"Assignor"

CONJUNCTIVE POINTS WARNER DEVELOPMENT, LLLP, a Delaware limited liability limited partnership

Dated ________________

By ________________________
Frederick N Smith,
President of Conjunctive Points Warner Development, Inc
General Partner of Conjunctive Points Warner Development, LLLP

"Assignee"

Dated ________________

By ________________________

Name ________________________

Title ________________________

CONSENT TO ASSIGNMENT AND ASSUMPTION

In reliance upon the assumption by ______________________________, as Assignee, of all rights and obligations pursuant to the foregoing Assignment and Assumption Agreement, the CITY OF CULVER CITY (the "City") does hereby consent to and approve of the assignment of the rights and obligations by CONJUNCTIVE POINTS WARNER DEVELOPMENT, LLLP, a Delaware limited liability limited partnership, to Assignee Approval thereof by the City shall not be construed to relieve or release CONJUNCTIVE POINTS WARNER DEVELOPMENT, LLLP, from its duty to comply with any of its obligations

CITY OF CULVER CITY

Dated ______________

By ________________________
Jerry Fulwood
Chief Administrative Officer

APPROVED AS TO FORM

By ____________________
Carol A Schwab
City Attorney

APPROVED AS TO CONTENT

By ________________________
Susan Evans
Community Development Director

KANE, BALLMER & BERKMAN
Special Counsel

By ________________________
Murray O Kane

EXHIBIT "A"

LEGAL DESCRIPTION

All the certain real property located in the City of Culver City, County of Los Angeles, State of California, described as follows

Lots 30, 31, 32 and 33 of Tract No 13503, in the City of Culver City, as per map recorded in Book 278 pages 38 and 39 of Maps, in the office of the county recorder of said county

Except the Easterly 21 feet of said lot 33 and the Northerly 25 feet of said lots 30, 31, 32 and 33

APN 4205-023-901

Exhibit "C"

Promissory Note
[Behind This Page]

PROMISSORY NOTE SECURED BY DEED OF TRUST

$2,728,800
8% ınterest

March ___, 2006
Culver Cıty, Calıfornıa

RECITALS

A The Cıty and Conjunctıve Poınts Warner Development, LLLP, a Delaware lımıted lıabılıty lımıted partnershıp (the Buyer") have entered ınto that certaın Purchase and Sale Agreement dated ____________, 2006 (the "Agreement"), whıch ıs ıncorporated hereın by thıs reference, pursuant to whıch Buyer has acquıred that certaın real property located at 8511 Warner Drıve, Culver Cıty, Calıfornıa, and descrıbed as set forth ın the Deed of Trust securıng thıs Promıssory Note (the "Property")

B In accordance wıth, subject to, and condıtıoned on all terms, covenants and condıtıons of the Agreement, payment of the Purchase Prıce Balance, as defined ın the Agreement, ın the amount of TWO MILLION SEVEN HUNDRED TWENTY EIGHT THOUSAND AND EIGHT HUNDRED DOLLARS ($2,728,800 00) shall be made by thıs Promıssory Note ın favor of the Cıty Buyer acknowledges that but for the executıon of thıs Promıssory Note, Cıty would not enter ınto the Agreement or permıt payment of the Balance of the Purchase Prıce pursuant to thıs Promıssory Note as contemplated thereın Unless otherwıse defined ın thıs Note, each capıtalızed term shall have the meanıng ascrıbed to such term ın the Agreement

1 Prıncıpal

For value receıved, Buyer promıses to pay to the order of the Cıty of Culver Cıty 9770 Culver Boulevard, Culver Cıty, CA 90232, or assıgnee, or at such other place as the Cıty or ıts assıgnee may from tıme-to-tıme desıgnate ın wrıtıng, the prıncıpal sum of TWO MILLION SEVEN HUNDRED TWENTY-EIGHT THOUSAND EIGHT HUNDRED DOLLARS ($2,728,800), together wıth accrued ınterest from the date of thıs Note on the unpaıd prıncıpal at the applıcable rate as set forth ın Paragraph 4 Thıs Note ıs ıssued pursuant to, entıtled to the benefits of and referred to as the promıssory note ın the Agreement Thıs Note the Deed of Trust, and the Agreement are sometımes collectıvely referred to hereın as the "Cıty Documents "

2 Payment Dates

Buyer shall not be requıred to make any payment to the Cıty ın respect of thıs Promıssory Note other than as provıded ın thıs Sectıon 2 The entıre prıncıpal amount of the ındebtedness evıdenced by thıs Promıssory Note, wıth ınterest, shall be all due and payable as follows (the "Maturıty Date") a Twenty four (24) months after the Close of Escrow or

b If Buyer defaults under any of the City Documents, and if such default is not cured within thirty (30) days after notice

3 Interest Rate

The entire principal amount outstanding shall bear simple interest at the rate of eight percent (8%) per annum Interest shall be payable as provided in Section 2, above

4 Lawful Money

Principal and interest are payable in lawful money of the United States of America

5 Applications of Payments, Late Charges

a All payments to the City shall be applied first to accrued interest, then to reduce the principal amount owed

b If any payment of interest and/or principal is not received by the City on the due date thereof then in addition to the remedies conferred upon the City pursuant to paragraph 10 hereof and the other City Documents, (1) a late charge of four percent (4%) of the amount due and unpaid will be added to the delinquent amount to compensate the City for the expense of handling the delinquency and (2) the amount due and unpaid, including the late charge, shall bear interest at the lesser of the highest annual rate which may lawfully be charged and collected under applicable law on the obligation evidenced by this Note or an annual rate which shall be four percent (4%) higher than the Bank of America reference rate computed from the date on which the amount was due and payable until paid

6 Security

This Note is secured by the First Deed of Trust which Deed of Trust creates a first lien on that certain real property described therein

7 Event of Default

The occurrence of any of the following shall be deemed to be an event of default ("Event of Default") hereunder

a Default in the payment of principal or interest or any other amounts when due pursuant to the terms hereof, or b The occurrence of Event of Default under the Deed of Trust now or hereafter securing this Note including any amendment modification or extension thereof, or any of the other City Documents

8 Remedies

Upon the occurrence of an Event of Default and the expiration of any applicable cure period therefor, then at the option of the City, the entire balance of principal together with all accrued interest thereon shall, without demand or notice, immediately become due and payable No delay or omission on the part of the City in exercising any right under this Note or under any of the other City Documents shall operate as a waiver of such right

9 Waiver

Buyer hereby waives diligence, presentment, protest and demand, notice of protest dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Buyer hereunder, the City may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note Buyer further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note

10 Attorneys' Fees

If this Note is not paid following an Event of Default, Buyer promises to pay all costs of enforcement and collection, including but not limited to, reasonable attorneys' fees whether or not any action or proceeding is brought to enforce the provisions hereof

11 Severability

Every provision of this Note is intended to be severable In the event any term or provision hereof is declared by a court of competent jurisdiction, to be illegal or invalid for any reason whatsoever such illegality or invalidity shall not affect the balance of the terms and provisions hereof which terms and provisions shall remain binding and enforceable

12 Interest Rate Limitation

It is the intent of Buyer and the City in the execution of this Note and all other instruments securing this Note that the indebtedness evidenced hereby be exempt from the restrictions of the usury laws of the State of California The City and Buyer stipulate and agree that none of the terms and provisions contained herein or in any of the City Documents shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of California In such event, if the City shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of such maximum rate shall at the option of the City be credited to the payment of the sums due hereunder or returned to Buyer

