (Prior to Discounting to Present Value)					\$2,622,000
Rounded					\$2,620,000

- ¹ Based on development program as proposed by Combined Properties.
² Cost set by the City.
³ Assumes contractor costs are included in the Building Core + Shell estimate.
⁴ Assumes an 18 month development period and a 100% average balance.
⁵ Assumes an 18 month construction period and a 65% average balance.
⁶ The analysis assumes office rent is assessed on a full service gross (FSG) basis.
⁷ The analysis assumes retail and restaurant rents are assessed on a triple net (NNN) basis.

SOURCE: LEA ASSOCIATES, INC.

Alternative Development Scenario: One-Story Retail Strip Center w/Surface Parking (Unentitled)

The final alternative scenario has been created to test our various assumptions and calculations against the available market evidence. We understand that this hypothetical one-story retail strip center with surface parking development scenario is not consistent with the current zoning and discretionary approval development guidelines governing the subject property. The theoretical development is 25,000± rentable square feet (26,831± gross square feet) with 71 surface parking spaces. The reader is reminded that surface parking is not a permitted development component for the subject site.

The land capital value analysis once again follows that described previously for the previous land residual analyses. The relevant inputs are for the project configuration, surface parking cost, development period and rental rate. The other factors, as before, are kept constant for this comparative analysis. Of particular impact are the following elements in each section of Table VII presented on the following two pages.

- The development profile contains a gross building area of 26,831± square feet which is identified entirely as retail use.
- The development contains 71 surface parking spaces which have a construction cost of \$3,000 per space.
- The carrying period for construction financing is 18 months and for land financing is estimated at 48 months (30 months for entitlement processing prior to construction).
- The ground floor retail rental rate is \$4.00 psf NNN.
- The capitalization rate selected is 7.0%, slightly lower than the prior valuation scenario given the smaller size and scope of the project and elimination of the office use.

The total construction cost is computed at \$9,520,000 (before entrepreneurial allowance). The net operating income is projected at \$1,097,000. The capital value projected for the project upon completion and stabilized operation is \$15,671,000. The estimated land residual value is \$4,723,000, rounded to \$4,720,000 (prior to entitlement processing cost and discounting to present). This new development project value is a prospective future value in current dollars upon completion of construction and attainment of stabilized occupancy projected at four years subsequent to commencement of the entitlement approval process. Again, it must be emphasized that this development scenario is theoretical and would not be permitted to precede under current site development guidelines.

TABLE VII
LAND RESIDUAL ANALYSIS - PARCEL B, CULVER CITY
ALTERNATIVE DEVELOPMENT SCENARIO: ONE-STORY RETAIL STRIP CENTER WITH SURFACE PARKING (AS UNENTITLED)

I. CONSTRUCTION COSTS						1
A. Direct Costs						
Demolition						2 \$50,000
Off-Site Improvements						2 350,000
Garage Ramp Relocation						2 0
Public Restroom Expansion						2 0
On-Site Improvements		50,730	Sf Land	\$4.00 /Sf		203,000
Subterranean Parking		0	Spaces	\$38,000 /Space		2 0
Surface Parking		71	Spaces	\$3,000 /Space		2 214,000
Building Core + Shell		26,831	Sf GBA	\$157 /Sf		1 4,224,000
Tenant Improvements						
Office		0	Sf Usable Area	\$40 /Sf		1 0
Retail		25,000	Sf Usable Area	\$40 /Sf		1 1,000,000
Restaurant						
Quick Service		0	Sf Usable Area	\$40 /Sf		1 0
Sit-Down		0	Sf Usable Area	\$40 /Sf		1 0
High-End		0	Sf Usable Area	\$40 /Sf		1 0
Contractor's Costs		0%	Direct Costs			3 0
Direct Cost Contingency Allowance		5%	Direct Costs			302,000
Total Direct Costs		26,831	Sf GBA	\$236 /Sf		1 \$6,343,000
B. Indirect Costs						
Arch, Engineering & Consulting		6.0%	Direct Costs			\$381,000
Public Permits & Fees		26,831	Sf GBA	\$8.70 /Sf		2 233,000
Taxes, Ins, Legal & Accounting		2.0%	Direct Costs			127,000
Leasing Commissions						
Office - Speculative Tenant		0	Sf Rentable Area	\$5.00 /Sf		0
Retail		25,000	Sf Rentable Area	\$5.00 /Sf		125,000
Restaurant						
Quick Service		0	Sf Rentable Area	\$5.00 /Sf		0
Sit-Down		0	Sf Rentable Area	\$5.00 /Sf		0
High-End		0	Sf Rentable Area	\$5.00 /Sf		0
Marketing		25,000	Sf Rentable Area	\$5.00 /Sf		125,000
Developer Fee		3.0%	Direct Costs			190,000
Soft Cost Contingency Allowance		5.0%	Indirect + Financing Costs			160,000
Total Indirect Costs						\$1,341,000
C. Financing Costs						
Interest During Construction						
Land		\$4,720,000	Cost	7.0% Interest		4 \$1,322,000
Construction		\$9,500,000	Cost	7.0% Interest		5 \$324,000
Loan Origination Fees		\$9,500,000	Financed @	2.0 Points		190,000
Total Financing Costs						\$1,836,000
D. Total Construction Costs						
		26,831	Sf GBA	\$355 /Sf		\$9,520,000

