

MEETING DATE 05/01/06

AGENDA ITEM Joint City Council/Redevelopment Agency Public Hearing
for Consideration of the Sale of Property at 12801-12823
Washington Boulevard to West Culver Lofts, LLC, a
Disposition and Development Agreement for the
Construction of Twenty Four (24) Condominium Units, and
a Tentative Tract Map

ATTACHMENTS

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ATTACHMENT NO 1

RESOLUTION NO 2006-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, APPROVING THE SALE OF REAL PROPERTY BY THE CULVER CITY REDEVELOPMENT AGENCY PURSUANT TO THAT CERTAIN DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE CULVER CITY REDEVELOPMENT AGENCY AND WEST CULVER LOFTS, LLC

WHEREAS, the Culver City Redevelopment Agency ("Agency") is engaged in activities necessary to execute and implement the Redevelopment Plan for the West Washington area of component Area No 4 of the Culver City Redevelopment Project ("Redevelopment Project Area"), and

WHEREAS, in order to implement the Redevelopment Plan for the Redevelopment Project Area, the Agency proposes to sell the real property, comprised of four (4) parcels (the "Property") located at 12803 – 12823 West Washington Boulevard known as Assessor's Parcel Numbers 4236-021-007, 4236-021-008, 4236-021-009, and 4236-021-010, pursuant to the terms and provisions of a certain Disposition and Development Agreement ("Agreement") by and between the Agency and West Culver Lofts, LLC ("Developer"), and

WHEREAS, the proposed Agreement contains all the provisions, terms, conditions and obligations required by State and local law, and

WHEREAS, the Agency has prepared, and the City Council has reviewed and considered, a summary report setting forth the cost of the Agreement to the Agency and including the sale of the Property to the Developer and has made said summary report available for public inspection in accordance with Section 33433 of the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq), and

1 **WHEREAS**, pursuant to provisions of California Community Redevelopment
2 Law, the Agency and the City Council have noticed and held a duly noticed joint public
3 hearing on the proposed Project and on the proposed Agreement, and

4 **WHEREAS**, in accordance with the California Environmental Quality Act
5 (California Public Resources Code Section 21000 et seq "CEQA"), the State CEQA
6 Guidelines (Title 14, California Code of Regulations Section 15000 et seq), and
7 procedures adopted by the City and the Agency relating to environmental evaluation of
8 public and private projects, the City Planning Commission adopted a Mitigated Negative
9 Declaration on February 22, 2006 which identifies and analyzes the potential
10 environmental impacts associated with the proposed development, and

11
12 **WHEREAS**, the City Council has considered all terms and conditions of the
13 proposed Agreement, and has determined that the sale of the Property pursuant to the
14 proposed Agreement is in the best interests of the City and in accord with the public
15 purposes and provisions of applicable State and local laws

16
17 **NOW, THEREFORE**, the City Council of the City of Culver City, California,
18 **DOES HEREBY RESOLVE** as follows

19 1 The City Council hereby finds and determines that the Agency's
20 Agreement to sell the Property pursuant to the Agreement will assist in effectuating the
21 purposes of the Redevelopment Plan for the reasons set forth in the summary report

22
23 2 The City Council hereby finds and determines that the sale will assist
24 in the elimination of blight and that the consideration to be paid by the Developers in
25 accordance with the terms and provisions of the Agreement is not less than the fair market
26 values of the Property

1 3 The City Council hereby finds that the sale of the Property pursuant to
2 the Agreement complies with the Implementation Plan adopted for this Redevelopment
3 Project Area pursuant to Section 33490 of the California Health and Safety Code

4 4 The City Council hereby finds and determines that the Mitigated
5 Negative Declaration adopted by the Planning Commission on February 22, 2006 satisfies
6 the requirements under CEQA and that no additional environmental analysis is required in
7 connection with the proposed sale and development of the Property
8

9 5 The City Clerk shall certify to the passage and adoption of this
10 resolution and the same shall thereupon take effect and be in force

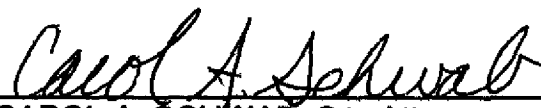
11 APPROVED and ADOPTED this _____ day of _____ 2006
12
13
14

_____, MAYOR
City of Culver City, California

15
16
17 ATTEST

APPROVED AS TO FORM

18
19
20 _____
CHRISTOPHER ARMENTA, City Clerk



CAROL A SCHWAB, City Attorney

21 A06-00211
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28

2a

RESOLUTION NO 2006-R____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, APPROVING TENTATIVE TRACT MAP NO. 65473, TTM P-2005014 FOR THE CONSTRUCTION OF TWENTY FOUR (24) CONDOMINIUM UNITS [I.E., TWELVE (12) LIVE/WORK AND TWELVE (12) RESIDENTIAL LOFT] AT 12801 - 12823 WASHINGTON BOULEVARD IN GENERAL COMMERCIAL (CG), COMMERCIAL SETBACK OVERLAY (CSO) AND REDEVELOPMENT PROJECT AREA OVERLAY (RP) ZONES

WHEREAS, on February 22, 2006, the Planning Commission, after conducting a duly noticed public hearing, fully considering the application, plans, staff reports, environmental information and all testimony presented, adopted Resolution No 2006-P005, conditionally approving Site Plan Review, SPR P-2005012, and Tentative Tract Map No 65473, TTM P-2005014, allowing the construction of twenty four (24) condominium units [i.e., twelve (12) live/work and twelve (12) residential lofts] at 12801 - 12823 Washington Boulevard, described as Lots 55 through 63 of Tract No 5951, in the General Commercial (CG), Commercial Setback Overlay (CSO) and Redevelopment Project Area Overlay (RP) Zones; and

WHEREAS, in accordance with the California Environmental Quality Act, and pursuant to an Initial Study, the Planning Commission found that the project would not result in significant adverse environmental impacts and, after considering the documents, public comments, and the record, determined that a Mitigated Negative Declaration finding was appropriate for the project provided certain mitigations are incorporated

WHEREAS, on May 1, 2006, the City Council, after considering the project based upon the Initial Study, Mitigated Negative Declaration, public comments,

1 and finding that the project will not have a significant adverse impact on the
2 environment, hereby adopts the Mitigated Negative Declaration, and

3 WHEREAS, following conclusion of the public discussion and thorough
4 deliberation of the subject matter, the City Council sustained the Planning
5 Commission's determination of approval of Tentative Tract Map No 65473, TTM
6 P-2005014, subject to Conditions of Approval stated herein below
7

8 NOW, THEREFORE, the City Council of the City of Culver City, California,
9 DOES HEREBY RESOLVE as follows

10 1 That pursuant to the foregoing recitations and the provisions of
11 Culver City Municipal Code (CCMC) Title 15, Section 15 10 265, required findings for a
12 Tentative Tract Map, and subject to the Conditions of Approval provided below, the
13 following findings are hereby made
14

15
16 **A. The proposed map is consistent with the General Plan**

17 The proposed tentative tract map is consistent with the General Plan Land Use
18 and Housing Elements in that the proposed twenty four (24) condominium units
19 will provide new residential and live/work opportunities within a small-scale
development on an underdeveloped lot

20 **B The design of the proposed subdivision is consistent with the General
Plan**

21 The design of the proposed subdivision is consistent with the General Plan Land
22 Use Element in that the proposed live/work development is consistent with the
23 objectives of the General Plan General Corridor land use designation that
encourages live/work opportunities

24 **C The site is physically suitable for the type of development**

25 The site is physically suitable for the proposed live/work development in that the
26 project complies with all zoning standards The proposed structure has met all
applicable setback, height and parking requirements

27 **D The site is physically suitable for the proposed density of development**

28 The site is physically suitable for the proposed twenty four (24) live/work unit
density of the project, in that the CG, CSO and RP zones permit the proposed

residential density and all applicable setback, height and parking requirements will be met

E The design of the subdivision is not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat

The proposed tentative tract map subdivision and the onsite and offsite improvements will not cause any known environmental damage and will not damage any fish and/or wildlife habitats because such fish and/or wildlife habitats do not exist on or near the site

F The design of the subdivision is not likely to cause serious public health problems

The proposed tentative tract map subdivision and the onsite and offsite improvements will not cause any known serious public health problems because all applicable zoning code development standards will have been met, and the applicant is required to meet all of the conditions of approval that the reviewing agencies of the City, such as Fire, Planning, Building and Safety, and Engineering have recommended for the project

G The design of the subdivision will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision

The proposed tentative tract map subdivision and the onsite and offsite improvements will not conflict with any existing and/or proposed easements

2 Pursuant to the foregoing recitations and findings, the City Council of the City of Culver City, California, hereby approves Tentative Tract Map No 65473, TTM P-2005014, subject to the following conditions

A All conditions contained in Planning Commission Resolution No 2006-P005, pertaining to Tentative Tract Map No 65473, TTM P-2005014

B This approval shall not become effective until the City Council and Redevelopment Agency have approved the project as more fully described in Site Plan Review, SPR P-2005012, and as conditioned in Planning Commission Resolution No 2006-P005

C Each unit that is to have separate ownership shall have separate utilities

1 D Prior to approval of the Final Map, the subdivider shall pay to the City the
2 prescribed in-lieu parkland fee based on the fair market value of 0 144 acres
3 (6,273 square feet) as determined by a written appraisal report, approved by the
4 City and dated no more than six (6) months prior to payment of the in-lieu fee for
5 the twenty four (24) condominium units The subdivider shall furnish a letter of
6 credit or other form of security, as approved by the City Attorney, to guarantee
7 payment of the required in-lieu parkland fee within one (1) year after the date of
8 approval of the Final Tract Map, and guaranteeing the payment of all interest
9 which accrues if the fee is not paid within the one (1) year period, provided that a
10 partial in-lieu parkland fee payment based on the fair market value of 261 375
11 square feet per unit shall be made to the City out of the escrow upon the sale of
12 any unit which may occur within the one (1) year period described herein
13
14
15

16 APPROVED and ADOPTED this _____ day of _____, 2006
17
18
19

20 _____
ALBERT VERA, MAYOR
City of Culver City, California
21

22
23 ATTEST

APPROVED AS TO FORM
24
25

26 _____
CHRISTOPHER ARMENTA,
27 City Clerk

28 _____
CAROL A SCHWAB,
City Attorney

A06-00154

ATTACHMENT NO 4

**DISPOSITION AND DEVELOPMENT AGREEMENT
(WEST CULVER LOFTS)**

By and Between the

CULVER CITY REDEVELOPMENT AGENCY

and

**WEST CULVER LOFTS, LLC, a Delaware limited liability
company**

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**DISPOSITION AND DEVELOPMENT AGREEMENT
(WEST CULVER LOFTS)**

This **DISPOSITION AND DEVELOPMENT AGREEMENT (WEST CULVER LOFTS)** (this "Agreement"), dated as of _____, 2006, is entered by and between the **CULVER CITY REDEVELOPMENT AGENCY**, a public body corporate and politic (the "Agency"), and **WEST CULVER LOFTS, LLC**, a Delaware limited liability company (the "Developer")

RECITALS

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

A. The purpose of this Agreement is to effectuate the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq* (the "Act") by providing for the improvement and development of property with construction of a mixed use complex as hereinafter provided and to implement the Redevelopment Plan approved and adopted by the City Council of the City of Culver City on November 23, 1998 by Ordinance No. 98-015 and amended on January 12, 2004 (the "Redevelopment Plan").

B. The Agency is a redevelopment agency duly established by action of the City Council of the City of Culver City and exercising governmental functions and powers pursuant to Chapter 2 of the Act and engaging in activities to improve areas within the Redevelopment Plan area.

C. Agency owns fee title to certain real property located at 12823 West Washington Boulevard ("Parcel A"), 12813 West Washington Boulevard ("Parcel B"), 12811 West Washington Boulevard ("Parcel C") and 12803-07 West Washington Boulevard ("Parcel D"). Parcels A, B, C and D are collectively referred to herein as the "Site". The Site is bounded by Meier Street on the east and Moore Street to the west in the City of Culver City and is depicted on the Site Map (Attachment No. 1 hereto) and more particularly described in the Legal Description (Attachment No. 2 hereto). The Site is commonly known as the odd numbered addresses from 12803 to 12823 West Washington Boulevard in the City of Culver City, California.

D. On September 23, 2004, the Parties entered into that certain Exclusive Negotiation Agreement with respect to the Site. Subsequently thereto, the parties entered into that certain First Amendment to Exclusive Negotiation Agreement dated solely for reference purposes June 30, 2005 (as amended, the "ENA").