13 <u>Number and Gender</u>

In this Note the singular shall include the plural and the masculine shall include the feminine and neuter gender, and vice versa, if the context so requires

CONJUNCTIVE POINTS WARNER, LLLP, a Delaware limited liability limited partnership

Date ___________

By ______________________________
Frederick N Smith,
President of Conjunctive Points Warner Development, Inc , General Partner of Conjunctive Points Warner Development, LLLP

Date ___________

By ______________________________

Its ______________________________

CC\Hayden\Warner Lot\Note
3 9 06 (Final)

Exhibit "D"

Form of Deed of Trust
[Behind This Page]

OFFICIAL BUSINESS
Document entitled to free
recording per Government
Code Section 6103

Recording Requested by and
When Recorded Mail to

THE CITY OF CULVER CITY
P O Box 507
Culver City, California 90232
Attention Susan Evans, Community Development Director

SPACE ABOVE THIS LINE FOR RECORDER S USE

FIRST DEED OF TRUST,
SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)

This First Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) is made as of _______________, 2006 by CONJUNCTIVE POINTS WARNER DEVELOPMENT, LLLP, a Delaware limited liability limited partnership (hereinafter referred to as "Trustor") whose address is 3528 Hayden Avenue, Culver City, California 90232, to __________________(hereinafter called "Trustee"), for the benefit of the CITY OF CULVER CITY , a municipal corporation (hereinafter called "Beneficiary"), whose address is Culver City Hall 9770 Culver Boulevard Culver City, California 90232-0507

Witnesseth That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following property (the "Trust Estate")

(a) That certain real property in the City of Culver City, County of Los Angeles, State of California more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (such interest in real property is hereafter referred to as the "Subject Property"),

(b) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property (the "Improvements"),

(c) all tenements, hereditaments, appurtenances, privileges franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the "Appurtenances") (The Appurtenances, together with the Subject Property and the Improvements are hereafter referred to as the "Real Property"),

(e) subject to the assignment to Beneficiary set forth in Paragraph 4 below, all rents issues, income revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management, operation leasing or occupancy of the Trust Estate including those past due and unpaid (the "Rents"),

(f) all present and future right, title and interest of Trustor in and to all inventory equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC") and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the "Goods," and together with the Real Property, the "Property"), and

(g) all present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors subcontractors suppliers project managers, supervisors, designers architects engineers, sales agents, leasing agents, consultants and property managers (iv) takeout refinancing and permanent loan commitments, (v) warranties guaranties, indemnities and insurance policies together with insurance payments and unearned insurance premiums (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of injury or damage to trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreement, service and maintenance agreements purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments refunds rebates, discounts cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types on intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals extensions, proceeds, replacements and substitutions of or to any of such property (the "Intangibles")

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property") This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary Trustee and Beneficiary shall have in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Section 9313 and 9402(6) of the UCC

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following

(a) the Promissory Note executed by Trustor ("____" therein), dated as of March ____, 2006 (the "Note"),

The Note (the "Secured Obligation") and all of its terms are incorporated herein by reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced, and additional advances evidenced by any note or addendum to the Note and reciting that it is secured hereby

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES

1 That Trustor shall perform the obligations set forth in the Note at the time and in the manner provided therein,

2 That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed

3 That the Secured Obligation is incorporated in and made a part of the Deed of Trust Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option may exercise all remedies hereunder, including foreclosure

4 That all rents profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the Secured

Obligation Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income

5 That upon default hereunder or under the aforementioned agreements, and after the giving of notice and the expiration of any applicable cure period, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom,

6 That Trustor will keep the improvements now existing or hereafter erected on the property insured against loss by fire and such other hazards casualties and contingencies as may reasonably be required in writing from time to time by the Beneficiary, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies In no event shall the amounts of coverage be less than 100 percent of the insurable value of the Property Such policies shall be endorsed with standard mortgage clause with loss payable to the Beneficiary and certificates thereof together with copies of original policies shall be deposited with the Beneficiary,

7 To pay, at least 10 days before delinquency, any taxes and assessments affecting said Property, to pay, when due, all encumbrances, charges and liens, with interest, on said Property or any part thereof which appear to be prior or superior hereto, and to pay all costs, fees, and expenses of this Trust Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any liabilities contested pursuant to this Section 7

8 To keep said property in good condition and repair, subject to ordinary wear and tear, casualty and condemnation not to remove or demolish any buildings thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon (subject to Trustor's right to contest the validity or applicability of laws or regulations) not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law and/or covenants conditions and/or restrictions affecting said property not to permit or suffer any material alteration of or addition to the buildings or improvements hereafter constructed in or upon said property without the consent of the Beneficiary,

9 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and reasonable attorney's fees in a reasonable sum in any such action or proceeding in which Beneficiary or Trustee may appear,

10 Should Trustor fail, after the giving of notice and the expiration of any applicable cure period, to make any payment or do any act as herein provided then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof Following default, after the giving of notice and the expiration of any applicable cure period, Beneficiary or Trustee being authorized to enter upon said property for such purposes, may commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, may pay, purchase contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, may pay necessary expenses, employ counsel, and pay such counsel's reasonable fees,

11 Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments All such payments made by the Beneficiary shall be added to the indebtedness and obligations secured hereby,

12 To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure at the maximum rate permitted by law

13 That upon the failure of Trustor, after the giving of notice and the expiration of any applicable cure period, to keep and perform all the covenants, conditions, and agreements of said Purchase and Sale Agreement the entire indebtedness evidenced by the Note shall at the option of the Beneficiary of this Deed of Trust become due and payable, anything contained herein to the contrary notwithstanding,

14 Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and further that they will keep and maintain the property free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be obligated to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting, provided that Trustor shall, at Beneficiary's written request, within thirty (30) days after the filing of any claim or lien (but in any event and without any requirement that Beneficiary must first provide a written request prior to foreclosure) record in the Office of the Recorder of Los Angeles County, a surety bond in an amount one-and-one-half (1½) times the amount of such claim item to protect against a claim of lien, or provide such other security reasonably satisfactory to Beneficiary,

15 That any and all improvements made or about to be made upon the premises covered by the Deed of Trust, and all plans and specifications, comply with all

applicable municipal ordinances and regulations and all other applicable regulations made or promulgated, now or hereafter, by lawful authority and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization bureau association or office,

16 Trustor herein agrees to pay to Beneficiary or to the authorized loan servicing representative of the Beneficiary a reasonable charge for providing a statement regarding the obligation secured by this Deed of Trust as provided by Section 2954 Article 2, Chapter 2 Title 14, Division 3, of the California Civil Code

IT IS MUTUALLY AGREED THAT

17 Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, and shall be entitled at its option to commence appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement in connection with such taking or damage All such compensation awards, damages, rights of action and proceeds which are not used to reconstruct restore or otherwise improve the property or part thereof that was taken or damaged, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary After deducting therefrom all its expenses, including reasonable attorney's fees, the balance of the proceeds which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, shall be applied to the amount due under the Note secured hereby Notwithstanding anything to the contrary contained herein, if such taking or damage does not materially affect the operation of the Property, so long as the value of the Beneficiary's lien is not impaired, any insurance or condemnation proceeds shall go to the Trustor No amount applied to the reduction of the principal shall relieve the Trustor from making regular payments as required by the Note,