TABLE VII
LAND RESIDUAL ANALYSIS - PARCEL B, CULVER CITY
ALTERNATIVE DEVELOPMENT SCENARIO: ONE-STORY RETAIL STRIP CENTER WITH SURFACE PARKING (AS UNENTITLED)
(Continued)

II. NET OPERATING INCOME

A. Rental Income

Office	⁶	0	Sf Rentable Area	\$4.00 /Sf /Month	0
Retail	⁷	25,000	Sf Rentable Area	\$4.00 /Sf /Month	1,200,000
<u>Restaurant</u>					
Quick Service	⁷	0	Sf Rentable Area	\$4.00 /Sf /Month	0
Sit-Down	⁷	0	Sf Rentable Area	\$4.00 /Sf /Month	0
High-End	⁷	0	Sf Rentable Area	\$4.00 /Sf /Month	0
Parking		71	Spaces	\$0.00 /Space /Month	0
Gross Potential Income					\$1,200,000
(Less) Vacancy & Collection		5.0%	Gross Income		(60,000)
Effective Gross Income		25,000	Sf Rentable Area	\$3.80 /Sf /Month	\$1,140,000

B. Operating Expenses

Operating Expenses Office	⁶	0	Sf Rentable Area	\$12.00 /Sf /Year	\$0
Operating Expenses Retail	⁷	0	Sf Rentable Area	\$0.00 /Sf /Year	\$0
Parking Expenses		71	Spaces	\$250.00 /Sp /Year	18,000
Capital Reserves		25,000	Sf Rentable Area	\$1.00 /Sf /Year	25,000
Total Operating Expenses					\$43,000

C. <u>Stabilized Net Operating Income</u>		25,000	Sf Rentable Area	\$3.66 /Sf /Month	\$1,097,000

III. DEVELOPMENT LAND RESIDUAL VALUE

A. Capitalized Value

Net Operating Income					\$1,097,000
Overall Capitalization Rate					7.0%
Total Capitalized Value					\$15,671,000

B. Developer Entrepreneurial Profit				15.0% Tot. Const. \$s	\$1,428,000

C. <u>Total Construction Cost</u>					\$9,520,000

D. <u>Estimated Land Residual Value</u> (Prior to Discounting to Present Value)					\$4,723,000
Rounded					\$4,720,000

-
- ¹ Based on development program as proposed by Combined Properties.
² Cost set by the City.
³ Assumes contractor costs are included in the Building Core + Shell estimate.
⁴ Assumes an 18 month development period and a 100% average balance.
⁵ Assumes an 18 month construction period and a 65% average balance.
⁶ The analysis assumes office rent is assessed on a full service gross (FSG) basis.
⁷ The analysis assumes retail and restaurant rents are assessed on a triple net (NNN) basis.

SOURCE: LEA ASSOCIATES, INC.

LAND RESIDUAL APPROACH ANALYSES CONCLUSIONS

The preceding four development scenarios require final adjustments to determine the net present value of the land residual as of the current date of valuation. The development scenario building, parking and construction costs profiles are shown in the following chart. Also shown are the development and construction period for each scenario. The Combined Profiles development scenario is currently entitled and could commence construction upon land transfer to the developer. The construction period, as provided in the KMA report, is projected at 18 months. The remaining three scenarios are for development of the as-is unentitled site. These will require the processing of entitlements for the specific development proposal.