E. Developer desires to acquire the Site, and develop and improve the Site with a newly constructed residential development consisting of a mixture of live/work units and residential loft units (twelve (12) live/work units and twelve (12) residential units), at least fifty-seven (57) above-ground parking spaces, storage, utilities and trash enclosures, and ancillary improvements (collectively, the "Project"). Because the Project is the first project to be constructed under Chapters 17 400 060 and 17 400 065 of the Culver City Municipal Code (collectively, the "Mixed Use Ordinances"), addressing development standards for live/work

units and mixed use developments, respectfully, the Agency is particularly interested in the Live/Work Units being sold, occupied and used as live/work units in accordance with the Mixed Use Ordinances for so long as the Site is subject to the zoning restrictions and other restrictions imposed upon the Site by the aforementioned ordinances. Accordingly, Developer has agreed to market and hold for sale the Live/Work Units in accordance with the terms and conditions of this Agreement and the Mixed Use Ordinances.

F The Site is located within the geographical area of the Redevelopment Plan for the Culver City Redevelopment Project, Component Area 4 (the "Project Area"). The proposed Project complies with and furthers the goals and objectives of the Redevelopment Plan.

G Except as provided in the ENA, Agency is responsible for the acquisition and assembly of the Site and relocation of displaced persons, if any, from the Site at no cost or expense to Developer.

H By this Agreement, and subject to the terms and conditions herein, (i) the Agency agrees to convey to Developer, and Developer agrees to purchase from Agency, the Site, and (ii) the Developer agrees to complete the Project and record certain covenants and restrictions against the Site to assure that the live/work units continue to be occupied and used as live/work units as hereinafter provided.

I Agency's disposition of the Site and Developer's construction of the Project pursuant to the terms of this Agreement are in the vital and best interest of Agency, the City of Culver City and the health, safety, and welfare of its residents, and in accordance with the public purposes and provisions of applicable federal, state and local laws and requirements under which the redevelopment of Redevelopment Plan area has been undertaken.

NOW, THEREFORE, Agency and Developer hereby agree as follows:

100 DEFINITIONS

101 Definitions

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

"Act" is defined in Recital A.

"Agency" means the Culver City Redevelopment Agency, a public body, corporate and politic, exercising governmental functions and powers and organized and existing separate and distinct from the City under Chapter 2 of the Community Redevelopment Law of the State of California, and any assignee of or successor to its rights, powers and responsibilities.

"Agency Loan" is defined in Section 301.3.

"Agency Loan Documents" means, collectively, this Agreement, the Promissory Note, the Deed of Trust, the Assignment of Plans, Reports and Data, the Developer Declaration,

and any and all other agreements entered into by and between the Agency and Developer to effect the purposes of the foregoing

"Agency's Conditions Precedent to Closing" is defined in Section 303 1

"Agreement" means this Disposition and Development Agreement between Agency and Developer, as may be amended from time to time by the mutual written consent of the Parties, and the agreements required hereby and entered into concurrently herewith substantially in the form of Attachment Nos 1 through 14 hereto, which are incorporated herein by this reference

"ALTA Policy" is defined in Section 307

"Assignment of Plans, Reports and Data" means an assignment signed by Developer and delivered to Agency substantially in the form of Attachment No 12 hereto

"Assistant Executive Director" means the Assistant Executive Director of the Agency or her designee

"Change of Control" is defined in Section 206 1

"CID Law" is defined in Section 601

"City" means the city of Culver City, a public body, corporate and politic

"Closing" is defined in Section 302 6

"CLTA Policy" is defined in Section 307

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

"Construction Loan" is defined in Section 314(a)

"Construction Lender" means the Institutional Lender making the Construction Loan to Developer for construction of the Improvements and other costs of acquisition and development of the Site

"Conveyance" is defined in Section 301 1

"Declaration" or "Declaration of Covenants, Conditions, and Restrictions" means, collectively, that certain Declaration of Covenants, Conditions, and Restrictions (Residential Units) and that certain Declaration of Covenants, Conditions, and Restrictions (Live/Work Units) providing for, among other things, the maintenance of the Project and restrictions on the use of certain Units, which will be recorded against the Site upon the conveyance of the Units to Qualified Buyers in accordance with Section 603(f) hereof, substantially in the form attached hereto as Attachment Nos 9 and 10, respectively

"Deed of Trust" means the deed of trust to be delivered by Developer on or prior to the date of the Conveyance substantially in the form of Attachment No 5

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

"Developer" means West Culver Lofts, LLC, a Delaware limited liability company, and any permitted assignees

"Developer Declaration" means that certain Declaration of Covenants, Conditions, and Restrictions (Developer) providing for, among other things, the obligation to construct the Project, the maintenance of the Project, and restrictions on the use of certain Units, which will be recorded against the Site upon the Conveyance in accordance with Section 303 1(b) hereof, substantially in the form attached hereto as Attachment No 11

"Developer Down Payment" means the down payment for the purchase of the Site described in Section 301 2

"Developer's Conditions Precedent to Closing" is defined in Section 303 2 hereof

"Effective Date" means the date upon which this Agreement shall have been signed by Agency

"Environmental Laws" means, as amended from time to time, (i) Sections 25115, 25117, 25122.7 or 25140 of the California Health and Safety Code, Division 20, Chapter 6 5 (Hazardous Waste Control Law)), (ii) Section 25316 of the California Health and Safety Code, Division 20, Chapter 6 8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) Section 25501 of the California Health and Safety Code, Division 20, Chapter 6 95 (Hazardous Materials Release Response Plans and Inventory), (iv) Section 25281 of the California Health and Safety Code, Division 20, Chapter 6 7 (Underground Storage of Hazardous Substances), (v) Article 9 or Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (vi) Section 311 of the Clean Water Act (33 U S C Sec 1317), (vii) Section 1004 of the Resource Conservation and Recovery Act, 42 U S C Sec 6901 et seq (42 U S C Sec.6903) or (viii) Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U S C Sec 6901 et seq

"Environmental Reports" means the following reports with respect to the Site

- 1 Phase 1 Environmental Site Assessment for 12803 West Washington Boulevard, Culver City, California dated October 11, 2004 prepared by Smith-Emery GeoServices
- 2 Phase II Environmental Site Assessment for 12807 Washington Boulevard, Culver City, California dated November 23, 2005 prepared by Smith-Emery GeoServices

- 3 Phase I Environmental Site Assessment for 12811 West Washington Boulevard, Culver City, California dated October 11, 2004 prepared by Smith-Emery GeoServices
- 4 Bulk Sample Analysis for 12811 Washington Boulevard, Culver City dated February 17, 2006 prepared by CTL Environmental Services
- 5 Phase I Environmental Site Assessment for 12813 and 12823 West Washington Boulevard, Culver City, California dated October 8, 2004 prepared by Smith-Emery GeoServices
- 6 Asbestos Inspection Report for 12823/12813 West Washington Boulevard, Culver City, California dated September 6, 2005 prepared by Executive Environmental Services Corporation
- 7 Asbestos Abatement Project Record for 12823 Washington Boulevard, Culver City, California dated December 5, 2005 prepared by CTL Environmental Services

"Escrow" means the escrow for the Conveyance to be established pursuant to Section 302 1

"Escrow Agent" means the escrow agent of the Escrow Company for the Conveyance as set forth in Section 302 1

"Escrow Company" means First American Title Insurance Company acting out of its Glendale, California office located at 520 North Central Avenue, Glendale, California, 91203 or such other escrow company as may be agreed to by the Parties

"Escrow Costs" is defined in Section 302 2

"Event of Default" is defined in Section 701

"Evidence of Financing" is defined in Section 314

"General Contractor" is defined in Section 407

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

"Grant Deed" means the grant deed by which Agency will convey the Site to Developer substantially in the form attached as Attachment No 4

"Hazardous Materials" means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste", "acutely hazardous waste", "extremely hazardous waste", or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material", "hazardous substance", or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20, (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq (42 U.S.C. Section 6903), (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., (xii) methyl-tert butyl ether, or (xiii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any Governmental Requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to human health or the environment

"HOA" means the homeowners' association for the Units constructed on the Site

"HOA CC&Rs" means the covenants, conditions and restrictions recorded in connection with the formation of the HOA, as such CC&Rs may be amended from time to time

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

"Improvements" means the improvements to be constructed by Developer upon the Site and all approvals and permits required for completion of the Improvements, all as more particularly described in the Scope of Development. The "Improvements" shall generally consist of the construction of a mixed use (residential and live/work) development consisting of (i) twelve (12) live/work units and twelve (12) residential loft units with an aggregate of not less than approximately 38,067 square feet of gross buildable area, including common area, and (ii)

ancillary improvements including, without limitation, at least fifty seven (57) ground level parking spaces, storage utilities and trash enclosures

"Institutional Lender" means any of the following institutions having assets or deposits in the aggregate of not less than Fifty Million Dollars (\$50,000,000) a California chartered bank, a bank created and operated under and pursuant to the laws of the United States of America, an "incorporated admitted insurer" (as that term is used in Section 11001 of the California Insurance Code), a "foreign (other state) bank" (as that term is defined in Section 1700(1) of the California Financial Code), a federal savings and loan association (Cal Fin Code Section 8600), a commercial finance lender (within the meaning of Sections 2600 et seq of the California Financial Code), a "foreign (other nation) bank" provided it is licensed to maintain an office in California, is licensed or otherwise authorized by another state to maintain an agency or branch office in that state, or maintains a federal agency or federal branch in any state (Section 1716 of the California Financial Code), a bank holding company or a subsidiary of a bank holding company which is not a bank (Section 3707 of the California Financial Code), a trust company, savings and loan association, insurance company, investment banker, college or university, pension or retirement fund or system, either governmental or private, or any pension or retirement fund or system of which any of the foregoing shall be trustee, provided the same be organized under the laws of the United States or of any state thereof, a Real Estate Investment Trust, as defined in Section 856 of the Internal Revenue Code of 1986, as amended, provided such trust is listed on either the American Stock Exchange or the New York Stock Exchange, or an investment fund, limited liability company or partnership with investors who themselves are Institutional Investors and who hold at least a 50% capital interest in such fund, limited liability company or partnership

"Intercreditor Agreement" means the Intercreditor Agreement to be entered into between the Agency and the Construction Lender in substantially the form of Attachment No 13 hereto

"Labor Laws" means the requirements, if any, to pay prevailing wages in compliance with Labor Code Section 1720, et seq, including, but not limited to, the keeping of all records required pursuant to Labor Code Section 1776, the employment of apprentices in accordance with Labor Code Section 1777.5, the maximum hours requirements of Labor Code Sections 1810 through 1815, and all regulations and statutory requirements pertaining thereto

"Legal Description" means that certain legal description of the Parcels which comprise the Site attached hereto as Attachment No 2

"Limited Liability Company Agreement of Developer" means that certain Limited Liability Company Agreement of West Culver Lofts, LLC made as of January 1, 2006, as such agreement may be amended from time to time

"Live/Work Units" is defined in Section 501

"Losses and Liabilities" means and includes all claims, causes of action, liabilities (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or cost of any kind, whether actual,

alleged or threatened, including attorneys' fees and costs, court costs, interest or defense costs, and expert witness fees), losses, damages (including, without limitation, penalties, fines and monetary sanctions), injuries, expenses, charges, penalties or costs of whatsoever character, nature and kind, including reasonable attorney's fees and costs incurred by the indemnified party with respect to counsel of its choice, whether to property or to person, whether by direct or derivative action, and whether known or unknown, suspected or unsuspected, latent or patent

"Maintenance Standards" is defined in Section 502

"Mixed Use Ordinances" is defined in Recital E

"New Developer Entity" is defined in Section 206 2

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

"Outside Closing Date" means August 31, 2006 or such later date as may be agreed to in a writing signed by the Agency and Developer

"Parcel(s)" is defined in Section 204

"Parcel A" is defined in Section 204

"Parcel B" is defined in Section 204

"Parcel C" is defined in Section 204

"Parcel D" is defined in Section 204

"Party" means either Developer or Agency, **"Parties"** means both Developer and Agency

"Permitted Transfer" means a Transfer to any person to whom a Transfer of this Agreement or the Site has been approved by the Agency in writing or to whom the express provisions of Section 206 3 of this Agreement permit a Transfer to be made without Agency approval

"Project" is defined in Recital E

"Project Area" is defined in Recital F

"Promissory Note" means the Promissory Note Secured by Deed of Trust evidencing the Agency Loan to be delivered by Developer on or prior to the Conveyance substantially in the form of Attachment No 3

"Purchase Price" means Three Million Dollars (\$3,000,000)

"Qualified Buyer" means a third party purchaser of a Unit who purchases the Unit subject to the restrictions set forth in the Declaration

"Redevelopment Plan" is defined in Recital A

"Release of Construction Covenants" means the document which evidences Developer's satisfactory completion of the construction of the Improvements in accordance with this Agreement, as set forth in Section 415, substantially in the form which is attached hereto as Attachment No 8

"Relocation Laws" means the applicable relocation laws set forth in the California Relocation Assistance Act, California Government Code Section 7260, *et seq*, and the implementing regulations thereto in 25 California Code of Regulations Section 6000, *et seq*, any other applicable local, state, or federal regulations relating to the provision and administration of relocation assistance and benefits to eligible persons and households who are or may be temporarily or permanently displaced from the Site due to the implementation of the Project and this Agreement.