18 Upon default by Trustor in making any payments provided for herein or upon default by Trustor in performing any of the obligations set forth in the Note secured hereby or if Trustor shall fail to perform any covenant or agreement in this Deed of Trust within 30 days after written demand therefor by Beneficiary (or, in the event that more than 30 days is reasonably required to cure such default, should Trustor fail to promptly commence such cure, and diligently prosecute same to completion) after the giving of notice and the expiration of any applicable cure period Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record and Beneficiary may foreclose this Deed of Trust Beneficiary shall also deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby,

19 After the lapse of such time as may then be required by law following the recordation of said notice of default and notice of sale having been given as then required by law, Trustee without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale Trustee may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof Any person including Trustor, Trustee or Beneficiary, may purchase at the sale The Trustee shall apply the proceeds of sale to payment of (1) the expenses of such sale, together with the reasonable expenses of this trust including therein reasonable Trustee's fees or attorney's fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale, (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed, (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the maximum rate permitted by law, (4) all other sums then secured hereby, and (5) the remainder, if any, to the person or persons legally entitled thereto,

20 Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust Upon such appointment and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record which, when duly recorded in the proper office of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee,

21 The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law

22 Upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been satisfied, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder The recitals in such reconveyance of any matters or fact shall be conclusive proof of the truthfulness thereof The grantee in such reconveyance may be described as "the person or persons legally entitled thereto",

23 The trust created hereby is irrevocable by Trustor

24 This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees devisees, administrators, executors successors, and assigns The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner and holder including pledgees, of the Note secured hereby In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural All obligations of Trustor hereunder are joint and several,

25 Trustee accepts this Trust when this Deed of Trust duly executed and acknowledged, is made public record as provided by law Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee,

26 The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth in the first paragraph of this Deed of Trust

27 Trustor agrees at any time and from time to time upon receipt of a written request from Beneficiary, to furnish to Beneficiary detailed statements in writing of income, rents, profits, and operating expenses of the premises, and the names of the occupants and tenants in possession, together with the expiration dates of their leases, and the rents provided for by such leases, and such other information regarding the premises and their use as may be requested by Beneficiary

28 Trustor agrees that the Secured Obligation is given in consideration for the City financial assistance provided by Beneficiary described in the Purchase and Sale Agreement and the Note, and that the City financial assistance is being provided expressly for the purpose of providing partial financing of the acquisition costs of the property as provided in the Purchase and Sale Agreement

29 Trustor agrees that, except as otherwise provided in the Note, upon sale or refinancing of the property the entire indebtedness secured by this Deed of Trust shall at the option of Beneficiary be immediately due and payable

30 Notwithstanding specific provisions of this Deed of Trust, times of performance under this Deed of Trust may be extended in writing by the Beneficiary and Trustor

31 If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the unsecured portion of such obligations shall be completely performed and paid prior to the performance and payment of the remaining and secured portion of the obligations, and all performance and payments made by Trustor shall be

considered to have been performed and paid on and applied first to the complete payment of the unsecured portion of the obligations

32 (a) Subject to the extensions of time set forth in Section 30, and subject to the further provisions of this Section 32, failure or delay by Trustor to perform any term or provision respectively required to be performed under the Note, or this Deed of Trust constitutes a default under this Deed of Trust

(b) Beneficiary shall give written notice of default to Trustor, specifying the default complained of by the Beneficiary Delay in giving such notice shall not constitute a waiver of any default

(c) Any failures or delays by Beneficiary 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 Delays by Beneficiary in asserting any of its rights and remedies shall not deprive Beneficiary 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

(d) If a monetary event of default occurs under the terms of the Note or this Deed of Trust, prior to exercising any remedies hereunder or thereunder Beneficiary shall give Trustor written notice of such default Trustor shall have a reasonable period of time after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under the Note and/or this Deed of Trust, but in no event more than thirty (30) calendar days after the date the first written notice of default is received or deemed received by Trustor In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially impaired by any failure to cure a default or the default is not cured within fifteen (15) calendar days after the written notice of default is received or deemed received

(e) If a non-monetary event of default occurs under the terms of the Note or this Deed of Trust, prior to exercising any remedies hereunder or thereunder, Beneficiary shall give Trustor notice of such default If the default is reasonably capable of being cured within thirty (30) calendar days after such notice is received or deemed received, Trustor shall have such period to effect a cure prior to exercise of remedies by the Beneficiary under the Note and/or this Deed of Trust If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Trustor (i) initiates corrective action within said period and (ii) diligently and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary but in no event more than ninety (90) days after the first written notice of default is received or deemed received by Trustor In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the notice of default is received or deemed received

(f) Any notice of default that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission, any notice of default that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U S Postal Service), shall be deemed received on the documented date of receipt by Trustor, and any notice of default that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof

33 Subject to the provisions and limitations of this Section 33 the obligation to repay the purchase money indebtedness evidenced by the Note is a non-recourse obligation of the Trustor Trustor shall not have any personal liability for repayment of the indebtedness, except as provided in this Section 33 The sole recourse of Beneficiary shall be the exercise of its rights against the Property and any related security for the indebtedness Provided, however, that the foregoing shall not (a) constitute a waiver of any obligation evidenced by the Note or this Deed of Trust, (b) limit the right of the Beneficiary to name Trustor as a party defendant in any action or suit for judicial foreclosure and sale under this Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Trustor, (c) release or impair this Deed of Trust, (d) prevent or in any way hinder Beneficiary from exercising, or constitute a defense, an affirmative defense, a counterclaim, or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing the Note or as prescribed by law or in equity in case of default, (e) prevent or in any way hinder Beneficiary from exercising, or constitute a defense, an affirmative defense, a counterclaim, or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing the Note (f) relieve Trustor of any of its obligations under any indemnity delivered by Trustor to Beneficiary, or (g) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by the Note and this Deed of Trust The foregoing provisions of this paragraph are limited by the provision that in the event of the occurrence of a default, Trustor and its successors and assigns shall have personal liability hereunder for any deficiency judgment but only if and to the extent Trustor its principals, shareholders, partners or its successors and assigns received rentals, other revenues or other payments or proceeds in respect of the mortgaged Property, which rentals, other revenues or other payments or proceeds have not been used for the payment of ordinary and reasonable operating expenses of the mortgaged Property ordinary and reasonable capital improvements to the mortgaged Property debt service, real estate taxes in respect of the mortgaged Property and basic management fees, but not incentive fees payable to an entity or person unaffiliated with Trustor in connection with the operation of the mortgaged Property, which are then due and payable Nothing contained in this Section is intended to restrict in any way any right the Beneficiary may have to recover directly from Trustor or from any other party

(a) any damages costs and expenses incurred by Beneficiary as a result of intentional fraud or any criminal act or acts of Trustor or any partner, shareholder officer director or employee of Trustor, or of any member or general or limited partner of Trustor, or of any general or limited partner of such member or general or limited partner,

(b) any damages, costs and expenses incurred by Beneficiary as a result of any intentional misappropriation of funds by Trustor from rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds,

(c) any and all amounts owing by Trustor pursuant to the indemnification regarding Hazardous Substances pursuant to the Purchase and Sale Agreement, and

(d) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions (provided that Beneficiary shall pay Trustor's reasonable court costs and attorneys' fees if Trustor is the prevailing party in any such enforcement or collection action)

[INTENTIONALLY BLANK]

IN WITNESS WHEREOF Trustor has executed this Deed of Trust as of the day and year set forth above

CONJUNCTIVE POINTS WARNER
DEVELOPMENT, LLLP a Delaware limited
liability limited partnership