The entitlement process for the three as-is scenarios will include at a minimum an environmental impact report update, City planning staff review, public hearings, and City approvals. There requirements are sequential and will require 24 to 36 months. The construction period for the various development scenarios is 18 months for the Combined Properties development, the maximum development scenario, and the low-rise development with structured parking. For the hypothetical one-story retail strip center development with surface parking, which is not a permissible development profile pursuant to current zoning and design guidelines, the construction period is estimated at nine months.

The total construction costs across the four development scenarios are comparable, with the Combined Properties having the lowest overall per square foot cost due to the provision of off-site parking to meet the minimum City parking requirement. The off-site parking attribute of the Combined Properties development scenario creates a development density and cost benefit to that specific proposal.

DEVELOPMENT PROFILES AND CONSTRUCTION COSTS				
	Combined Properties	As-Is Maximum Development	As-Is Two-Story w/Structured Pk.	As-Is One-Story w/ Surface Pk.
Site Area (SF)	50,730	50,730	50,730	50,730
Proposed Dev. (GSF)	115,108	94,659	53,661	26,831
Development FAR	2.3	1.9	1.1	0.5
On-Site Parking	98	252	143	71
Parking Per 1,000 GSF	0.9	2.7	2.7	2.6
Development (mos.)	18	48	48	48
Construction (mos.)	18	18	18	9
Total Construction Cost	\$37,623,600	\$35,356,000	\$21,228,000	\$9,520,000
Per GSF Cost	\$327	\$374	\$396	\$355

The following chart displays the total capital value of the individual development scenarios and the resulting land residual capital value after deducting total construction costs. The projected capital value of the individual development scenarios on a per gross square foot basis increase across the four development profiles, while the land residual per square foot of site area is highest for the Combined Properties proposal, is lowest for the maximum development scenario, and then increases as the development profile is reduced from a two-story to one-story retail project. This variation in the per square foot land residual value is again primarily due to the provision of off-site parking for the Combined Properties proposal while on-site structured parking is required for the maximum and as-is

two-story development profile. Again, it is important to remember that these values represent the value of the project and the underlying land upon project completion and attainment of stabilized operations.

DEVELOPMENT SCENARIOS AND LAND RESIDUAL VALUES				
(Upon Development Completion)				
	Combined Properties	As-Is Maximum Development	As-Is Two-Story w/Structured Pk.	As-Is One-Story w/ Surface Pk.
Total Capital Value	\$47,533,000	\$38,707,000	\$27,034,000	\$15,671,000
Per GSF Building Area	\$413	\$409	\$504	\$584
Land Residual Value	\$4,270,000	\$0	\$2,620,000	\$4,720,000
Per SF Land Area	\$84	\$0	\$52	\$93

The final chart following incorporates the development/entitlement period time necessary for the individual development scenario land residuals, discounting the estimated values back to the present date of value. The net present value calculation uses a risk adjusted discount rate specific to each development's future value. The total capital values and residual values are in current dollars, and we have assumed no real price appreciation over the four year time horizon in which the developments occur. A 3.0% discount rate is applied to bring the future dollars back to current dollars (an implicit 3.0% inflation rate). In addition, a 200 basis point risk factor is added to the inflation factor to adjust the three scenarios requiring entitlement approvals prior to commencing construction.

The soft costs of entitlements are inputted at \$5.00 per gross building square foot for the three scenarios requiring entitlement processing. The total dollar thus increases with the size of the development proposal, as would the cost of processing the more complex entitlement package. Entitlement processing costs are expected to be expended in the first two years of the overall development process for the three "as-is" project scenarios.