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

"Residential Units" is defined in Section 501

"Schedule of Performance" means that certain Schedule of Performance which is attached hereto as Attachment No 6, setting forth the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between Developer and the Assistant Executive Director, and the Assistant Executive Director is authorized to make such revisions as the Assistant Executive Director deems reasonably necessary.

"Scope of Development" means that certain Scope of Development which is attached hereto as Attachment No 7 and describes the scope, amount, and quality of construction of the Improvements to be constructed by Developer pursuant to the terms and conditions of this Agreement.

"Site" is defined in Recital C

"Site Map" means the map of the Site attached as Attachment No 1

"Subordination Agreement" means that certain Subordination Agreement to be entered into between the Agency and the Construction Lender substantially in the form of Attachment 14 hereto

"Survey" is defined in Section 306

"Title Company" is defined in Section 306

"Title Report" is defined in Section 306

"Transfer" means and includes any sale, transfer, assignment, subdivision, lease, sublease, license, franchise, conveyance, gift, hypothecation, mortgage, pledge or encumbrance, or refinancing, or the like of the Site or any portion thereof or any interest therein or of this Agreement, to any person or entity

"Unit(s)" means the individual for sale town home or condominium unit(s) (consisting of either a residential unit or a live/work unit) within the Project to be constructed by Developer and sold to Qualified Buyers in accordance with the terms and conditions of this Agreement.

"Unit Sale Note Payment" means the payment due on the Promissory Note upon the sale of each Unit. The amount of each Unit Sale Note Payment shall be equal to a principal payment of Eighty Seven Thousand Five Hundred Dollars (\$87,500) plus any outstanding accrued interest due on the Promissory Note at the time the payment is made

102 Singular and Plural Terms

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

103 Accounting Principles

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

104 References and Other Terms

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

105 Attachments Incorporated

All attachments to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference

200 SUBJECT OF AGREEMENT

201 Purpose of the Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan by providing for the sale and development of the Site. This Agreement is entered into for the purpose of development of the Project on the Site pursuant to this Agreement, and the fulfillment generally of this Agreement and the development of the Site are in the vital and best interest of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of the applicable federal, state and local laws and requirements under which the Project has been undertaken.

202 The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan. The Redevelopment Plan is incorporated herein by this reference and made a part hereof as though fully set forth herein.

Any amendments to the Redevelopment Plan which change the uses or development permitted on the Site or otherwise change the restrictions or controls that apply to the Site shall require the written consent of the Developer. No other amendments of the Redevelopment Plan shall require the consent of Developer.

Agency hereby represents that the Redevelopment Plan is in full force and effect, that the Redevelopment Plan has not been amended other than as set forth above, that the statutory time within which to bring an action challenging the validity of the Redevelopment Plan has expired, and that Agency has no knowledge of any pending or threatened litigation against City or Agency challenging the validity of the Redevelopment Plan.

203 The Project Area

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

204 The Site

The Site is comprised of four parcels commonly known as 12823 West Washington Boulevard ("Parcel A"), 12813 West Washington Boulevard ("Parcel B"), 12811 West Washington Boulevard ("Parcel C"), and 12803-07 West Washington Boulevard ("Parcel D"). Parcels A, B, C and D shall each be referred to herein as a "Parcel" and collectively as the "Parcels". The Parcels are currently owned by the Agency.

Subject to the restrictions on Transfer set forth in Section 206, Developer agrees that upon any Transfer of the Site or any portion thereof, the transferred portion of the Site shall be subject to all of the terms, provisions, covenants and conditions of this Agreement, any subdivision or parcel map approved for the Site, and all exceptions, reservations, liens, encumbrances, qualifications, covenants, conditions, restrictions, easements, rights of way, and any and all matters or conditions reflected on or arising out of any subdivision, zoning, land use

or environmental approval or procedure of the City done in connection with the development of the Site contemplated by this Agreement.

205 Parties to the Agreement

205.1 The Agency

The Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California.

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

205.2 The Developer

The Developer is a Delaware limited liability company in good standing under the laws of the state of California. The principal office of Developer is located at 203 Argonne Avenue, B-145, Long Beach, California, 90803

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

206 Prohibition Against Change in Ownership, Management and Control of Developer

206.1 Prohibition

The qualifications and identities of Developer and its members are of particular concern to the City and the Agency. It is because of those unique qualifications and identities that the Agency has entered into this Agreement with the Developer and is imposing restrictions upon any Change of Control of the Developer and any Transfer which is not a Permitted Transfer. No voluntary or involuntary successor in interest to Developer shall acquire any rights or powers in the Site or under this Agreement except as expressly set forth herein.

Except as otherwise permitted herein, without the prior written approval of Agency, which approval may be granted or withheld in the sole and absolute discretion of Agency, Developer shall not (i) Transfer all or any part of its interest in or rights under this Agreement or the Site other than a Permitted Transfer, or (ii) effect any material change in the membership interests, control or management of Developer (collectively, a "Change of Control"). For purposes hereof, but not in limitation of the definition of a Change in Control, a Change of Control will have occurred if Urban Equity Properties, LLC, an Ohio limited liability company, ceases to be the sole manager of Developer, if Urban Equity Partners, LLC, a California limited liability company, ceases to be the sole manager of Urban Equity Properties, LLC, or if Robert C. Little, Sr. and Robert C. Little, Jr. cease to be the sole members of Urban Equity Partners, LLC. Any Third Party Investor Financing (as defined in the Limited Liability

Company Agreement of Developer) or Permitted Transfer shall require notice to, but not the consent of, Agency

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

206.2 Change of Ownership, Transfer to a New Developer Entity

If control or majority ownership of Developer must be changed in order for Developer to obtain debt or equity financing, then the Developer shall seek the prior written consent of Agency for such Change of Control in accordance with Section 206 4 Agency shall reasonably approve such Change of Control provided that the financial condition of Developer is not negatively impacted by such Change of Control to the extent that it impairs Developer's ability to perform under this Agreement and as long as Robert C Little Sr and Robert C Little Jr (the "Littles") remain (i) the individuals with whom Agency shall have contact, (ii) integrally involved with implementation of this Agreement, and (iii) the managers of Developer, either personally or through entities which they control

206 3 Permitted Transfers

In addition to a Transfer to any person or party to whom a Transfer of this Agreement has been approved by the Agency in writing, the following shall constitute "Permitted Transfers" hereunder

(a) Any Transfer of the membership interests owned in Developer by the Littles to an entity or entities in which the Littles, or trusts for the benefit of the Littles or their immediate families, retain (i) a minimum of fifty one percent (51%) of the ownership or other beneficial interests, and (ii) day to day management and control of the transferee entity or entities,

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

(c) Subject to the restrictions of Section 600 hereto and as set forth in the Declaration of Covenants, Conditions and Restrictions, the Transfer of a Unit to a Qualified Buyer

In the event of a Transfer by Developer under subparagraphs (a) and (b), (inclusive), above not requiring Agency's prior approval, Developer nevertheless agrees that at least thirty (30) days prior to such Transfer it shall give Notice to Agency of such assignment and satisfactory evidence that the Transfer qualifies as a Permitted Transfer and/or that the assignee has assumed the obligations of this Agreement in accordance with Section 206 4 below.

206 4 Request for Transfer or Change of Control, Approval

Except as specifically set forth herein, upon Developer's delivery of written Notice to Agency requesting such approval, Agency agrees that it will not unreasonably withhold, delay or condition approval of a request for Transfer or Change of Control made pursuant to this Section. Any such Notice shall be accompanied by sufficient evidence regarding the proposed assignee's or purchaser's development and/or operational qualifications and experience, and its financial commitments and resources, in sufficient detail to enable Agency to evaluate the proposed assignee resulting from the Change of Control or Transfer pursuant to the criteria set forth in this Section and as reasonably determined by Agency. An assignment and assumption agreement in form reasonably satisfactory to Agency's legal counsel shall also be submitted to Agency for all proposed Transfers. No Transfer shall be effective nor shall Developer be relieved of liability hereunder unless and until the Agency agrees and the transferee assumes all of the obligations of Developer with regard to this Agreement and the Site, and delivers a signed assignment and assumption agreement in a form reasonably satisfactory to Agency. Notwithstanding the foregoing, the Agency may, in its reasonable discretion, require the guaranty of the transferor in connection with the approval of any Transfer or Change of Control.

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

207 Third Party Beneficiaries

Except for the City, which is expressly made a third party beneficiary hereof, this Agreement is made and entered into for the sole protection and benefit of the Agency, its successors and assigns, and Developer, its permitted successors and assigns, and no other person or persons shall have any right of action hereon or hereunder.

208 Representations and Warranties

208 1 Agency's Representations

Agency represents and warrants to Developer as follows

(a) Authority Agency is a public body, corporate and politic, existing pursuant to the Community Redevelopment Law, which has been authorized to transact business pursuant to action of the City. Agency has full right, power and lawful authority to grant, sell

and convey the Parcels as provided herein, and the execution, performance and delivery of this Agreement by Agency have been fully authorized by all requisite actions on the part of Agency

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

(c) No Agency Bankruptcy Agency is not the subject of a bankruptcy proceeding

(d) Title At the Closing, Agency shall deliver title to the Site free of any right of any third party (except Developer) to possession of all or any part of the Site

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

(f) Governmental Compliance To the best of Agency's knowledge, Agency has not received any notice from any governmental agency or authority alleging that the Site is currently in violation of any law, ordinance, rule, regulation or requirement applicable to its use and operation, including without limitation Environmental Laws. If any such notice or notices are received by Agency following the Effective Date of this Agreement, Agency shall, within ten (10) days of receipt of such notice, notify Developer

(g) FIRPTA. The Agency is not a "foreign person" within the parameters of FIRPTA or any similar state statute, or is exempt from the provisions of FIRPTA or any similar state statute, or that the Agency has complied and will comply with all the requirements under FIRPTA or any similar state statute

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

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

Until the Closing, Agency shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true, immediately give written notice of such fact or condition to Developer. Such exception(s) to a representation shall constitute an exception which the Developer shall have a right to approve or disapprove if such exception would have an effect on the value and/or development of the Site

If the Developer elects to close Escrow following disclosure of such information, Agency's representations and warranties contained herein shall be deemed to have been made as of the Closing, subject to such exception(s). If, following the disclosure of such information, the Developer elects to not close Escrow, then this Agreement and the Escrow may be terminated by Developer, and neither Party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 208.1 shall survive the Closing.

208.2 Developer's Representations

Developer represents and warrants to Agency as follows:

(a) Organization Developer is a duly organized, validly existing limited liability company in good standing under the laws of the State of Delaware and has the power and authority to own and lease property and carry on its business as now being conducted. The copies of the documents evidencing the organization of Developer and setting forth the membership interests, control or management of Developer delivered to the Agency are true and correct (and true copies of the originals, if applicable) as of the Effective Date.

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

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

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

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

(f) No Conflict Developer's execution and delivery of this Agreement and any other documents or instruments executed and delivered, or to be executed or

delivered, pursuant to this Agreement, and the performance of any provision, condition, covenant or other term hereof or thereof, do not or will not conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Developer, or any provision of the organizational documents of Developer, or will conflict with or constitute a breach of or a default under any agreement to which Developer is a party, or will result in the creation or imposition of any lien upon any assets or property of Developer, other than liens established pursuant hereto

(g) No Developer Bankruptcy No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, receivership or other proceedings are pending or threatened against the Developer or any parties affiliated with Developer, nor are any of such proceedings contemplated by Developer or any parties affiliated with Developer

Until the Closing, Developer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true, immediately give written notice of such fact or condition to Agency. Such exception(s) to a representation shall constitute an exception which the Agency shall have a right to approve or disapprove if such exception would have an effect on the value and/or development of the Site. If the Agency elects to close Escrow following disclosure of such information, Developer's representations and warranties contained herein shall be deemed to have been made as of the Closing, subject to such exception(s). If, following the disclosure of such information, the Agency elects to not close Escrow, then this Agreement and the Escrow may be terminated by Agency, and neither Party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 208.2 shall survive the Closing.