By ___________________________

Frederick N Smith,
President of Conjunctive Points Warner
Development, Inc , General Partner of
Conjunctive Points Warner Development
LLLP

75

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On________ before me ______________, personally appeared___________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

Signature______________________

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On_________ before me,____________, personally appeared _____________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted executed the instrument

WITNESS my hand and official seal

Signature____________________

EXHIBIT "A"

LEGAL DESCRIPTION

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

Lots 30, 31, 32 and 33 of Tract No 13503, in the City of Culver City, as per map recorded in Book 278 pages 38 and 39 of Maps in the office of the county recorder of said county

Except the Easterly 21 feet of said lot 33 and the Northerly 25 feet of said lots 30, 31, 32 and 33

APN 4205-023 901

Exhibit "E"

Form of Grant Deed
[Behind This Page]

GRANT DEED

OFFICIAL BUSINESS
Document entitled to free
recording per Government Code
Section 6103

Recording Requested By
THE CITY OF CULVER CITY
P O Box 507
Culver City, California 90232
Attention Susan Evans, Community Development Director

When Recorded Mail to and
Mail Tax Statements to

CONJUNCTIVE POINTS WARNER DEVELOPMENT, LLLP
c/o Goodson Wachtel and Petrulis a Professional Corporation
10940 Wilshire Boulevard, Suite 1400
Los Angeles CA 90024
Attn Edward W Wachtel, Esq

SPACE ABOVE THIS LINE FOR RECORDER S USE

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF CULVER CITY, a municipal corporation, herein called "Grantor," hereby grants to CONJUNCTIVE POINTS WARNER DEVELOPMENT, LLLP, a Delaware limited liability limited partnership herein called ' Grantee," the real property described in the legal description attached hereto as Exhibit A and incorporated herein by this reference (the Site) in accordance with and subject to the covenants, conditions and restrictions set forth in this Grant Deed

This Grant Deed is made pursuant to that certain Purchase and Sale Agreement (the "Agreement") dated ____________ , 2006 among the Grantor and Grantee, which is a public record on file at the offices of the Grantor and is incorporated herein by this reference

All capitalized terms in this Grant Deed shall have the meanings ascribed to them in the Agreement unless indicated to the contrary herein

NOW, THEREFORE, Grantor and Grantee agree as follows

1 Grantor excepts and reserves its title and interest in that certain portion of the Property encumbered by the Metropolitan Transportation Authority easement (the "Railroad Easement") abutting the Property, any existing public street, proposed street, or portion of any public street or proposed street lying outside the boundaries of the property which might otherwise pass with a conveyance of the Property

2 Public Parking Covenants Grantee hereby covenants and agrees on behalf of itself and any successors and assigns in the Site or any portion thereof or any improvements thereon or any interest therein that Grantee, such successors and assigns shall perform all obligations under the Public Parking Covenants The Site is conveyed to Grantee pursuant to this Grant Deed and subject to the Public Parking Covenants

3 Obligation to Refrain from Discrimination 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 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 Site

4 Form of Nondiscrimination and Nonsegregation Clauses The Grantee shall refrain from restricting the rental, sale or lease of the Site or improvements thereon, or any portion thereof, on the basis of race, color, creed, religion, sex, marital status, ancestry or national origin of any person All deeds, leases or contracts for the sale, lease, sublease, transfer, use, occupancy tenure or enjoyment of the Site or improvements thereon, or any portion thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses

a In deeds "The grantee herein covenants by and for itself its heirs, executors administrators and assigns and all persons claiming under or through it, 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 premises herein conveyed nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants lessees, subtenants, sublessees or vendees in the land herein conveyed The foregoing covenants shall run with the land "

b In leases "The lessee herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, 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 itself, or any person claiming under or through it, establish or permit 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 land 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 land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land "

5 <u>Transfers</u>

a Until the expiration of that date which is ten (10) years after the recordation of the Grant Deed (the "Restricted Period"), the Grantee shall not assign or attempt to assign the Agreement or any right therein with respect to the Site nor make any total or partial sale, transfer, conveyance or assignment in any mode or form of all or any part of the Site or the improvements thereon, or any interest therein nor shall there be any Significant Change (as defined below) in the ownership of the Grantee or with respect to the identity of the parties in control of the Grantee or the degree of such control by any method or means (other than such changes occasioned by the death or incapacity of any individual), (collectively, 'Transfer'), without the prior written approval of the Grantor which approval shall not be unreasonably delayed or withheld For purposes of this Grant Deed a Significant Change' in ownership of the Grantee means (a) a change in ownership of more than forty-nine percent (49%) or more of the equity interests in the Grantee, or (b) any change in ownership of the equity interests of the Grantee no matter how small, if the result thereof is a change in control of Grantee The term "control as used in the immediately preceding sentence shall mean the power to direct the management It shall be a presumption that control with respect to a corporation or limited liability company is the right to exercise, directly or indirectly, fifty one percent (51%) or more of the voting rights attributable to the controlled corporation or limited liability company, and, with respect to any individual, partnership, trust, or other entity or association, "control' is the possession, indirectly or directly, of the power to direct or cause the direction of the management or policies of the controlled entity The Grantor shall not in any event approve any Transfer unless the proposed Transferee is determined by the Grantor to have qualifications equal to or better than the original Grantee as of the date of the Agreement in all material respects, including but not limited to (i) financial strength, (ii) experience in the successful operation, management and marketing of commercial improvements, (iii) reputation and (iv) the ability to perform all of the agreements undertakings, and covenants of the Agreement, this Grant Deed, the Public Parking Covenants and all other agreements entered into by the Grantee which relate to the development management, operation, and maintenance of the Site and of the improvements thereon

Notwithstanding the foregoing, Grantor acknowledges that Grantee may desire to obtain equity participation to assist in financing its activities under the Agreement The Grantor (by its Chief Administrative Officer (the "CAO"), or his designee) hereby agrees to approve the inclusion of such equity participation by Grantee, whether by addition to Grantee entity, assignment of the Agreement to a new entity of which the equity participant is a part, or similar mechanism, provided that the CAO (or his designee) determines that (1) Grantee or an Affiliate retains the controlling ownership and management position in the changed entity, (2) the changed entity is at least comparable in all material respects (experience, character and financial capability) to Grantee before the change, and (3) the change is otherwise consistent with the Agreement The documents implementing any such change shall be satisfactory and subject to the prior written approval of the CAO (or his designee) which shall not be unreasonably withheld