NET PRESENT LAND RESIDUAL VALUES				
	Combined Properties	As-Is Maximum Development	As-Is Two-Story w/Structured Pk.	As-Is One-Story w/ Surface Pk.
NPV Land Residual				
Risk Adj. Discount Rate	3.0%	5.0%	5.0%	5.0%
Total Ent. Cost	\$0	Not Applicable	\$268,305	\$134,155
Land Residual (Aug. 2012)	\$4,020,000	\$0	\$1,910,000	\$3,760,000
Per SF Land Area	\$79	\$0	\$38	\$74
Per FAR SF	\$35	\$0	\$36	\$140

The current net present value of the four land residual computations are shown in total dollars, per square foot land area, and per square foot FAR area by the chart. As can be seen in the change in per square foot values, the Combined Properties development program yields the highest total underlying land

value. The Combined Properties development scenario benefits from its higher project development density and the ability to use off-site City-owned parking to meet minimum project parking requirements.

The highest land residual value is created by the Combined Properties development scenario at **\$4,020,000**. This represents the opinion of land per the Land Residual Approach for the subject property as currently entitled (Fair Re-Use Value). The unentitled land residual value (“as is”) ranges between the Maximum Development valuation scenario and the Alternative Two-Story Development valuation scenario, with the highest value generated by the latter. We note that the Maximum Development land residual scenario (as unentitled) actually yields a negative number both before and after discounting to the present. As unentitled, per the Land Residual Approach to value, we would expect the market value for the subject to be **\$1,910,000**. The Alternative One-Story with Surface Parking Development valuation scenario is purely hypothetical, approaching the low end of the range set by the comparables in our prior Sales Comparison Approach analysis.

51 The subject

The subject property has been analyzed using the Sales Comparison Approach and Land Residual Approach to value to estimate our opinion of value for the subject property under two valuation scenarios as follows:

1. The subject property development site land market value as currently entitled and approved for development pursuant to the development proposal submitted by Combined Properties to the City of Culver City.
2. The subject property development site land market value without entitlements or development approvals and subject to the regulatory review and approval process for development of a new project on the existing vacant land.

Our valuation analyses and value findings are summarized as follows:

1. The subject property development site land market value as currently entitled and approved for development pursuant to the development proposal submitted by Combined Properties to the City of Culver City.

Sales Comparison Approach	\$4,570,000
Land Residual Approach	\$4,020,000

The sales comparison approach and the land residual approach result in similar value levels. The land residual value benefits from the ability of the Combined Properties development proposal to use the City-owned off-site parking to meet the minimum City parking requirements for the project. The weakness of this approach is that it relies upon many projected estimates and that as these projections change, the results can vary widely.

The Sales Comparison Approach benefits from actual transactions of land similar to the subject within the immediate marketplace. The weakness of this approach, in this case, is that it is difficult to measure the effect of the benefit of available off-site parking that the subject has with the current entitlements. We have utilized the land write-down as a proxy.

Finally, we again note that there is a negotiated disposition and development agreement (DDA) with the City-selected developer Combined Properties for a purchase price of approximately \$4,020,000. The negotiated disposition price reflects an agreed upon value of \$5,050,000 (\$100 psf of land area, \$44 psf FAR) less the \$1,030,000 land write-down, taking into account various set-asides and credits regarding the specific development attributes and City-negotiated public benefits and facilities to be provided by the developer. The DDA is reported by the City to be non-transferable and does not run with the land.

Given the strengths and weakness attributable to each approach, we have placed approximately equal weight on the value indications generated by each with slightly more weight given to the land residual approach.

Therefore, it is our opinion that the Fair Re-Use Value of the subject property land, as entitled pursuant to the Combined Properties development proposal, as of the effective date of the appraisal, is:

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P2xO\$440444,

Unentitled (As Is) Development Site Land Value

Sales Comparison Approach	Less than \$3,550,000
Land Residual Approach	\$1,900,000

Because of the difficulty in measuring the effect of the development constraints which would be imposed on the subject, particularly the requirement of providing on-site parking in the form of a parking garage (as opposed to surface parking) the Sales Comparison Approach only provided a value which would exceed that of the subject as unentitled.

Alternatively, the land residual value estimate benefits from its ability to incorporate the design characteristics which would be inherent in a potential development scenario for the subject. Again, the weakness of this approach is that it relies upon many projected estimates and that as these projections change, the results can vary widely.

Therefore, we have placed primary weight on the Land Residual Approach to value.

Therefore, it is our opinion the market value of the subject property as-is unentitled development site, as of the effective date of appraisal, is:

TWO MILLION DOLLARS

(\$2,000,000)

**9300 CULVER BOULEVARD
CULVER CITY, CALIFORNIA**



View west from the City-owned parking structure east of the subject property.