300 DISPOSITION OF THE SITE

301 Sale and Purchase

301.1 Sale and Purchase of the Site, Purchase Price

Upon satisfaction of the Agency's and Developer's Conditions Precedent to Closing within the time frame set forth in the Schedule of Performance, Agency agrees to convey to Developer and Developer agrees to purchase from Agency (the "Conveyance") fee title in and to the Site for the Purchase Price. Agency has determined that, based on the conditions imposed on Developer with respect to the construction of the Improvements, the reuse value of the Site equals the Purchase Price, accordingly, the consideration for the Conveyance shall be Developer's payment of the Purchase Price, Developer's promise to construct the Project, including the Improvements, and Developer's promise to be bound by the obligations, covenants and restrictions set forth herein.

Upon Closing, the Agency shall convey fee title in and to the Site to Developer by the Grant Deed, subject to the rights reserved therein. Developer's acquisition of the Site and development of the Project pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the best interests of the City and the welfare of its residents, and in

accordance with the public purposes and provisions of the Redevelopment Law and other applicable federal, state, and local laws and requirements

The Purchase Price shall be paid by delivery of the Developer Down Payment and the Promissory Note

301.2 Developer Down Payment

Developer shall deposit into Escrow, within the time set forth in the Schedule of Performance, Six Hundred Thousand Dollars (\$600,000) in cash (the "Developer Down Payment") In the event that the Closing does not occur, the Parties shall instruct the Escrow Agent to refund the Developer Down Payment to Developer, with interest and less Developer's share of any escrow fees or costs, provided, however that (i) if the reason for the Closing not occurring is the default of Agency, then Agency shall be responsible for the payment of all such escrow fees and costs, or (ii) if the reason for the Closing not occurring is the default of Developer, then Developer shall be responsible for the payment of all such escrow fees and costs Escrow shall promptly deposit the Down Payment in an interest bearing account in a State or Federally chartered bank, consistent with the timing requirements of this Agreement, and any interest paid thereon shall be payable to Developer If Escrow charges an additional fee for deposit of the Down Payment in an interest bearing account, Developer agrees that Developer shall be responsible for the entire amount of such fee

301.3 Agency Loan, Promissory Note, Deed of Trust, Subordination

To fund the purchase of the Site by Developer, Agency hereby agrees to loan to Developer and Developer hereby agrees to borrow from Agency the amount of Two Million Four Hundred Thousand Dollars (\$2,400,000) (the "Agency Loan"). The Agency Loan shall bear interest at a rate of Three and One-half percent (3 1/2%) per annum, compounded annually, and shall be evidenced by the Promissory Note The performance of this Agreement, the Promissory Note and the Developer Declaration shall be secured by a Deed of Trust recorded against the Site concurrently with the Conveyance and by the Assignment of Plans, Reports and Data. The Agency Loan shall be made in accordance with and subject to the terms and conditions of the Promissory Note In the event of a conflict between the terms of the Promissory Note described herein and the terms of the Promissory Note, the terms of the Promissory Note shall prevail

The Promissory Note shall set forth a schedule of repayment. All payments shall be applied first to outstanding accrued interest, and then to principal The first principal payment on the Promissory Note shall be in the amount of Three Hundred Thousand Dollars (\$300,000) (without payment for accrued and outstanding interest) and shall be due and payable on such date as building permits are issued by the City for the Project. Thereafter, principal payments of Eighty Seven Thousand Five Hundred Dollars (\$87,500) plus accrued and outstanding interest (each, a "Unit Sale Note Payment") shall be made via wire transfer upon the close of escrow for the sale of each Unit by Developer

The Deed of Trust and the Assignment of Plans, Reports and Data shall be subordinate to the lien of any Construction Loan approved by Agency pursuant to Section 406,

and such exceptions to title as are approved by Agency in writing. The Developer Declaration shall not be subordinate to the lien of any Construction Loan approved by Agency

Agency agrees to consider in good faith any other reasonable request by Developer for subordination of the Deed of Trust, including loans obtained by Developer where Agency's interests are protected and secure. Notwithstanding the foregoing, other than with respect to the Construction Loan approved by Agency pursuant to Section 406 the Deed of Trust shall not be subordinated to any construction financing or other sources of financing unless Developer demonstrates to the reasonable satisfaction of Agency and Agency makes the finding that an economically feasible alternative method of financing on substantially comparable terms and conditions, but without subordination, is not reasonably available and Agency obtains written commitments reasonably designed to protect Agency's investment in an event of default under such other loan

Every subordination agreement entered into by and between Agency and a senior lien holder pursuant to this Section shall comply with Section 406 and include an acknowledgment and agreement by the senior lien holder to provide notice of Developer's default to Agency and to accept Agency's cure as set forth herein. A request for notice of default shall be recorded in the official records of the County concurrent with any documents evidencing the subordination of the Deed of Trust.

302 Escrow

302.1 Escrow Instructions

The Agency and the Developer shall open an escrow for the sale and purchase of the Site (the "Escrow") with the Escrow Agent within the times established therefore in the Schedule of Performance. This Agreement constitutes the joint escrow instructions of the Agency and the Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the escrow. The Agency and the Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent is hereby empowered to act under this Agreement and upon indicating its acceptance of the provisions of this Section 302 in writing, delivered to the Agency and to the Developer within five (5) days after the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

302.2 Costs of Escrow

The following fees, charges and costs ("Escrow Costs") shall be paid by the Developer

- (a) One half of the escrow fees attributable to the Conveyance of the Site,
- (b) The portion of the premium for the title insurance policies required to be paid by Developer, as required by Section 307 of this Agreement,
- (c) Notary fees,

(d) Ad valorem taxes, if any, upon the Site after conveyance, or ad valorem taxes, if any, upon this Agreement, or any rights thereunder, before or after the conveyance of title

The Agency shall pay

(i) Costs necessary to place the title to the Site in the condition for conveyance required by the provisions of this Agreement,

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

(iii) One half of the escrow fees attributable to the Conveyance of the Site

(iv) Cost of drawing this Agreement, the Note, the Deed of Trust, the Assignment of Plans, Reports and Data, the Developer Declaration and the Grant Deed

(v) The premium in an amount equivalent to a C L T A. standard title insurance policy to be paid by the Agency as set forth in this Agreement

302.3 General Provisions Applicable to Escrow Agent

The following general provisions shall be applicable to the Escrow Agent

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

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

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

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

(e) The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under Sections 302 1 to 302 7, both inclusive, of this Agreement.

302 4 Authority of Escrow Agent

The Escrow Agent is authorized to, and shall

(a) pay and charge Developer and Agency for any Escrow Costs payable under Section 302 2 hereof and pay and, if applicable, charge Developer for the cost of drawing the deed, recording fees, notary fees and any state, county or local documentary transfer fees,

(b) pay and charge Agency any amount necessary to place title in the condition necessary to satisfy Section 306 hereof;

(c) pay and charge Developer for the premium of the CLTA Policy as set forth in Section 307 hereof and, if applicable, pay and charge Developer for any upgrade of the Title Policy or Additional Endorsements to the Title Policy which are requested by Agency pursuant to Section 306 hereof,

(d) Intentionally Omitted,

(e) when both Developer's Conditions Precedent to Closing and the Agency's Conditions Precedent to the Closing are satisfied or waived in writing by the Party for whom the condition was established, disburse funds to Agency and record and deliver to (i) Agency the Developer Down Payment, the Deed of Trust and the Developer Declaration, and (ii) Developer the Grant Deed, provided, however, that funds deposited as part of the Purchase Price (excluding the Developer Down Payment) shall not be disbursed by the Escrow to the Agency unless and until the Escrow Agent has recorded the Grant Deed, and delivered the Title Policy to Developer,

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

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

(h) within the discretion of the Escrow Agent, direct Developer and Agency to execute and deliver any instrument, affidavit or statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act or regulation promulgated thereunder. Agency agrees to execute a Certificate of Non-Foreign Status by individual transferor, a Certificate of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act and/or a California Franchise Tax Board Form 590 or similar form to assure Developer that there exist no withholding requirements imposed by

application of law as may be required by the Escrow Agent, on forms supplied by the Escrow Agent,

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

(j) prepare and deliver to Developer and Agency for their review and approval prior to the Closing a settlement statement

302.5 Termination of Escrow

If the Escrow is not in a condition to close by the Outside Closing Date, as the same may be extended pursuant to this Agreement, then either Party which has fully performed under this Agreement may, in writing, demand the return of money, documents or property and terminate the Escrow and this Agreement. If either Party makes a written demand for the return of its money, documents or property, this Agreement shall not terminate until ten (10) business days after the Escrow Agent shall have delivered copies of such demand to the other Party at the respective addresses set forth in Section 801 hereof. If any objections are raised by written Notice within such ten (10) day period, the Escrow Agent is authorized to hold all money, documents or property until instructed by a court of competent jurisdiction or by mutual written instructions of the Parties. If no such objections are timely made, the Escrow Agent shall immediately return the demanded money and/or documents, and the escrow cancellation charges shall be paid by the undemanding Party. Termination of the Escrow shall be without prejudice as to whatever legal rights, if any, either Party may have against the other arising from this Agreement. If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible consistent with the terms of this Agreement. Nothing in this Section shall be construed to impair or affect the rights of Developer to specific performance.

302.6 Closing of Escrow

The Conveyance shall close within five (5) days of the Parties' satisfaction or written waiver of both Developer's Conditions Precedent to Closing and the Agency's Conditions Precedent to Closing, but in no event prior to the Parties' satisfaction or written waiver of both Developer's Conditions Precedent to Closing and the Agency's Conditions Precedent to Closing. If the Closing does not occur on or before the Outside Closing Date as a result of the failure to satisfy or waive both Developer's Conditions Precedent to Closing and the Agency's Conditions Precedent to Closing, this Agreement shall terminate and be of no further force and effect and the Down Payment and all accrued interest be returned to Developer. The Closing shall occur at the offices of the Escrow Company. "Closing" shall mean the time and day that the Grant Deed is recorded in the official records of the Los Angeles County Recorder.

Exclusive possession of the Site shall be delivered to the Developer in the condition required by this Agreement immediately following the Closing, except that limited access shall be permitted prior to Conveyance as permitted in Section 313 of this Agreement.

Developer shall accept title and exclusive possession of the Site in the condition required by this Agreement not later than the Outside Closing Date

302 7 Closing Procedure

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

(a) record the Grant Deed with instruction to the Los Angeles County Recorder to deliver the Grant Deed to Developer and conforming copies thereof to Developer;

(b) record the Developer Declaration with instruction to the Los Angeles County Recorder to deliver the Developer Declaration to Agency and a conforming copy to Developer;

(c) record the deed of trust securing the Construction Loan with instruction to the Los Angeles County Recorder to deliver the deed of trust to the Construction Lender and a conforming copy to Developer,

(d) record the Deed of Trust with instruction to the Los Angeles County Recorder to deliver the Deed of Trust to Agency and a conforming copy to Developer;

(e) record the Subordination Agreement with instruction to the Los Angeles County Recorder to deliver the Subordination Agreement to Agency and the Construction Lender and a conforming copy to Developer,

(f) deliver the Title Policy issued by the Title Company to Developer,

(g) deliver the Lender's Title Policy issued by the Title Company to the Agency;

(h) deliver to Agency funds in an amount equal to the difference between (i) the Developer Down Payment less any amounts previously disbursed to Agency from the Developer Down Payment, and (ii) prorations and charges applicable against Agency, including its share of the Escrow Costs and other costs set forth in Section 302 2 hereof, as evidenced by the settlement statement approved by the Parties,

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

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

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

303 Conditions Precedent to Conveyance

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

303.1 Agency's Conditions

Agency's obligation to close Escrow is conditioned upon the satisfaction or written waiver by Agency of each and every one of the conditions precedent (a) through (p), inclusive, described below (the "Agency's Conditions Precedent to Closing"), which are solely for the benefit of Agency, and which shall be satisfied or waived by the Outside Closing Date

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

(b) Execution of Documents Developer shall have executed and delivered into Escrow or to Agency all Agency Loan Documents to which Developer is a Party, including, without limitation, this Agreement, the Promissory Note, the Deed of Trust, the Assignment of Plans, Reports and Data and the Developer Declaration

(c) Deposit of Funds Developer shall have deposited into Escrow the Developer Down Payment and any such amounts necessary to pay any required costs of Closing and the Title Policy

(d) Evidence of Financing Developer shall have submitted to the Agency, and the Agency shall have approved, the Evidence of Financing (including without limitation the construction budget) in accordance with Section 314 hereof and the Schedule of Performance

(e) Plans Developer shall have submitted to the Agency, and the Agency shall have approved, the drawings and other plans required by Section 402 of this Agreement for the development of the Site

(f) Acquisition of All Parcels Agency shall have acquired title to all of the Parcels

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

(h) Relocation Any relocation required to be engaged in with respect to the Site shall have been completed by Agency in accordance with Relocation Laws

(i) Insurance Developer shall have delivered to Agency the insurance certificates and endorsements required pursuant to Section 308 hereof

(j) Lender's Policy of Title Insurance The Title Company shall, upon payment of the Title Company's premium, be irrevocably committed to issue upon the Closing an extended ALTA lender's policy of title insurance in an amount equal to the Agency Loan with such endorsements as are reasonably requested by the Agency and which shall insure the Deed of Trust as a lien upon the Site subject only to liens for current real property taxes and assessments not yet due and payable and the liens contemplated by Section 306 and the encumbrances shown on the title report described in Section 307, provided that such encumbrances have been approved by Agency

(k) Construction Loan The Construction Loan shall have been approved by Agency in accordance with this Agreement and the Construction Lender and Developer shall have executed the Construction Loan

(l) Construction Contract The Construction Contract shall have been approved by Agency in accordance with this Agreement and the General Contractor and Developer shall have executed the Construction Contract.