The Grantee shall promptly notify the Grantor of any and all significant changes whatsoever in the identity of the parties in ownership or control of the Grantee or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information Any entity formation agreements and documents (or changes therein) related to a Transfer, as well as the agreements and documents effectuating any Transfer, shall be subject to the approval of the Grantor in connection with its approval of the Transfer

b To assist the Grantor in determining whether or not the proposed Transferee is so qualified the Grantee shall furnish to the Grantor at no expense to the Grantor prior to that Transfer, detailed and complete financial statements of the proposed Transferee, audited by an accountant , together with detailed and complete information about the business of the proposed Transferee including its experience in developing and operating improvements of the type to be constructed on the Site, the use to be made of the Site and the improvements thereon by the proposed Transferee projections by the proposed Transferee of the sources of funds to be used to pay any indebtedness that the proposed Transferee will assume or take subject to, or agree to pay in connection with the Transfer and other claims on and requirements for those funds together with any other information the Grantor may reasonably require to assist the Grantor in determining whether or not the proposed Transferee is so qualified To the extent the Transferee and/or their respective principals do not have audited and/or certified financial statements the Transferee and/or their respective principals may submit other independent, documentary evidence reasonably satisfactory to the Grantor of their respective financial capability, such as tax returns and financial statements which have been certified to by the applicable person or entity as being true and correct copies To the greatest extent permitted by law, if the Grantee or such Transferee provides the Grantor with any proprietary financial information relating to a proposed Transferee, the Grantor shall not, without the Grantee s prior written consent disclose or make any such financial information available to the public

c Approval by the Grantor of any Transfer shall be conditioned upon such assignee, conveyee or transferee (collectively "Transferee") agreeing, in writing, to assume the rights and obligations thereby transferred and to keep and perform all covenants, conditions and provisions of the Agreement, this Grant Deed, and the Public Parking Covenants as applicable

d The limitations on Transfer contained in this Section shall not be deemed to apply to or prevent nor shall the Grantor's approval be required under this Section in connection with, the granting of any security interest expressly permitted under the Agreement, nor the exercise by any mortgagee of its right to foreclose its mortgage by power of sale or judicial foreclosure, nor any Transfer of an interest by a mortgagee having acquired the Grantee's interest in the Site as a result of its rights under the mortgage, or by any successor to the mortgagee whose interest shall have been acquired by, through or under any mortgage or shall have been derived immediately from any holder thereof, nor any reasonable granting of limited easements or permits to facilitate the development of the Site as contemplated by the Agreement Notwithstanding the foregoing provisions of this paragraph d , the limitations on Transfer contained in this Section shall apply to any mortgagee who acquires its interest in the Site or the improvements thereon other than by the exercise of its rights pursuant to the mortgage or deed in lieu of foreclosure

e The prohibitions contained in this Paragraph 5 shall not apply to an encumbrance permitted by Paragraph 6 The prohibition against transfer contained herein above shall not apply to the Site or any portion thereof subsequent to the expiration of the Restricted Period This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Site, tenant leases for occupancy, nor shall it prohibit granting any security interests expressly described in the Agreement for financing the acquisition and development of the Site or portion thereof

f Any purported Transfer shall be null and void unless it complies with the terms of this Section

g In the event Grantee does assign the Agreement or any of the rights therein, or does sell, transfer, convey or assign the Site, or portion thereof, or the buildings or structures thereon prior to the expiration of the Restricted Period without the

Grantor s approval Grantor shall be entitled to the amount of the consideration payable for such unapproved sale transfer conveyance or assignment plus the reasonable transaction costs of such sale transfer, conveyance or assignment to the extent such consideration exceeds the Purchase Price plus predevelopment and acquisition costs and the cost of improvements and development theretofore made to the Site, or portion thereof, including carrying charges and costs related thereto Such excess consideration payable for any such unapproved sale, transfer, conveyance or assignment shall belong and be paid to Grantor and until so paid Grantor shall have a lien on the Site, or portion thereof, for such amount Any such lien shall be subordinate and subject to mortgages, deeds of trust, or other security instruments executed for the sole purpose of obtaining funds to purchase and develop the Site, or portion thereof, as authorized herein

In the absence of specific written agreement by Grantor, no such sale transfer, conveyance or assignment of the Agreement or the Site, or any portion thereof, or approval by Grantor of any such sale, transfer, conveyance or assignment, prior to the expiration of the Restricted Period shall be deemed to relieve Grantee or any other party from any obligations under the Agreement On any such sale, transfer, conveyance or assignment subsequent to the expiration of the Restricted Period, Grantee shall be released from all obligations and liability under this Grant Deed and the Agreement

Notwithstanding anything to the contrary contained herein, in this subsection g of Section 5, Grantee shall have the right, upon written notice to Grantor at least fifteen (15) days before the consummation of any such transaction (but without any requirement for prior consent) to assign its rights under the Agreement and to convey the Site, and the improvements located thereon to an Affiliated Entity (as defined below), provided that the assignee assumes in writing and without qualification all of the obligations and liabilities of Grantee under the Agreement and any related instruments For purposes hereof, an "Affiliated Entity" will be any entity which is (i) wholly-owned by Grantee (or its constituent members) and the general partner of Grantee remains the same, (ii) results from Grantee going public, or reorganizing or merging with another entity, provided, however, an entity will not constitute an Affiliated Entity unless Laurie M Smith and Frederick N Smith or their heirs have primary control (51%) over the day-to-day operations of such entity or (iii) a limited liability company or limited partnership provided that Laurie M Smith and Frederick N Smith or their testamentary representatives retain not less than fifty-one percent (51%) ownership interest in said entity and in all events the controlling voting interest of all actions taken by that entity

h Subject to the Grantee s right to grant limited easements or permits to facilitate the development of the Site as contemplated by the Agreement without limiting any of the provisions of this Section, as a further limitation on Transfers, the Grantee may only Transfer the Grantee's entire interest in the Site and the Improvements thereon as a whole and may not subdivide the Site or the improvements thereon without the prior written approval of the City, which the City may grant or withhold in its reasonable discretion i All costs incurred by the Grantor to review any Transfer proposed by the Grantee as reasonably necessary to close any Transfer shall be paid by the Grantee With respect to each Transfer, the Grantee shall deliver a retainer to the City in the sum of Five Thousand Dollars ($5,000), to be applied to the payment of the Grantor's costs The administrative costs of the Grantor shall be charged at the actual cost The costs of the Grantor for consultants or legal services required for providing such assistance shall be the actual sums billed to the Grantor for such consulting or legal services All such costs in excess of Five Thousand Dollars ($5,000) shall be paid within ten (10) days after written request therefor by the City If such costs incurred by the Grantor for a Transfer equal less than Five Thousand Dollars ($5,000), the balance shall be refunded promptly following the closing

j Intentionally Left Blank

k No Transfer shall relieve the Grantee from any of its obligations under the Agreement, this Grant Deed, and the Public Parking Covenants

l The prohibitions against transfer set forth in this Paragraph 5 shall be secured by a Restrictions Deed of Trust recorded contemporaneously with the recordation of this Grant Deed In the event of a Take Out Loan, Construction Loan, or Permanent Loan as permitted by Paragraph 6, Grantor shall subordinate its rights under the Restrictions Deed of Trust to said lender's deed of trust for the Take Out Loan, Construction Loan or Permanent Financing

6 <u>No Encumbrances except Mortgages, Deeds of Trust, or Other Conveyance for Financing the Payment of Purchase Price Balance</u>

a Until the expiration of the Restricted Period mortgages, deeds of trust, or any other form of conveyance required for any reasonable method of financing are permitted, but only for the purpose of securing loans of funds to be used only for financing the acquisition of the Site, and the construction thereon of improvements, and any other expenditures necessary and appropriate to develop the Site in accordance with this Agreement, including without limitation the project costs The Grantee shall not enter into any mortgage or deed of trust without the prior written consent of the Grantor which the Grantor shall not unreasonably withhold or delay if the Grantee submits evidence satisfactory to the Grantor demonstrating (1) that the mortgage, deed of trust or other security instrument is consistent with the provisions of this Agreement provides an adequate amount of funds for the acquisition and development of the Site and will close concurrently with the Close of Escrow under the Agreement, and (2) the mortgage, deed of trust or other security instrument expressly acknowledges that the rights of any holder or person acquiring title through or following foreclosure are subordinate and subject to the provisions of this Grant Deed and the Public Parking Covenants The Grantor's consent shall not be required if Grantee enters into a mortgage or deed of trust loan made solely for the purpose of paying off the Purchase Price Balance in the amount of Two