View west across the intersection of Washington Blvd. and Culver Blvd. to the subject property.

**9300 CULVER BOULEVARD
CULVER CITY, CALIFORNIA**



View southwest at the intersection of Washington Blvd. and Culver Blvd. east of the subject property.



View from the subject property south to the Sony Studios Mansion.

**9300 CULVER BOULEVARD
CULVER CITY, CALIFORNIA**



View from the subject property west to the Town Center and Culver Hotel.



View northwest across Washington Blvd. from northeast corner of the subject property.

**9300 CULVER BOULEVARD
CULVER CITY, CALIFORNIA**



View east from the subject property across Washington Blvd. to the City-owned parking structure.



View west along the north perimeter of the subject property at Washington Blvd.

JOHN J. GOBBELL, JR., MAI

EXPERIENCE

Lea Associates, Inc., 1999 - Present; Principal responsible for the analysis and production of appraisal assignments and various analytical services. Responsibilities also include providing proposals and accepting assignments on the company's behalf. Serves in a supervisory or project management capacity on numerous appraisal assignments as well as participating in company management decisions.

Appraisal experience includes a wide variety of proposed and existing property types including commercial retail and office, industrial, single and multiple residential, acreage, residential subdivisions, and special purpose properties. Specific areas of concentration also include eminent domain/acquisition appraisals, rent studies, land lease re-settings and partial interest valuations. Primary market is Southern California but has also completed assignments in Central and Northern California, Alaska, Arizona and Nevada.

Gobbell and Company - 1992 to 1999; President with full responsibility for research, analysis, and production of narrative appraisals for various commercial, industrial, special purpose and residential properties, including subdivision and multiple family housing.

West Associates/Tarantello & Associates - 1989 to 1992; Senior Consultant responsible for research, analysis, and production of narrative appraisals for various commercial, industrial, special purpose and residential properties, including subdivision and multiple-family housing.

EDUCATION

University of Southern California, Economics, 1988

Successful completion of various courses and examinations including the following:

- Advanced Income Capitalization (510), Appraisal Institute
- Highest & Best Use and Market Analysis (520), Appraisal Institute (Exam only)
- Advanced Sales Comparison & Cost Approaches (530), Appraisal Institute (Exam only)
- Report Writing and Valuation Analysis (540), Appraisal Institute
- Advanced Applications (550), Appraisal Institute
- Standards of Professional Practice, Parts A & B (410 & 420), Appraisal Institute
- Multiple National USPAP Update courses, Appraisal Institute
- Business Practices & Ethics, Appraisal Institute
- Curriculum Overview (Residential & General), Appraisal Institute
- Real Estate Principals, Real Estate Appraisal, and The Analytical Tools of Real Estate Research, University of California Los Angeles Extension
- Comprehensive Exam, Appraisal Institute

JOHN J. GOBBELL, JR., MAI (CONT'D)

EDUCATION (CONT'D)

Continuous participation in classes and seminars in pertinent real estate study areas sponsored by professional organizations such as the Appraisal Institute, the California Redevelopment Association, the International Right of Way Association, and CLE (Continuing Legal Education) International.

ASSOCIATIONS

Appraisal Institute, Member, Designation Number 12397
California State Certified General Real Estate Appraiser, AG010590
International Right-of-Way Association (IRWA), member

EXPERT TESTIMONY

Mr. Gobbell has qualified as an expert witness in real estate matters and testified before:

1. Superior Court, County of Los Angeles, California
2. Superior Court, County of Riverside, California

CLIENTS (Partial List)

Public

Alameda Corridor Transportation Authority	City of Palmdale
Castaic Lake Water Agency	City of Pasadena
City of Alhambra	City of Riverside
City of Baldwin Park	City of Santa Monica
City of Brea	City of Temecula
City of Commerce	City of Thousand Oaks
City of Culver City	County of Los Angeles,
City of Fountain Valley	Community Development Commission (CDC)
City of Glendale	Metropolitan Transportation Authority (MTA)
City of Goleta	County of Riverside
City of Hawthorne	County of San Bernardino
City of Huntington Beach	Los Angeles World Airports (LAWA)
City of Lancaster	Los Angeles Unified School District (LAUSD)
City of Long Beach	
City of Los Angeles	
Community Redevelopment Agency (CRA)	
City of Lynwood	
City of Oxnard	