(m) Intercreditor Agreement The Intercreditor Agreement shall have been approved by Agency in accordance with this Agreement and the Construction Lender and Developer shall have executed the Intercreditor Agreement

(n) Subordination Agreement The Subordination Agreement shall have been approved by Agency in accordance with this Agreement, the Construction Lender and Developer shall have executed the Subordination Agreement, and the signed Subordination Agreement shall have been delivered to the Escrow Agent

(o) Approvals Developer shall have submitted to the Agency, and the Agency shall have approved, all City approvals, entitlements and permits required for the development of the Site, including, without limitation, the completion of plan check by City Building and Safety Division and the issuance of building permits

(p) Demolition Agency shall have completed demolition of all structures on the Site

(q) Guaranty Developer shall have delivered, in such form and substance as is acceptable to the Agency in its sole discretion, (i) an executed guarantee agreement from such party (other than Developer) as may be acceptable to the Agency in its sole discretion, or (ii) other assurance or security guaranteeing payments under the Promissory Note

303.2 Developer's Conditions

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

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

(b) Execution of Documents Agency shall have executed and deposited into Escrow all Agency Loan Documents to which it is a Party hereunder, including, without limitation, this Agreement and the Grant Deed

(c) Acquisition of All Parcels Agency shall have acquired title to all of the Parcels

(d) Relocation Any relocation required to be engaged in with respect to the Site shall have been completed by Agency in accordance with Relocation Laws

(e) Demolition Agency shall have completed demolition of all structures on the Site in accordance with the requirements of Section 318, including, without limitation, the removal of all organic debris and substandard fill

(f) Deposit of Funds Agency shall have deposited all funds required to be deposited by Agency hereunder

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

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

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

(j) Permits and Licenses All permits, licenses and other governmental and quasi-governmental authorizations necessary for the development of the Project in accordance with this Agreement, including, without limitation, building permits (i) have been issued and are outstanding, (ii) shall not be subject to any conditions (unless approved in writing by Developer), and (iii) the time periods for appeal of issuance of such permits, licenses and other authorizations shall have expired without contest

(k) Environmental Reports Developer shall have received true and complete copies of the Environmental Reports

(l) Remediation Agency shall have certified to Developer that it has completed all remediation required by the Environmental Reports and Developer shall have reasonably satisfied itself as to the condition of the Site

(m) Construction Loan The Construction Loan shall have been approved by Agency in accordance with this Agreement, the Construction Lender and Developer

shall have executed the Construction Loan, and Developer shall have received written confirmation from the Construction Lender that the Construction Loan documents are in a position to close and be recorded concurrently with the Grant Deed

(n) Construction Contract. The Construction Contract and the construction budget shall have been approved by the Developer and the Agency in accordance with this Agreement and the General Contractor and Developer shall have executed the Construction Contract

304. Form of Deed

The Agency shall convey to the Developer title to the Site in the condition provided in Section 306 of this Agreement by delivery of the Grant Deed

305 Time For and Place of Delivery of Deed

The Agency shall deposit the Grant Deed with the Escrow Agent on or before the date established for Conveyance in the Schedule of Performance, which such grant deed shall convey to the Developer title to the Site in accordance with the requirements of this Agreement and the Deed of Trust together with (solely if required by the construction lender) an estoppel certificate certifying that the Developer has completed all acts necessary to entitle the Developer to such conveyance, if such be the fact

306 Condition of Title

No later than thirty (30) calendar days prior to the date established for Conveyance in the Schedule of Performance, the parties shall have obtained from a title company selected by Agency and reasonably acceptable to Developer (the "Title Company") a preliminary report of title dated no later than forty-five (45) calendar days from the date established for Conveyance in the Schedule of Performance, together with legible copies of all documents referenced as exceptions therein ("Title Report") for the entire Site. Developer may, at its sole cost and expense, obtain a current survey of the Site (a "Survey"). Except for the items, if any, to which Developer approves in writing within ten (10) calendar days following the later of its receipt of the Title Report or the Survey, if applicable, Developer will be deemed to have disapproved title to the Site. In addition, title to the Site shall be subject to the Redevelopment Plan, easements and other matters of record approved by Developer pursuant to this Section

Notwithstanding anything herein to the contrary, Agency shall be obligated to remove all monetary encumbrances against the Site excluding non-delinquent real property taxes and assessments. Nothing in this Agreement shall obligate Developer to proceed with the purchase of the Site in the event new liens or encumbrances on the Site arise through no fault of Developer after the date of the Title Report and/or the Survey and are not removed by the Agency, unless Developer so elects in its sole and absolute discretion to proceed. Agency shall, promptly after receipt of written notice of any new liens or encumbrances on the Site which arose through no fault of Developer after the date of the Title Report and/or the Survey, provide Developer with written notice of Agency's election not to remove any such new liens or encumbrances. Developer's failure to elect to proceed with the purchase of the Site subject to

such disapproved or new matters within a ten (10) day period following receipt of Agency's written election not to remove shall be deemed an election to terminate this Agreement, and upon such termination, Developer shall have no further interest in the Site or any further rights against Agency, in which event Escrow Agent shall promptly return the Down payment and all interest accrued thereon to Developer Except as otherwise expressly provided in this Agreement, Agency shall not intentionally create or permit the creation of any new exceptions to title following the Effective Date

307 Title Insurance

Concurrently with recordation of the Grant Deed conveying title to the Site, the Title Company shall provide and deliver to Developer, at Developer's expense, a California Land Title Association Extended Coverage Policy Form of title insurance ("ALTA Policy") with a policy coverage limit in an amount equal to Three Million Dollars (\$3,000,000) insuring that the title to the entire Site is vested in Developer in the condition required by Section 306 Such title policy shall be subject to the Title Company's standard terms, conditions and exceptions and such other exceptions to title as are approved by Developer (including matters approved as provided above).

The Title Company shall provide Agency with a copy of the ALTA Policy, and shall issue to Agency, upon the Close of Escrow and at Developer's cost, an ALTA standard form lender's policy of title insurance in the amount of the Promissory Note, insuring the priority of the lien of the Deed of Trust recorded against the Site, subject, in each case, only to the liens of the Developer Declaration and any other lien, encumbrance or exception expressly approved in writing by Agency as a senior encumbrance

Notwithstanding anything above which is or appears to be to the contrary, Developer shall have the right to request issuance of any endorsements to the ALTA Policy which it may desire All incremental expense or cost which is attributable to issuance of any endorsement requested by Developer or which is attributable to issuance of an ALTA Policy rather than a CLTA Policy shall be the sole financial responsibility of Developer

308 Insurance

308.1 General Requirements

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

(a) General Liability Commercial general liability insurance which affords coverage at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage form ISO CG 00 01 11 85 with minimum limits of not less than \$2,000,000 per occurrence

(b) Automobile Liability Commercial automobile liability insurance with coverage at least as broad as ISO CA 00 01 06 92 covering Symbol 1 ("Any Auto"), with minimum limits of \$1,000,000 combined single limits

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

(d) Property Insurance Fire and hazard "all risk" insurance covering 100% of the replacement cost of the Improvements (including offsite materials) in the event of fire, lightning, windstorm, vandalism, malicious mischief and all other risks normally covered by "all risk" coverage policies in the area where the Site is located (including loss by flood if the Site is in an area designated as subject to the danger of flood and earthquake (if commonly carried by similar projects in the region and available at reasonable rates))

Insurance policies held by the Agency on the Parcels (including, without limitation, those for fire or casualty) are not to be transferred, and the Agency will cancel its own policies effective upon the Closing

308.2 Endorsements

(a) The policy or policies of insurance required by Subsections (a) and (b), above, shall be endorsed as follows

(1) The Agency and City, while acting within the scope of their authority, shall be named additional insureds, such insurance is to be primary and not contributing with any other insurance or self-insurance maintained by said additional insureds. For Section 308 1(a), the additional insured endorsement shall be equivalent in coverage scope to ISO CG 20 10 11 85

(2) In the event of one insured, whether named or additional, incurring liability to any other of the insured, whether named or additional, the policy shall cover the insured against whom claim is or may be made in the same manner as if separate policies had been issued to each insured, except that the limits of insurance shall not be increased thereby

(3) The same shall not be canceled or the coverage reduced until a thirty (30)-day written notice of cancellation (or ten (10) days, for nonpayment of premium only) has been served upon the Agency and the City Risk Manager by registered or certified mail

(4) Such insurance is primary and any other insurance, deductible, retention or self-insurance maintained by the indemnified parties shall not contribute with such primary insurance

(5) Any failure by the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the insureds added by this endorsement

(b) The policy or policies of insurance required by Section 308 1(d), above, shall be endorsed as follows

(1) The policies shall include an executed endorsement, on a form provided by the City Attorney, showing Agency as an encumbrancer

(2) A waiver of subrogation stating that the insurer waives indemnification from Agency A waiver of subrogation shall also apply to Subsections 308 1(a) and (c)

(3) The policy or policies shall not be canceled or the coverage reduced until a thirty (30)-day written notice of cancellation has been served upon the City Risk Manager and the Assistant Executive Director by registered or certified mail

308.3 Deductible and Self-Insured Retention

In the event any of the insurance coverages required to be furnished by Developer have deductible or self-insured provisions, Developer shall fully protect the Agency and City in the same manner as those interests would have been protected had the policy not contained the deductible or self-insured provision The deductible or self-insured amount shall be shown on any "evidence of insurance" provided to Agency, and Agency reserves the right to limit said amount and to review Developer's financial statements if the amount exceeds a level reasonably acceptable to the City Risk Manager A deductible amount of not more than Twenty Five Thousand Dollars (\$25,000 00) shall be acceptable to the Agency

308 4 Evidence of Insurance

Developer shall deliver said policy or policies of insurance or certified true copies thereof, or endorsement forms furnished by the City Risk Manager ("evidence of insurance") for approval as to sufficiency by the City Risk Manager and approval as to form by the City Attorney or Agency counsel, as appropriate, which approval shall not be unreasonably withheld, conditioned or delayed The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf If Workers' Compensation Coverage is placed with the State Compensation Insurance Fund, a State Compensation Insurance Fund Certificate of coverage will be acceptable if endorsed in accordance with Section 308 2(b), above

308 5 Failure to Maintain Coverage

Should Developer fail to maintain policies with the coverages and limits specified in Section 308 1 above, in full force and effect at all times, Agency shall have the right to notify Developer of such failure, and if such failure is not corrected within ten (10) days Agency shall have the right to withhold any payment due Developer or to suspend Developer's operations until Developer has fully complied with these provisions and furnished the required evidence of insurance In the event that Developer's operations are suspended for failure to maintain acceptable insurance coverage, Developer shall not be entitled to an extension of time for completion of the work

308 6 Insurance for Contractors and Subcontractors

All contractors and subcontractors shall be included as additional insureds under Developer's policies, or Developer shall be responsible for causing such contractors and subcontractors to purchase the appropriate insurance in compliance with the terms of this Section. All coverages and endorsements of coverages for contractors and subcontractors shall be subject to all of the requirements stated herein. In addition, contractors and subcontractors whose profession requires licensure, including, but not limited to architects and engineers, shall be required to maintain professional liability insurance, applicable to their respective professions, in an amount not less than \$1 million per claim, without environmental restrictions, for a period whose prior acts coverage shall be no later than the first date of this Agreement and whose extended reporting coverage period shall be at least three years from the time that all work under this Agreement is completed.

309 Taxes and Assessments

Ad valorem taxes and easements, if any, on the Site or any Parcel after conveyance, and ad valorem taxes upon this Agreement or any rights thereunder, if any levied, assessed or imposed before or after conveyance of title shall be paid by the Developer.

310 Occupants of the Site

The Site shall be conveyed free of any possession or right of possession except that of Developer and easements of record which have been approved by Developer as set forth in this Agreement.