Million Seven Hundred Twenty-Eight Thousand Eight Hundred Dollars ($2 728 800 00) which is secured by a First Deed of Trust recorded contemporaneously with the recordation of this Grant Deed, and interest and predevelopment costs related thereto ("Take Out Loan"), provided, however, Grantor shall have the right to review and reasonably approve the amount of the Take Out Loan and the purposes for which the funds are requested to satisfy Grantor that the Loan amounts will be used for the payment of principal interest and related predevelopment costs The words "mortgage' and ' deed of trust" as used herein include all other modes of financing real estate acquisition, construction, and land development In order to satisfy the requirements of this paragraph 6 Grantee may submit draft loan documents for the Grantor to review so long as the Grantor reserves the right to approve the final loan documents

b The Grantee shall not place or allow to be placed on the Site or any part thereof or the improvements thereon, any mortgage, deed of trust, encumbrance or lien other than as expressly authorized by this Section The Grantee shall remove or cause to be removed any levy or attachment made on the Site or any part thereof, or assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder

c The Grantee shall notify the Grantor in advance of any mortgage, deed of trust or sale and lease-back financing, if the Grantee proposes to enter the same

d The prohibitions against encumbrances set forth in this Paragraph 6 shall be secured by the Restrictions Deed of Trust In the event of a Take Out Loan as contemplated in this Paragraph 6, Grantor shall subordinate its rights under the Restrictions Deed of Trust to the lender's deed of trust for the Take Out Loan

e In the event Grantee wishes to obtain a construction loan (the "Construction Loan'), the prohibitions against encumbrances set forth in this Paragraph 6 shall apply, provided however, Grantor shall consent to such Construction Loan, provided Grantee submits a schedule of Substituted Parking as required by the Public Parking Covenants and such list satisfies the Substituted Parking Criteria In the event Grantee obtains a Construction Loan or a permanent loan to take out the Construction Loan (the "Permanent Loan"), Grantor shall subordinate its rights under the Restrictions Deed of Trust to the Lender s deed of trust for the Construction Loan or the Permanent Loan, provided the Promissory Note has been paid off and the proceeds of the Construction Loan are used for the development of the Site

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

terms stated in Section 9 The Grantor shall be deemed the beneficiary of the covenants, conditions and restrictions of this Grant Deed for and in its own right and for the purposes of protecting the interests of the community The covenants, conditions, and restrictions shall run in favor of the Grantor, without regard to whether the Grantor has been remains, or is an owner of any land or interest therein in the Site

8 Remedies Subject to the notice and cure provisions provided in the Agreement, the Grantor shall have the right, in the event of any breach of any covenant, condition or restriction set forth in this Grant Deed to exercise any and all rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of the covenant, condition or restriction Such rights and remedies are cumulative, and except with respect to rights and remedies expressly declared to be exclusive in the Agreement, the exercise of one or more of such rights or remedies shall not preclude the exercise, at the same or different times of any other rights or remedies for the same default or any other default by Grantor

9 Term The covenants set forth in Sections 3 and 4 shall remain in effect in perpetuity The covenants set forth in Sections 5 and 6 shall remain in effect for ten (10 years after the recordation of this Grant Deed (the "Restricted Period") The covenants set forth in Section 2 shall remain in effect for the period specified in the Public Parking Covenants Every other covenant and condition and restriction contained in this Grant Deed shall remain in effect for the longest feasible time, but not less than thirty (30) years from the effective date of this Grant Deed

10 Cost of Defense In the event any legal action is commenced challenging the legality of an environmental impact report or mitigated negative declaration relating to any of the proposed uses of the Site set forth herein Grantee shall be responsible for all legal fees related to a defense

11 Taxes and Assessments Until November 24, 2025, Grantee agrees to make no appeal or challenge of an assessment of the fair market value of the Site for property tax purposes, except for (1) 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 increases otherwise permitted by law or the initial assessment is in excess of the actual costs of construction and land, and (2) in the event the appeal arises from adverse economic conditions

12 No Waiver No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time

13 Covenants Run With the Land The covenants, conditions and restrictions contained herein shall run with the land

14 Counterparts This Grant Deed may be executed by each party on a separate signature page, and when the executed signature pages are combined shall constitute one single instrument

[INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Grantor and the Grantee have each executed this Grant Deed as of the date(s) set forth below next to each signature and this Grant Deed shall be deemed effective on the date it has been executed by the Grantor

'Grantor"

CITY OF CULVER CITY, a municipal corporation

Date ____________________ By ______________________________________
Jerry Fulwood
Chief Administrative Officer

"Grantee"

CONJUNCTIVE POINTS WARNER
DEVELOPMENT, LLLP

Date ____________________ By ____________________________
Frederick N Smith,
President of Conjunctive Points
Warner Development, Inc ,
General Partner of Conjunctive Points
Warner Development, LLLP

Date ____________________ By ____________________________

Its ____________________________

cg\cc\hayden\warnerlot\grant deed
3 10 06 (Final)

EXHIBIT A

LEGAL DESCRIPTION OF SITE

Real property ın the Cıty of Culver Cıty County of Los Angeles, State of Calıfornıa, descrıbed as follows

Lots 30, 31, 32 and 33 of Tract No 13503, ın the Cıty of Culver Cıty, as per map recorded ın Book 278 pages 38 and 39 of Maps ın the office of the county recorder of saıd county

Except the Easterly 21 feet of saıd lot 33 and the Northerly 25 feet of saıd lots 30 31, 32 and 33

APN 4205-023-901

STATE OF CALIFORNIA)
)ss
COUNTY OF ______________)

On ____________________, before me ____________________________________, personally appeared ______________________________________ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

____
Signature

97

STATE OF CALIFORNIA)
)ss
COUNTY OF ______________)

On ____________________, before me, ____________________________________, personally appeared ___________________________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

____
Signature

Exhibit "F"

Form of Restriction Deed of Trust
[Behind This Page]

OFFICIAL BUSINESS
Document entitled to free
recording per Government
Code Section 6103

Recording Requested by and
When Recorded Mail to

THE CITY OF CULVER CITY
P O Box 507
Culver City, California 90232
Attention Susan Evans, Community Development Director

SPACE ABOVE THIS LINE FOR RECORDER S USE

RESTRICTIONS DEED OF TRUST,
SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)

This Restrictions Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) is made as of ________________, 2006 by CONJUNCTIVE POINTS WARNER DEVELOPMENT, LLLP, a Delaware limited liability limited partnership (hereinafter referred to as "Trustor") whose address is 3528 Hayden Avenue Culver City, California 90232, to ___________________(hereinafter called "Trustee"), for the benefit of the CITY OF CULVER CITY , a municipal corporation (hereinafter called "Beneficiary"), whose address is Culver City Hall, 9770 Culver Boulevard, Culver City, California 90232-0507

Witnesseth That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following property (the "Trust Estate")

(a) That certain real property in the City of Culver City County of Los Angeles, State of California more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (such interest in real property is hereafter referred to as the "Subject Property"),

(b) All buildings structures and other improvements now or in the future located or to be constructed on the Subject Property (the "Improvements"),

(c) all tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of way and development rights (the "Appurtenances") (The Appurtenances, together with the Subject Property and the Improvements are hereafter referred to as the "Real Property"),