JOHN J. GOBBELL, JR., MAI (CONT'D)

CLIENT LIST (CONT'D)

Public (Cont'd)

Metropolitan Water District of Southern California (MWD)
Mountains Recreation and Conservation Authority (MRCA)
State of California,
 Department of Transportation (Caltrans)
 United States Department of Labor (DOL)
United States General Services Administration (GSA)

Financial Institutions

Bank Leumi
Bank of America
Bank of Los Angeles
Bank of Montreal
Bankers Capital
Continental Bank
First Interstate Bank
First Los Angeles Bank
Hanmi Bank
Heritage Oaks Bank
 Holliday Fenoglio Fowler
Preferred Bank
Private Bank of California
Rock Island Company
Sigma Mortgage Corporation
Wells Fargo Bank

Corporate

American Tower
The Anden Group
Brimar Industries
Cassidy Turley Commercial Real Estate Services
CB Richard Ellis
Coldwell Banker Residential Brokerage Inc.
Dunmore Homes
EMR Residential Properties
The Fieldstone Company
KB Home
The Larwin Company Meta Housing Corporation
Mulholland Hills Associates

JOHN J. GOBBELL, JR., MAI (CONT'D)

CLIENT LIST (CONT'D)

Attorneys

Abkarian & Associates	Nossaman, Guthner, Knox & Elliott, LLP
Buchalter Nemer	Proctor, McCarthy & Slaughter, LLP
Cox, Castle & Nicholson, LLP	Quinn Emanuel Urquhart Oliver & Hedges, LLP
Cummins & White, LLP	Reuben Raucher & Blum
Demetriou, Del Guercio, Springer & Moyer, LLP	Richards, Watson & Gershon
Duke, Charles, Esq.	Sommenschein, Nath & Rosenthal, LLP
Eskridge Law	Stradling, Yocca, Carlson & Rauth
Gaims, Weil, West & Epstein, LLP	Tyre, Kamins, Katz & Granof
Jaffe and Clemens	
Loeb, Stephen M., Esq.	
Michelman & Robinson, LLP	
Miller, Starr & Regalia	
Mortensen, Daniel R., Esq.	
Nishkian, Michael, Esq.	

MICHAEL M. POPWELL, SR/WA

EXPERIENCE

Michael Popwell, SR/WA, specializes in providing real estate appraisal and brokerage consulting to the public and private sectors including: fair market value appraisals, market value appraisals, value in use appraisals, highest and best use studies, market and feasibility analyses, fiscal impact studies, redevelopment project area blight analyses, redevelopment project area financial feasibility analyses, and purchase negotiations.

Recent assignments have included the following:

- A fair market value appraisal of 32 commercial, industrial and residential properties in Los Angeles and Ventura counties for federal and state estate tax reporting.
- A fair market value appraisal of 11 special use and residential properties in Los Angeles, Riverside and San Bernardino counties for business valuation and federal and state estate tax reporting.
- A fair market value appraisal of residential land for charitable contribution for a low-income housing project.
- A market value analyses of commercial and residential land sites for loan renegotiation by a Los Angeles bank.

Other unique and diverse assignments have included the following:

- Value in use appraisal for a Hollywood based manufacturer of custom jewelry and clothing for purchase of the leased fee interest in the leased production facility.
- Fair market value of the subsurface easements for acquisition by the MTA /LAC for construction of the Metro Red Line segment extending between Highland Avenue and Lankershim Boulevard.
- Base Realignment and Closure reuse study for the San Diego Naval Station.
- Market studies for single-family for sale and multi-family rental projects.
- Redevelopment project area blight and financial feasibility analyses for the Watts Expansion Redevelopment Project area and the Eastside Aladente Redevelopment Project area for CRA/LA.
- Fair market appraisal and redevelopment feasibility analysis for the General Dynamic site for the City of Pomona.
- Redevelopment blight and feasibility analysis for the Eastside Redevelopment Project area for the City of West Hollywood.