311 Zoning of the Site

The zoning of the Site at the time of conveyance thereof shall permit the construction and development of improvements for the Project, and the use, operation and maintenance of such improvements in accordance with the provisions of this Agreement.

312 Condition of the Site, Release of Agency

The parties understand and acknowledge that, for the period in which the Agency has held fee title to the Site, the Site has not been used to generate, manufacture, process, refine, treat, transfer, store or dispose of any Hazardous Materials in violation of any Environmental Law. Except as disclosed in the Environmental Reports, to the knowledge of the Agency, for the period prior to Agency holding fee title to the Agency's knowledge, the Site has not been used to generate, manufacture, process, refine, treat, transfer, store or dispose of any Hazardous Materials in violation of any Environmental Law. Upon the Closing, the Agency expressly and specifically disclaims the making of any representations or warranties, express or implied, regarding the Site or matters affecting the Site, including (without limitation) the physical and environmental condition of the Site. The Agency shall, to the greatest extent legally allowable, assign to the Developer all rights, claims, actions and/or causes of action it may have against prior owners of the Site and tenants and/or anyone who has occupied the Site in connection with the environmental condition of the Site.

Developer acknowledges and agrees that at Closing the Site is to be conveyed to, and accepted by, Developer, in "AS IS" condition as of the Closing. Developer has the right to approve the physical condition of the Site prior to Closing. Upon the Closing, regardless of whether or not the Developer approved the physical condition of the Site prior to Closing, Developer shall assume the risk (but only as between Developer and Agency) of adverse physical characteristics and conditions, including, but not limited to, the presence of Hazardous Materials. After taking title to the Site, the Developer shall be solely responsible for responding to and complying with any administrative notice, order, request or demand, or any third party claim or demand relating to potential or actual contamination of the Site. Nothing contained herein shall be deemed to limit the Agency's responsibility to remediate the Site as provided in Section 318 hereof, which obligation shall be deemed satisfied if and when Developer approves the physical condition of the Site or accepts conveyance of the Site.

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

Except for obligations of Agency set forth in this Agreement, upon the Closing, Developer hereby waives, releases and discharges forever Agency and its Representatives from all present and future Losses and Liabilities, present and future, arising out of or in any way connected with Agency's or Developer's use, maintenance, ownership or operation of the Site, except those arising out of the sole negligence or willful misconduct of Agency or its Representatives.

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

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

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

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

313 Preliminary Work by the Developer

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

Prior to the conveyance of the Site, Agency shall permit Developer to enter the Site for the purpose of soils testing, survey work and other redevelopment activities and shall use its best efforts to secure the right of entry to the Site on non-Agency owned property for representatives of Developer at all reasonable times for the same purpose. If Developer desires to conduct testing or surveys of the Site, Developer agrees to enter into a right of entry agreement with Agency for such purpose and provide a work plan, evidence of insurance and other documentation as may reasonably be required by Agency. The Agency agrees to provide, or cause to be provided, to Developer all data and information pertaining to the Site which is available to the Agency when requested by Developer. Developer shall defend, indemnify, and hold Agency and City harmless for all Losses and Liabilities incurred by Agency or City arising out of any activity pursuant to this Section 307, unless caused by the negligence or willful misconduct of Agency, its, agents, contractors or employees.

314 Evidence of Financing

Within the time set forth therefore in the Schedule of Performance, Developer shall submit to the Agency evidence reasonably satisfactory to the Agency that the Developer has obtained sufficient equity capital and commitments for the financing necessary for the acquisition and development of the Site in accordance with this Agreement. The Agency shall approve or disapprove such Evidence of Financing within ten (10) days of submission. Such evidence (collectively, the "Evidence of Financing") shall include, at a minimum

(a) A construction budget and construction loan documents or commitments for construction financing, as requested by Agency, from a lender reasonably acceptable to the Agency, subject to such lenders' reasonable, customary and normal conditions and terms, ("Construction Loan") along with evidence reasonably satisfactory to the Assistant Executive Director that the lender intends to execute the construction loan documents as contemplated by the Construction Loan and provide an initial funding on or before the Closing. Any such Construction Loan shall provide for notice of default to Agency, the right to cure and such other terms as required by Section 406

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

(c) A fixed price construction contract ("Construction Contract") or other commitment reasonably acceptable to the Agency along with evidence reasonably satisfactory to the Assistant Executive Director that the contractor intends to execute the same and is ready, willing and able to construct the Improvements for the cost indicated therein subsequent to the Closing. Any such Construction Contract shall provide for notice of default to Agency, the right to cure and such other terms as required by Section 407

(d) A copy of the most recently prepared compiled Annual Financial Statements (including the opinion of the Developer's accountant) for Developer, its managing members and parent company, if any, and a copy of Developer's most recent internally prepared,

unaudited financial statements, which shall include a balance sheet, income statement, statement of retained earnings, statement of cash flows, and footnotes thereto, prepared on a tax basis or in accordance with generally accepted accounting principals, each consistently applied

315 Relocation

Agency shall be responsible for complying and/or causing compliance with all Relocation Laws at no cost or expense to Developer. All costs associated with such compliance, including without limitation, the cost of utilizing a relocation consultant and the costs of providing relocation benefits to all eligible persons and business, shall be borne by Agency. Title to the Site will be conveyed by Agency to Developer free of any possession or right of possession. Agency shall be responsible to perform, and pay all costs associated with, the relocation from the Site of "displaced persons" pursuant to the Relocation Laws

316 Intentionally Omitted

317 Real Estate Commissions

The Agency shall not be liable for any real estate commissions or brokerage fees which may arise in connection with the sale of the Site to Developer. The Agency represents that it has engaged no broker, agent, finder or third party in connection with this transaction. Developer hereby indemnifies Agency from and against any and all costs, claims and judgments arising out of or related to the services of any broker or finder in connection with the Site engaged by Developer, and Developer shall be solely responsible for any compensation that may be due such other broker or finder

318 Demolition and Remediation of the Site

Prior to the Closing, Agency shall demolish any structures on the Site and complete all remediation required by the Environmental Reports. Though Developer may undertake an environmental assessment of the Site prior to closing in accordance with Section 313, under no circumstances shall Agency be required to perform any remediation other than as may be required by the Environmental Reports. In connection with the demolition of the structures on the Site, Agency shall use reasonable care to locate and remove any of the following which may be attached to any of the structures being demolished: (i) septic tanks and cess pools, (ii) grease receptors, and (iii) sumps and similar items. Agency shall perform all demolition, remediation and containment activities in accordance with Environmental Laws. Agency shall take all reasonably necessary precautions to prevent the release of any Hazardous Materials onto the Site or into the environment in connection with the use or development thereof in violation of applicable Governmental Requirements. Such precautions shall include complying with and causing all activities on the Site to comply with all Governmental Requirements with respect to Hazardous Materials. In addition, the Agency shall install and utilize such equipment and implement and adhere to all procedures, requirements and restrictions imposed by Governmental Requirements pertaining to the disclosure, storage, use, removal and disposal of Hazardous Materials. Agency further covenants that it shall not, except for customary materials used and applied in accordance with all Governmental Requirements and in the ordinary course of demolishing the Site, (i) deposit Hazardous Materials in, on or upon the

Site, in violation of any applicable Governmental Requirements, nor (ii) permit the deposit of Hazardous Materials in, on or upon the Site in violation of any applicable Governmental Requirements

319 Developer Responsibilities after Closing

After the Closing, it shall be Developer's responsibility to remedy any soil or geologic condition at its cost and to fulfill its obligations hereunder. Developer shall perform all preparation of the Site for construction of the Project in accordance with Environmental Laws. Developer shall be responsible for all Site preparation costs after the Closing. Developer shall take all reasonably necessary precautions to prevent the release of any Hazardous Materials onto the Site or into the environment in connection with the use or development thereof in violation of applicable Governmental Requirements. Such precautions shall include complying with and causing all activities on the Site to comply with all applicable Governmental Requirements with respect to Hazardous Materials. In addition, the Developer shall install and utilize such equipment and implement and adhere to all procedures, requirements and restrictions imposed by Governmental Requirements pertaining to the disclosure, storage, use, removal and disposal of Hazardous Materials. Developer further covenants that it shall not, except for customary materials used and applied in accordance with all Governmental Requirements and in the ordinary course of completing, maintaining and operating the Improvements or customarily utilized by households for domestic purposes in accordance with all Governmental Requirements, (i) deposit Hazardous Materials in, on or upon the Site, in violation of any applicable Governmental Requirements, nor (ii) permit the deposit of Hazardous Materials in, on or upon the Site in violation of any applicable Governmental Requirements.

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

320 Required Disclosures after Closing

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

i All required reports of releases of Hazardous Materials, including notices of any release of Hazardous Materials as required by any Governmental Requirements,

ii All notices of suspension of any environmental permits,

iii All notices of violation from federal, state or local environmental authorities,

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

v All orders under the Porter Cologne Act, including corrective action orders, cease and desist orders, and clean up and abatement orders,

vi Any notices of violation from OSHA or Cal OSHA concerning employees' exposure to Hazardous Materials, and

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

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

321 Taxes and Assessments

Subsequent to the conveyance, Developer shall pay, when due, all taxes, assessments, and special taxes levied on the Site, in accordance with applicable Governmental Requirements, and all debt service on all bonds outstanding from time to time which have a lien or encumbrance on the Site, provided, however, that until November 23, 2029, Developer agrees to make no appeal or challenge of an assessment of the fair market value of the Site for property tax purposes, except for a decrease in value challenge or challenge to an initial assessment of a newly completed or rehabilitated building, to the extent the value challenged is in excess of the actual costs of construction and land

322 Agency Rights of Entry

If at any time Developer fails to maintain the Site in accordance with all applicable Governmental Requirements and such condition is not corrected within seven (7) days after written notice from the Agency with respect to graffiti, debris, waste material, and general maintenance, or thirty (30) business days after written notice from the Agency with respect to landscaping and building improvements, then the Agency, in addition to whatever remedies it

may have at law or at equity, shall have the right to enter upon the applicable portion of the Site and perform all acts and work reasonably necessary to protect, maintain, and preserve the Site and the Improvements and landscaped areas thereon, and to attach a lien upon the Site, or to assess the Site, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Agency and/or costs of such cure, including a ten percent (10%) administrative charge, which amount shall be promptly paid by the Developer upon demand. Any such entry shall be made only after reasonable notice to the Developer, and the Agency shall indemnify, defend and hold the Developer harmless from any claims or liabilities pertaining to any entry by the Agency. Any damage or injury to the Site resulting from Agency's entry shall be promptly repaired at the sole expense of the Agency. Any notice given by the Agency under this Section 322 must specify in bold and conspicuous type that Agency is delivering the notice pursuant to Section 322, and Developer's failure to act within the required time period will entitle the Agency to exercise the self-help rights granted under this Section 322.

323 Indemnification

Following the Conveyance, Developer agrees to save, protect, defend, indemnify and hold harmless the Agency and the City, and their respective Representatives, from and against any and all Losses and Liabilities (including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, and remedial and response costs but excluding the extent to which such loss or liability arises from the active negligence or intentional misconduct of Agency or City) which may now or in the future be incurred or suffered by Agency and/or City, or their Representatives, by reason of, resulting from or arising in any manner whatsoever as a direct or indirect result of (i) the ownership (or possession) of all or any part of the Site for purposes of any Governmental Requirements regulating Hazardous Materials first discovered on the Site following the Conveyance, (ii) any act or omission on the part of Developer, or its Representatives, contractors or invitees with respect to the Site, (iii) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Site of any Hazardous Materials first discovered on the Site following the Conveyance, (iv) any environmental or other condition of the Site first discovered following the Conveyance, and (v) any Losses and Liabilities incurred with respect to the Site under any Governmental Requirements relating to Hazardous Materials first discovered on the Site following the Conveyance. Developer's obligations under this Section 323 shall survive the issuance of the Release of Construction Covenants or any termination of this Agreement.

400 DEVELOPMENT OF THE SITE

401 Preparation of Condominium Subdivision Map

Prior to the commencement of construction, Developer shall prepare or cause to be prepared, at its sole expense, a survey of the Site and any required condominium subdivision map dividing the Site into legal condominium parcels appropriate for the development contemplated herein. Such condominium subdivision map shall be prepared in accordance with applicable requirements of the Subdivision Map Act, Government Code Sections 66410 *et seq.*, the City's applicable subdivision ordinance, and all other applicable Governmental Requirements.