(e) subject to the assignment to Beneficiary set forth in Paragraph 4 below all rents, issues, income, revenues royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management, operation leasing or occupancy of the Trust Estate including those past due and unpaid (the "Rents"),

(f) all present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at upon or about, or affixed or attached to or installed in the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership use, development construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the "Goods," and together with the Real Property, the "Property"), and

(g) all present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the ownership, use, development, construction, maintenance, management operation, marketing, leasing occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors suppliers project managers, supervisors, designers, architects engineers, sales agents, leasing agents, consultants and property managers (iv) takeout, refinancing and permanent loan commitments, (v) warranties guaranties indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims demands, awards settlements and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreement, service and maintenance agreements purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types on intangible personal property of any kind or nature, and (ix) all supplements modifications amendments renewals, extensions proceeds, replacements and substitutions of or to any of such property (the "Intangibles")

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property") This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Section 9313 and 9402(6) of the UCC

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the due, prompt and complete observance, performance and discharge of each and every condition, obligation covenant and agreement contained herein or contained in the following

(a) The transfer restrictions and prohibitions as set forth in Paragraph 5 of the Grant Deed from Beneficiary to Trustor recorded on even date ("Transfer Restrictions"),

(b) The encumbrance restrictions and prohibitions as set forth in Paragraph 6 of the Grant Deed from Beneficiary to Trustor recorded on even date ("Encumbrance Restrictions '),

(c) The Public Parking Covenants Affecting Real Property dated as of__________, 2006 entered into between Beneficiary ("City" therein) and Trustor ("Buyer therein) recorded in the Office of the Recorder of Los Angeles County as Document No _______ (the " Public Parking Covenants"), and

(d) The Purchase and Sale Agreement dated as of February ____, 2006 (the "Purchase Agreement"), between Beneficiary ("City" therein) and Trustor ("Buyer" therein)

The Transfer Restrictions, Encumbrance Restrictions, Public Parking Covenants and Purchase Agreement (collectively "Secured Obligations") and all of their terms are incorporated herein by reference and this conveyance shall secure any and all extensions amendments, modifications or renewals thereof however evidenced

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES

1 That Trustor shall perform the obligations set forth in the Secured Obligations at the time and in the manner provided therein

2 That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed,

3 That the Secured Obligations are incorporated in and made a part of the Deed of Trust Upon default of a Secured Obligation and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may exercise all remedies hereunder, including foreclosure

4 That all rents profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the Secured Obligations Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period to collect such rents, profits and income

5 That upon default hereunder or under the aforementioned agreements, and after the giving of notice and the expiration of any applicable cure period, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom,

6 That Trustor will keep the improvements now existing or hereafter erected on the property insured against loss by fire and such other hazards, casualties and contingencies as may reasonably be required in writing from time to time by the Beneficiary and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies In no event shall the amounts of coverage be less than 100 percent of the insurable value of the Property Such policies shall be endorsed with standard mortgage clause with loss payable to the Beneficiary and certificates thereof together with copies of original policies shall be deposited with the Beneficiary,

7 To pay, at least 10 days before delinquency, any taxes and assessments affecting said Property to pay when due, all encumbrances charges and liens with interest, on said Property or any part thereof which appear to be prior or superior hereto and to pay all costs, fees, and expenses of this Trust Notwithstanding anything to the contrary contained in this Deed of Trust Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any liabilities contested pursuant to this Section 7

8 To keep said property in good condition and repair, subject to ordinary wear and tear, casualty and condemnation, not to remove or demolish any buildings thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due

all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon (subject to Trustor's right to contest the validity or applicability of laws or regulations), not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law and/or covenants, conditions and/or restrictions affecting said property, not to permit or suffer any material alteration of or addition to the buildings or improvements hereafter constructed in or upon said property without the consent of the Beneficiary,

9 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and reasonable attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear

10 Should Trustor fail, after the giving of notice and the expiration of any applicable cure period, to make any payment or do any act as herein provided, then Beneficiary or Trustee but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof Following default, after the giving of notice and the expiration of any applicable cure period, Beneficiary or Trustee being authorized to enter upon said property for such purposes, may commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, may pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, may pay necessary expenses, employ counsel, and pay such counsel's reasonable fees,

11 Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments All such payments made by the Beneficiary shall be added to the indebtedness and obligations secured hereby,

12 To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust with interest from date of expenditure at the maximum rate permitted by law

13 That upon the failure of Trustor, after the giving of notice and the expiration of any applicable cure period, to keep and perform all the covenants, conditions and agreements of said Purchase and Sale Agreement, the entire indebtedness evidenced by the Note shall at the option of the Beneficiary of this Deed of Trust become due and payable, anything contained herein to the contrary notwithstanding

14 Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and further that they will keep and maintain the

property free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be obligated to pay any claims for labor materials or services which Trustor in good faith disputes and is diligently contesting, provided that Trustor shall, at Beneficiary's written request, within thirty (30) days after the filing of any claim or lien (but in any event, and without any requirement that Beneficiary must first provide a written request, prior to foreclosure) record in the Office of the Recorder of Los Angeles County, a surety bond in an amount one and one-half (1½) times the amount of such claim item to protect against a claim of lien, or provide such other security reasonably satisfactory to Beneficiary,

15 That any and all improvements made or about to be made upon the premises covered by the Deed of Trust, and all plans and specifications, comply with all applicable municipal ordinances and regulations and all other applicable regulations made or promulgated, now or hereafter, by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office

16 Trustor herein agrees to pay to Beneficiary or to the authorized loan servicing representative of the Beneficiary a reasonable charge for providing a statement regarding the obligation secured by this Deed of Trust as provided by Section 2954 Article 2, Chapter 2 Title 14 Division 3, of the California Civil Code

IT IS MUTUALLY AGREED THAT

17 Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor which are not used to reconstruct restore or otherwise improve the property or part thereof that was taken or damaged, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings or to make any compromise or settlement in connection with such taking or damage All such compensation, awards, damages, rights of action and proceeds which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary After deducting therefrom all its expenses including reasonable attorney's fees the balance of the proceeds which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, shall be applied to the amount due under the Note secured hereby Notwithstanding anything to the contrary contained herein, if such taking or damage does not materially affect the operation of the Property, so long as the value of the Beneficiary's lien is not impaired, any insurance or condemnation proceeds shall go to the Trustor No amount applied to the reduction of the principal shall relieve the Trustor from making regular payments as required by the Note,

18 Upon default by Trustor in making any payments provided for herein or upon default by Trustor in performing any of the obligations set forth in the Note secured hereby or if Trustor shall fail to perform any covenant or agreement in this Deed of Trust within 30 days after written demand therefor by Beneficiary (or, in the event that more than 30 days is reasonably required to cure such default should Trustor fail to promptly commence such cure, and diligently prosecute same to completion), after the giving of notice and the expiration of any applicable cure period Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause the property to be sold which notice Trustee shall cause to be duly filed for record and Beneficiary may foreclose this Deed of Trust Beneficiary shall also deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby,

19 After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale Trustee may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale The Trustee shall apply the proceeds of sale to payment of (1) the expenses of such sale, together with the reasonable expenses of this trust including therein reasonable Trustee's fees or attorney's fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale, (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed, (3) all sums expended under the terms hereof not then repaid, with accrued interest at the maximum rate permitted by law, (4) all other sums then secured hereby, and (5) the remainder, if any, to the person or persons legally entitled thereto