Community Redevelopment Agency of the City of Los Angeles, July 2008 to December 2010; Real Estate Appraisal Manager, direct real estate appraisal services to operating Regions and central office divisions for all real estate, FF&E and business good will appraisal functions including managing 32 independent fee appraisal firms, determining appropriate scope of work and reporting formats for appraisal assignments, internal valuation and policy consultation to senior management, completion of selected appraisal assignments, and review appraisal of outside appraisal reports and studies, and preparation of the statement of just compensation for real property acquisitions.

Significant achievements during my tenure included the following:

- Rewrote in coloration with CRA/LA stakeholder-staff the Administrative Procedure AD 1002, Real Estate Appraisal Procedures, for streamlining the appraisal process for delivery of timely, reliable and credible valuation services meeting Federal, State, and City regulatory guidelines.

- Established an appraisal problem identification and scope of work procedure to assure contracted appraisal services provided credible valuation information which met Federal and State regulatory requirements for the specific decision maker actions supporting contemplated acquisition, disposition, and/or loan underwriting activities.
- Managed with Administrative Analyst the ongoing day-to-day delivery of appraisal services to diverse Agency staff for diverse needs and time sensitive requirements.
- Designed and implemented a 10-week in-house appraisal review training program for Real Estate Department staff to facilitate staff reviews of simple appraisals with valuations under \$3,000,000.

Community Development Commission of the County of Los Angeles, Economic/Redevelopment Division, May 1997 to July 2008; Consultant II, provided real estate consulting services to the E/R Division redevelopment staff, the Executive Office, and other divisions as requested regarding general real estate development issues, valuations, purchase and lease transactions, and real estate economic trends.

Significant milestones during my career with the CDC included the following:

- Established the procurement RFP process and scope of work for real estate appraisal, acquisition, and relocation consultants for the Agency.
- Managed day-to-day appraisal operations for E/R Division inclusive of firm selection, scope of work, fee and delivery contract terms.
- Reviewed acquisition, reuse and disposition appraisals for regulatory compliance and acceptability for CDC decision making.
- Directed the GASB 84 Financial Report Standards appraisal consulting assignment conducted by an outside fee appraiser for the Housing Authority of the County of Los Angeles.
- Negotiated commercial office leases for 42,000 square feet of office expansion space in Santa Fe Springs, lease renewal of 83,500 square feet of administrative office in Monterey Park, and leases for satellite office and warehouse space in downtown Los Angeles, Montebello, Monterey Park, Palmdale and Lancaster.
- Represented CDC in negotiations with LAUSD in its proposed acquisition of the Housing Authority-owned administrative facility in East Los Angeles.

Coldwell Banker Real Estate Consultation Services, May 1984 to June 1985; Consultant, provided real estate consulting services to national client base for highest and best use, market feasibility, and reuse projects.

Hughes Aircraft Company, Corporate Finance, June 1982 to May 1984; Financial Analyst, provided financial analysis for Corporate Division and to operating divisions for real estate operations including buy-lease analysis, sale-leaseback analysis, and FASB 13 operating lease determinations.

LICENSES

Certified General Real Estate Appraiser – AG004804, State of California.

Real Estate Broker – 00780298, State of California.

EDUCATION

Continuous participation in classes and seminars pertinent to the appraisal, redevelopment and

brokerage study areas through professional training with the Appraisal Institute and the International Right of Way Association.

University of California at Los Angeles, Anderson School of Management, M.B.A., finance and real estate, 1982.

California State University at Los Angeles, B.S., finance and real estate, 1979.

University of Hawaii at Manoa, three years undergraduate studies in chemistry and mathematics, 1970.

Successfully completed course work and comprehensive exams for the Senior Right-of-Way Agent designation with the International Right of Way Association, 2001.

Successfully completed the course work and comprehensive exam for the Facilitator designation to teach real estate appraisal classes with the International Right of Way Association 2008.

ASSOCIATIONS

Appraisal Institute, Associate Member.

International Right-of-Way Association, Senior Right of Way Agent.

International Right-of-Way Association, Instructor, Real Estate.

IR/WA Chapter 1, Los Angeles, Leadership Positions:

2011	Chair, Membership Committee; Co-Chair, Professional Development Committee
2004-2010	Chair, Professional Development Committee Treasurer
2003	Chapter President and International Delegate
2002	Chapter President-Elect and International Delegate
2001	Chapter Vice-President
2000	Chapter Secretary
1999	Chapter Treasurer