Developer shall construct the Improvements substantially in accordance with the Scope of Development, the condominium subdivision map and the plans, drawings and documents submitted by Developer and approved by Agency as set forth herein, which approval shall not be unreasonably withheld, conditioned or delayed

402 Design Review

Developer acknowledges and agrees that in reviewing and approving documents under this Section, Agency is acting as a legal entity separate and distinct from the City and that Agency's actions in this regard are separate and distinct from the City's conduct of its typical governmental functions and exercise of its police powers in its governmental capacity. The Agency shall use commercially reasonable efforts to cause the City to approve or disapprove the plans, drawings and related documents submitted by Developer under this Agreement within the times established in the Schedule of Performance. The Agency shall further use commercially reasonable efforts to cause the City not to require any changes inconsistent with the Scope of Development. Failure by the City to approve or disapprove within the times established in the Schedule of Performance shall be deemed disapproval. Agency will use commercially reasonable best efforts to insure that any disapproval shall state in writing the reasons for disapproval and the changes which the City requests be made. Agency will use commercially reasonable best efforts to insure that such reasons and such changes are consistent with the Scope of Development and any items previously approved by the City. The Developer, upon receipt of a disapproval based upon powers reserved by the City hereunder, shall revise such plans, drawings and related documents and resubmit them to the City as soon as possible after receipt of the notice of disapproval. During the preparation of all drawings and plans, Agency staff and the Developer shall hold regular progress meetings to coordinate the preparation of, submission to, and review of construction plans and related documents by the City. The Agency and the Developer shall communicate and consult informally as frequently as is necessary to insure that the formal submittal of any documents to the City can receive prompt and speedy consideration.

402.1 Review and Approval

Concurrently with the approval of this Agreement, Agency has approved the basic concept drawings for the Improvements. Agency shall have the right to approve the design development drawings for conformance with the basic concept drawings, which approval shall not be unreasonably withheld, conditioned or delayed. Agency shall have the right to approve, which approval shall not be unreasonably withheld, conditioned or delayed, the building permit drawings for conformance with the basic concept drawings and design development drawings.

402.2 Standards for Approval

Agency shall have the right to disapprove in its reasonable discretion any of the design development drawings if the same do not conform to the basic concept drawings. Agency shall have the right to disapprove in its reasonable discretion any of the building permit drawings if the building permit drawings do not conform to the approved design development drawings. Agency shall grant or withhold such disapproval by delivery of written notice to Developer within ten (10) business days from delivery by Developer to Agency, which notice

shall state in writing the reasons for disapproval and the suggested means to correct the disapproved matters. Developer, upon receipt of a disapproval based upon powers reserved by Agency hereunder, shall revise such portions and promptly resubmit the revised documents to Agency. Notwithstanding anything herein to the contrary, upon the written agreement of the Parties, the Schedule of Performance may be extended for such time as is reasonable to permit Developer and Agency to resolve any Agency disapproval.

402.3 Consultation and Coordination

During the preparation of the basic concept drawings, design development drawings and building permit drawings, staff of Agency and Developer shall hold regular progress meetings to coordinate the preparation of, submission to, and review of the design development drawings and building permit drawings by Agency. The staff of Agency and Developer shall communicate and consult informally as frequently as is necessary to ensure that the final submittal of any documents to Agency can receive prompt and thorough consideration. Agency shall designate an Agency employee to serve as the project manager who is responsible for the coordination of Agency's activities under this Agreement and for expediting the land use approval and permitting process.

402.4 Revisions

If Developer desires to propose any material revisions to Agency approved basic concept drawings, design development drawings or building permit drawings, Developer shall submit such proposed changes to Agency and shall also proceed in accordance with any and all federal, state and local laws and regulations regarding such revisions. Provided that the Agency board is not required to approve the revisions, Agency shall grant or withhold such disapproval by delivery of written notice to Developer within ten (10) business days from delivery by Developer to Agency of such revisions, which notice shall state in writing the reasons for disapproval and the suggested means to correct the disapproved matters. Developer, upon receipt of a disapproval based upon powers reserved by Agency hereunder, shall revise such portions and promptly resubmit the revised documents to Agency. Notwithstanding anything herein to the contrary, upon the approval of both Parties, the Schedule of Performance may be extended for such time as is reasonable to permit Developer and Agency to resolve any Agency disapproval. At the sole discretion of Agency, if any change proposed results in a change in the uses of the Site as proposed in the design development drawings or building permit drawings from the uses of the Site as provided for in this Agreement, then this Agreement is subject to renegotiation of all terms and conditions, including without limitation, the economic terms hereof. If the drawings, as modified by the proposed change, generally and substantially conform to the requirements of the Scope of Development and the uses of the Site as provided for in this Agreement, Agency shall review and approve the proposed change and notify Developer in writing within ten (10) business days after submission to Agency. The Assistant Executive Director is authorized to approve immaterial changes to Agency approved drawings and building permit drawings provided such changes (i) do not significantly increase or reduce the cost of the proposed development and (ii) do not significantly reduce the quality of materials to be used. Any and all change orders or revisions required by the City and its inspectors which are required under the Municipal Code and all other applicable Uniform Codes (e.g. Building, Plumbing, Fire, Electrical, etc.) and under other applicable laws and regulations generally

applicable to projects similar to the Project shall be included by Developer in its basic concept drawings, design development drawings and building permit drawings and completed during the construction of the Improvements. Agency shall reasonably consider any revisions required by any lender.

402.5 Defects in Plans

Agency shall not be responsible either to Developer or to third parties in any way for any defects in the basic concept drawings, the design development drawings or the building permit drawings, nor for any structural or other defects in any work done according to the approved basic concept drawings, design development drawings or building permit drawings. Developer hereby waives and releases any claim it may have against Agency or its officers, employees, agents, representatives and volunteers, for any monetary damages or compensation as a result of defects in the drawings, including without limitation the violation of any laws, and for defects in any work done according to the approved drawings. Developer makes such release with full knowledge of Civil Code Section 1542 and hereby waives any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

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

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

403 Permits

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

Agency staff will work cooperatively with Developer to assist in coordinating the expeditious processing and consideration of all necessary permits, entitlements and approvals. However, the execution of this Agreement by Agency does not constitute the granting of or a commitment to obtain any required land use permits, entitlements or approvals required by Agency or the City.

404 Schedule of Performance

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

405 Cost of Construction

All of the cost of planning, designing, developing and constructing all of the Improvements in conformance with the approved drawings shall be borne by Developer

Notwithstanding the foregoing concerning the Developer paying for all costs of the Improvements, Developer shall not be required to pay for or reimburse Agency for costs incurred by Agency in utilizing staff and/or consultants in analyzing and administering this Agreement

406 Construction Budget, Construction Loan

By the deadline specified in the Schedule of Performance, Developer shall submit to the Agency a draft Construction Loan. In connection with submission of the Construction Loan, Developer shall submit to and obtain Agency's approval of a construction budget, showing the projected predevelopment and development costs of the Improvements and a sources and uses statement showing that the projected funding sources will be available as needed to fund all such projected costs at the time incurred

The Agency shall have the right, but not the obligation, to approve all change orders to the construction budget and other specifications related to the construction of the Improvements. The Construction Loan shall be consistent with the terms and provisions of this Agreement and shall provide, among other matters, that all change orders requests shall be submitted to the Assistant Executive Director for approval if they are in an individual amount in excess of Twenty Thousand Dollars (\$20,000). Once the cumulative amount of all change orders equals five percent (5%) of the construction budget approved in connection with the Conveyance of the Site to Developer, then all change orders and draw requests regardless of amount shall be submitted to the Agency for its approval. Developer shall submit copies of all draw requests to the Agency and the Construction Lender concurrently. Agency shall have no right to approve construction draw requests prior to the release of such draw by the Construction Lender. Prior to execution of any final Construction Loan documents by Developer, Developer shall secure the Agency's approval of the terms and conditions of those Construction Loan documents, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be limited to and only for the purpose of assuring compliance of the Construction Loan documents with the requirements of this Agreement and the Construction Contract. Agency shall approve or disapprove said Construction Loan documents within ten (10) business days of their submission. Concurrent with any disapproval, Agency shall inform Developer in writing of the reasons for such disapproval. If Developer shall not have received any approval or disapproval within the foregoing ten (10) business day period, the Construction Loan shall thereupon be deemed disapproved by Agency. Notwithstanding anything herein to the contrary, upon the mutual

agreement of the Parties, the Schedule of Performance may be extended for such time as is reasonable to permit Developer and Agency to resolve any Agency disapproval

The Construction Loan shall be made by an Institutional Lender and secured by Developer's interest in the Site and the Improvements to be constructed thereon and such other collateral and/or credit enhancement as needed. The Construction Loan shall require the lender to enter into the Subordination Agreement and the Intercreditor Agreement with the Agency. The Subordination Agreement shall comply with Section 301.3 hereof. The Construction Loan documents shall include such other matters as reasonably requested by Agency, including, without limitation, the right to notice of default and the right (but not the obligation) to cure such default and assume Developer obligations and rights under the Construction Loan.

The subordination by Agency pursuant to this Section shall be made in accordance with a Subordination Agreement in form and substance reasonably approved by Agency's legal counsel which shall include (without limitation) acknowledgments by the senior lien holder that in the event Agency acquires title to the Site from Developer pursuant to any provision of the Agency Loan Documents, Agency may assume and succeed to Developer's obligations under the senior lien without acceleration of such senior loan and without requiring any transfer fee, application fee or costs associated therewith, and that such senior lien holder will recognize Agency as "Developer," so long as Agency assumes, by a writing in form and substance reasonably satisfactory to the senior lien holder and its legal counsel, all of Developer's obligations under the senior loan.

In no event shall the Construction Loan be cross defaulted with any other loan secured by any other property of Developer other than the Site. Developer shall draw upon and utilize the full amount of the Construction Loan only for financing the Project costs for the Site and any other purposes approved by Agency, and the Construction Loan shall be disbursed and applied in accordance with the approved construction budget, as it may be amended from time to time with the consent of the Agency, not to be unreasonably withheld, conditioned or delayed.

Agency approval of the Construction Loan shall not constitute a waiver by Agency of any breach or violation of this Agreement that is a result of acts that are or purport to be in compliance with or in furtherance of said Construction Loan. Neither the Agency nor Developer shall be obligated to close Escrow unless they have received written confirmation from the construction lender that the Construction Loan documents are in a position to be recorded concurrently therewith.

407 Construction Contract

By the deadline specified therefore in the Schedule of Performance and prior to the execution of any final contract, Developer agrees to deliver to Agency, for its review and approval, a fixed price or guaranteed maximum cost Construction Contract(s) for all of the Improvements, which Construction Contract shall obligate a reputable and financially responsible general contractor(s) ("General Contractor"), capable of being bonded and licensed in California and with experience in completing the type of Improvements contemplated by this

Agreement, to commence and complete the construction of those Improvements in accordance with this Agreement and at the price stated therein

The Construction Contract shall give Agency the right, but not the obligation, to cure defaults thereunder and to assume Developer's obligations and rights under the contract, provided, that such right to cure and assume that contract shall be subject to the rights, if any, of Developer's Construction Lender with respect to such Construction Contract. In addition, the Construction Contract shall provide, among other matters, that all change orders shall be submitted to the Assistant Executive Director for approval if they are in an individual amount in excess of Twenty Thousand Dollars (\$20,000). Once the cumulative amount of all change orders equals five percent (5%) of the construction budget approved in connection with the Conveyance of the Site to Developer, then all change orders regardless of amount shall be submitted to the Agency for its approval. Further, each Construction Contract shall set forth a reasonably detailed schedule for completion of each material stage of construction.

Agency shall approve or disapprove said Construction Contract within ten (10) business days of its submission. Agency's approval shall not be unreasonably withheld, conditioned or delayed, and shall be limited to and only for the purpose of assuring compliance of the Construction Contract documents with the requirements of this Agreement and the Construction Loan. Agency approval of a Construction Contract shall not constitute a waiver by Agency of any breach or violation of this Agreement that is a result of acts that are or purport to be in compliance with or in furtherance of said Construction Contract.