20 Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust Upon such appointment, and without conveyance to the successor trustee the latter shall be vested with all title powers, and duties conferred upon any Trustee herein named or acting hereunder Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee,

21 The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law

22 Upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been satisfied, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder The recitals in such reconveyance of any matters or fact shall be conclusive proof of the truthfulness thereof The grantee in such reconveyance may be described as "the person or persons legally entitled thereto",

23 The trust created hereby is irrevocable by Trustor

24 This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner and holder including pledgees, of the Note secured hereby In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural All obligations of Trustor hereunder are joint and several

25 Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee,

26 The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth in the first paragraph of this Deed of Trust

27 Trustor agrees at any time and from time to time upon receipt of a written request from Beneficiary, to furnish to Beneficiary detailed statements in writing of income rents, profits, and operating expenses of the premises, and the names of the occupants and tenants in possession, together with the expiration dates of their leases, and the rents provided for by such leases, and such other information regarding the premises and their use as may be requested by Beneficiary

28 Trustor agrees that the Secured Obligations are given in consideration for the City financial assistance provided by Beneficiary described in the Purchase and Sale Agreement and the Note and that the City financial assistance is being provided expressly for the purpose of providing partial financing of the acquisition costs of the property as provided in the Purchase and Sale Agreement

29 Trustor agrees that, except as otherwise provided in the Note upon sale or refinancing of the property the entire indebtedness secured by this Deed of Trust shall at the option of Beneficiary be immediately due and payable

30 Notwithstanding specific provisions of this Deed of Trust, times of performance under this Deed of Trust may be extended in writing by the Beneficiary and Trustor

31 If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the unsecured portion of such obligations shall be completely performed and paid prior to the performance and payment of the remaining and secured portion of the obligations, and all performance and payments made by Trustor shall be considered to have been performed and paid on and applied first to the complete payment of the unsecured portion of the obligations

32 (a) Subject to the extensions of time set forth in Section 30, and subject to the further provisions of this Section 32, failure or delay by Trustor to perform any term or provision respectively required to be performed under the Note, the Purchase and Sale Agreement, the Public Parking Covenants or this Deed of Trust constitutes a default under this Deed of Trust

(b) Beneficiary shall give written notice of default to Trustor specifying the default complained of by the Beneficiary Delay in giving such notice shall not constitute a waiver of any default

(c) Any failures or delays by Beneficiary 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 Delays by Beneficiary in asserting any of its rights and remedies shall not deprive Beneficiary 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

(d) If a monetary event of default occurs under the terms of the Note or this Deed of Trust, prior to exercising any remedies hereunder or thereunder Beneficiary shall give Trustor written notice of such default Trustor shall have a reasonable period of time after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under the Note and/or this Deed of Trust, but in no event more than thirty (30) calendar days after the date the first written notice of default is received or deemed received by Trustor In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially impaired by any failure to cure a default or the default is not cured within fifteen (15) calendar days after the written notice of default is received or deemed received

(e) If a non-monetary event of default occurs under the terms of the Secured Obligations prior to exercising any remedies hereunder or thereunder Beneficiary shall give Trustor notice of such default If the default is reasonably capable of being cured within thirty (30) calendar days after such notice is received or deemed received Trustor shall have such period to effect a cure prior to exercise of remedies by the Beneficiary under the Purchase and Sale Agreement, the Note, the Public Parking Covenants and/or this Deed of Trust If the default is such that it is not reasonably capable of being cured within thirty (30) days and Trustor (i) initiates corrective action within said period, and (ii) diligently and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary, but in no event more than ninety (90) days after the first written notice of default is received or deemed received by Trustor In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the notice of default is received or deemed received

(f) Any notice of default that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy shall be deemed delivered upon its transmission, any notice of default that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U S Postal Service), shall be deemed received on the documented date of receipt by Trustor, and any notice of default that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof

33 Subject to the provisions and limitations of this Section 33, the Secured Obligations are non-recourse obligations of the Trustor Trustor shall not have any personal liability under this Deed of Trust, except as provided in this Section 33 The sole recourse of Beneficiary shall be the exercise of its rights against the Property under this Deed of Trust Provided however, that the foregoing shall not (a) constitute a waiver of any obligation evidenced by the Note or this Deed of Trust, (b) limit the right of the Beneficiary to name Trustor as a party defendant in any action or suit for judicial foreclosure and sale under this Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Trustor (c) release or impair this Deed of Trust (d) prevent or in any way hinder Beneficiary from exercising, or constitute a defense, an affirmative defense, a counterclaim, or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing the Note or as prescribed by law or in equity in case of default, (e) prevent or in any way hinder Beneficiary from exercising or constitute a defense an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing the Note, (f) relieve Trustor of any of its obligations under any indemnity delivered by Trustor to Beneficiary or (g) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Deed of Trust The foregoing provisions of this paragraph are limited by the provision that in the event of the occurrence of a default, Trustor and its successors and assigns shall have personal liability hereunder for any deficiency

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judgment, but only if and to the extent Trustor its principals, shareholders, partners or its successors and assigns received rentals, other revenues or other payments or proceeds in respect of the mortgaged Property, which rentals, other revenues, or other payments or proceeds have not been used for the payment of ordinary and reasonable operating expenses of the mortgaged Property, ordinary and reasonable capital improvements to the mortgaged Property, debt service, real estate taxes in respect of the mortgaged Property and basic management fees, but not incentive fees payable to an entity or person unaffiliated with Trustor in connection with the operation of the mortgaged Property, which are then due and payable Nothing contained in this Section is intended to restrict in any way any right the Beneficiary may have to recover directly from Trustor or from any other party

(a) any damages, costs and expenses incurred by Beneficiary as a result of intentional fraud or any criminal act or acts of Trustor or any partner, shareholder officer, director or employee of Trustor, or of any member or general or limited partner of Trustor or of any general or limited partner of such member or general or limited partner

(b) any damages, costs and expenses incurred by Beneficiary as a result of any intentional misappropriation of funds by Trustor from rents and revenues from the operation of the Project or proceeds of insurance policies or condemnation proceeds,

(c) any and all amounts owing by Trustor pursuant to the indemnification regarding Hazardous Substances pursuant to the Purchase and Sale Agreement, and

(d) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions (provided that Beneficiary shall pay Trustor's reasonable court costs and attorneys' fees if Trustor is the prevailing party in any such enforcement or collection action)

[INTENTIONALLY BLANK]

IN WITNESS WHEREOF Trustor has executed this Restrictions Deed of Trust as of the day and year set forth above

CONJUNCTIVE POINTS WARNER
DEVELOPMENT, LLLP, a Delaware
limited liability limited partnership

By ___________________________
Frederick N Smith,
President of Conjunctive Points
Warner Development Inc
General Partner of Conjunctive Points
Warner Development, LLLP

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STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On_________ before me,_______________ personally appeared____________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted executed the instrument

WITNESS my hand and official seal

Signature______________________

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On________ before me,____________ personally appeared ____________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

Signature___________________

EXHIBIT "A"

LEGAL DESCRIPTION

Real property ın the Cıty of Culver Cıty, County of Los Angeles State of Calıfornıa descrıbed as follows

Lots 30, 31, 32 and 33 of Tract No 13503 ın the Cıty of Culver Cıty, as per map recorded ın Book 278 pages 38 and 39 of Maps, ın the office of the county recorder of saıd county

Except the Easterly 21 feet of saıd lot 33 and the Northerly 25 feet of saıd lots 30 31, 32 and 33

APN 4205-023-901