In the event of any disapproval, Agency shall, concurrently with delivery of the notice of such disapproval to Developer, inform Developer in writing of the reasons for disapproval and the required changes to the Construction Contract. Developer and General Contractor shall have twenty (20) business days from receipt of any notice from the Agency specifying required changes ("Construction Contract Disapproval Notice"), within which to notify Agency that Developer agrees to negotiate with the General Contractor to make such changes or that Developer objects to any such requested changes. If Developer notifies Agency within said twenty (20) business day period of its objections to any such requested changes, then the Agency and Developer shall meet at a mutually acceptable time to discuss their differences within ten (10) business days after the Developer gives such notice. Following such meeting, Developer shall use commercially reasonable efforts to cause the General Contractor to revise the Construction Contract and resubmit it for approval to the Agency as required by this Agreement by the later of (i) thirty (30) calendar days after receipt of the Construction Contract Disapproval Notice, or (ii) ten (10) business days after such meeting, unless the nature of such changes requires a longer period of time, in which case Developer shall resubmit said revised Construction Contract as soon as possible, and, in any case, no later than forty five (45) calendar days after receipt of the Construction Contract Disapproval Notice. Any such resubmissions shall be approved or disapproved and revised within the times set forth herein with respect to the initial submission, and such resubmissions shall not extend any of the outside dates set forth in the Schedule of Performance. If, notwithstanding compliance with the above procedure, the Developer fails to provide Agency with a Construction Contract acceptable to the Agency within the time provided in the Schedule of Performance (or within such additional time as the Agency shall allow), then either party may thereafter elect to terminate this Agreement. Notwithstanding

anything herein to the contrary, upon the agreement of the Parties, the Schedule of Performance may be extended for such time as is reasonable to permit Developer and Agency to resolve any Agency disapproval

In connection with delivery of the Construction Contract, Developer shall furnish Agency with a contractor's performance bond or other assurance reasonably acceptable to the Agency in an amount not less than one hundred percent (100%) of the costs for the applicable Improvements and a payment bond guaranteeing contractor's completion of those Improvements free from liens of material men, contractors, subcontractors, mechanics, laborers, and other similar liens. Said bonds shall be issued by a responsible surety company, licensed to do business in California, and with a financial strength and credit rating reasonably acceptable to Agency and shall remain in effect until the entire costs for such Improvements shall have been paid in full. Any such bonds shall be in a form reasonably satisfactory to Agency legal counsel. In lieu of the payment and performance bonds, Developer or the general contractor may provide a letter of credit to Agency in the amount of not less than one hundred percent (100%) of the costs for the applicable Improvements, in a form and from an Institutional Lender approved by Agency, which approval shall not be unreasonably withheld

408 Rights of Access

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

409 Compliance with Laws

Developer shall carry out the design and construction of the Project in conformity with all applicable Governmental Requirements, including all applicable state labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Culver City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U S C Section 12101, et seq, Government Code Section 4450, et seq, Government Code Section 11135, et seq, and the Unruh Civil Rights Act, Civil Code Section 51, et seq

410 Nondiscrimination in Employment

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

411 Levies and Attachments on Site

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

412 Mechanics Liens and Stop Notices

Developer shall remove or have removed any mechanics lien or stop notice made on any of the Site or any part thereof, or assure the satisfaction thereof as provided herein other than those liens or stop notices imposed as a result of Agency activities. If a claim of a lien or stop notice is given or recorded affecting the Improvements, Developer shall within forty-five (45) days of such recording and service or within five (5) days of Agency's demand whichever last occurs

- (i) pay and discharge the same, or
- (ii) affect the release thereof by recording and delivering to Agency a surety bond in sufficient form and amount, or otherwise, or
- (iii) notify the Agency that a good faith dispute has arisen with respect to the lien and provide Agency with other assurance which Agency deems, in its reasonable discretion, to be satisfactory for the payment of such lien or bonded stop notice and for the full and continuous protection of Agency from the effect of such lien or bonded stop notice

413 Compliance with Labor Laws

With respect to all work performed in the construction, alteration, demolition, installation or repair of the Project, Developer and Developer's contractor(s) and subcontractor(s) shall pay prevailing wages, if applicable, keep all required records, comply with applicable maximum hours requirements, comply with applicable apprentice requirements, and comply with all applicable regulations and statutory requirements pertaining thereto, all in compliance with the Labor Laws. Upon the request of Agency, Developer shall certify to the Agency that it is in compliance with all Labor Laws. The parties acknowledge and agree that the Agency has no proprietary interest in the Project. Accordingly, the Agency makes no warranty or guaranty to Developer regarding the applicability of Labor Code Section 1720(c)(2) to the Project. In the event that any claim or legal action is brought against the Developer and/or Agency pertaining to the compliance of the construction, alteration, demolition, installation or repair of the Improvements with any Labor Laws, the Developer shall defend itself and, without cost to the Agency, defend, indemnify and hold the Agency harmless therefrom. Upon the Developer's failure to defend, indemnify and hold the Agency harmless from such claims, the Agency shall be entitled to recover from the Developer all of the Agency's costs and expenses incurred on account of such failure, including (but not limited to) reasonable attorneys' fees and costs. Each party shall promptly notify the other party of the filing of any such claim or action and cooperate with the defense thereof. The Developer shall not settle or compromise the defense of such claim or action on behalf of the Agency, or permit a default judgment to be taken against the Agency, without the prior written approval of the Agency, which shall not unreasonably be withheld. Developer shall allow representatives of Agency access to its employment records related to this Agreement during regular business hours to verify compliance with these provisions when so requested by Agency.

414 Financing of the Improvements

414.1 No Encumbrances Except Mortgages and Deeds of Trust

Mortgages and deeds of trust through an Institutional Lender for the purpose of securing loans of funds to be used for (i) financing the acquisition, predevelopment or development of the Site, (ii) financing the construction of the Improvements (including architecture, engineering, legal, and related direct costs as well as indirect hard and soft costs such as real property taxes, insurance premiums, closing costs, loan carrying costs, costs of financing and overhead) on or in connection with the Site, or (iii) any other purposes necessary and appropriate in connection with the Project under this Agreement, shall be permitted before issuance of the Release of Construction Covenants only with Agency's prior written approval in accordance with Section 206. Any mortgage or deed of trust or other grant of a security interest in the Site shall constitute a Transfer for purposes of this Agreement. The words "mortgage" and "trust deed" solely as used in this Section 414.1 shall not include sale and lease-back and other means of financing which involve the granting of a security interest.

414.2 Holder Not Obligated to Construct Improvements

The holder of any mortgage or deed of trust authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct or complete the

Improvements or any portion thereof, or to guarantee such construction or completion, nor shall any covenant or any other provision in this Agreement be construed so to obligate such holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Site to any uses or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

414.3 Default Notice to Mortgagee or Deed of Trust Holders, Right to Cure

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

Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements, or any portion thereof (beyond the extent necessary to conserve or protect the improvements or construction already made) without first having expressly assumed Developer's obligations to Agency by written agreement reasonably satisfactory to Agency. The holder in that event shall only be liable or bound by Developer's obligations hereunder during the period that the holder is in possession of such portion of the Site in which the holder has an interest and, notwithstanding anything to the contrary contained in this Agreement, shall only be liable to the extent of its interest in such property and the improvements owned by it thereon. In addition, the holder, in that event, must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder relates. Any such holder properly completing such improvement shall be entitled, upon compliance with the requirements of Section 415 of this Agreement, to a Release of Construction Covenants.

It is understood that a holder shall be deemed to have satisfied the sixty (60) day time limit set forth above for commencing to cure or remedy a Developer default which requires title and/or possession of the Site (or portion thereof) if and to the extent any such holder has within such sixty (60) day period commenced proceedings to obtain title and/or possession and thereafter the holder diligently pursues such proceedings to completion. All

rights and obligations of a lender or holder pursuant to this Agreement shall also accrue to any purchaser, assignee or successor of a lender or holder upon acquisition of title to any portion of the Site by such purchaser, assignee or successor pursuant to a judicial or nonjudicial foreclosure or a deed in lieu of foreclosure, or pursuant to a conveyance from a holder by deed in lieu of foreclosure. In the event of such conveyance to a purchaser, assignee or successor, then Agency agrees that it shall not unreasonably withhold, condition or delay its approval of further extensions of time for performance of Developer's obligations under this Agreement as appropriate but in no event for a period of time longer than three hundred sixty-five (365) days to permit such purchaser, assignee or successor to obtain possession of such property and enter into contracts for the construction of improvements to complete the development of such property.

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

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

414.4 Failure of Holder to Complete Improvements

In any case where, sixty (60) days after the holder of any mortgage or deed of trust creating a lien or encumbrance upon the Site or any part thereof receives a notice from Agency of a default by Developer in completion of construction of any of the Improvements under this Agreement, and such holder has not exercised the option to construct within the time period set forth in Section 414.3, or if it has exercised the option but has defaulted hereunder and failed to timely cure such default, Agency may, upon thirty (30) days prior written notice to holder, purchase the mortgage or deed of trust by payment to the holder of the amount of the unpaid mortgage or deed of trust debt, including principal and interest and all other sums and advances secured by the mortgage or deed of trust. If the ownership of the Site or any part thereof has vested in the holder and if such holder has not exercised its right to assume the obligations hereunder and commence construction activities, Agency, if it so desires, may purchase such ownership interest from the holder upon payment to the holder of an amount equal to the sum of the following:

- (a) The unpaid mortgage or deed of trust debt at the time title became vested in the holder (less collection and application of rentals and other income received during foreclosure proceedings),
- (b) All expenses with respect to foreclosure including reasonable attorneys' fees,

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

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

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

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

414.5 Right of Agency to Cure Mortgage or Deed of Trust Default

In the event of a material, uncured mortgage or deed of trust default or breach by Developer prior to the issuance of the Release of Construction Covenants (unless Developer is contesting such default in good faith), Developer shall immediately deliver to Agency a copy of such mortgage holder's notice of default. If the holder of any mortgage or deed of trust has not exercised its option to construct within the time periods set forth in Section 414.4, Agency shall have the right, upon ten (10) days Notice to Developer, but not obligation, to cure the default prior to the completion of any foreclosure. In such event, Agency shall be entitled to reimbursement from Developer of all proper direct and actual out-of-pocket costs and expenses incurred by Agency in curing such default. Agency shall also be entitled to a lien upon the Site to the extent of such costs and disbursements, provided that any such lien shall be junior and subordinate to the mortgages, deeds of trust or any other security interests granted in accordance with this Section 414.5 and the Assistant Executive Director, as a condition to the imposition of its lien, shall execute subordinate agreements to the extent required by the holder of any such mortgage, deed of trust or other security interests.

415 Release of Construction Covenants

Within ten (10) business days of receipt by Agency of Notice from Developer that the construction of the Improvements has been completed in conformity with this Agreement, Agency shall furnish Developer with the Release of Construction Covenants. Agency shall not unreasonably withhold the Release of Construction Covenants. The Release of Construction Covenants shall be a conclusive determination of satisfactory completion of the construction of the Improvements and of full compliance with the terms hereof related to such portion of the Site and the Release of Construction Covenants shall so state. Any party then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Site shall not (because of such ownership, purchase, lease or acquisition) incur any construction obligation or liability under this Agreement.

The Release of Construction Covenants shall be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County.

Agency shall not unreasonably withhold a Release of Construction Covenants. If Agency refuses or fails to furnish the Release of Construction Covenants, after written request from Developer, Agency shall, within ten (10) business days of written request therefore, provide Developer with a written statement of the reasons Agency refused or failed to furnish the Release of Construction Covenants. The statement shall also contain Agency's opinion of the actions Developer must take to obtain the Release of Construction Covenants. If the reason for such refusal is confined to the immediate unavailability of specific items or materials or otherwise constitutes minor unfinished work for which a cost can be specified, Agency will issue its Release of Construction Covenants upon the posting of a bond or cash security by Developer with Agency in an amount representing one hundred ten percent (110%) of the fair value of the work not yet completed or other evidence reasonably satisfactory to Agency assuring Agency that Developer will pay for and complete the same. If the reason for such refusal includes other uncompleted obligations of Developer under this Agreement which can otherwise be provided for to the reasonable satisfaction of Agency, Agency will issue its Release of Construction Covenants upon Agency's approval of such measures as will reasonably satisfy Agency that such obligations will be completed. The Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of any mortgage (including the obligation of Developer to the Agency under the Agency Loan), or any insurer of a mortgage securing money loaned to finance the Improvements, or any part thereof. The Release of Construction Covenants is not a notice of completion as referred to in Section 3093 of the California Civil Code.

416 Bodily Injury and Property Damage Indemnification

The Developer agrees to and shall defend, release, indemnify and hold harmless the Agency, City and their respective Representatives from and against any and all Losses and Liabilities arising from or as a result of the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person which shall occur directly or indirectly as a result of or in connection with the acts of or on behalf of the Developer in connection with the development of the Site and the construction of the Project, including the Improvements thereon, whether such damage shall occur or be discovered before or after termination of this Agreement. The foregoing indemnity shall not apply to any Losses and Liabilities resulting from the negligence or willful misconduct of Agency, City or their respective Representatives.

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

417 Indemnification

To the full extent permitted by law, Developer shall indemnify, defend and hold harmless the Agency, City, and their respective Representatives, from and against any and all Losses and Liabilities, where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, to (i) Developer's compliance with or failure to comply with all applicable Governmental Requirements, including all applicable federal and state labor standards, including, without limitation, the requirements of Labor Code § 1720 and the Davis

Bacon Act, (ii) defects in the design of the Project, including (without limitation) the violation of any Governmental Requirements, and for defects in any work done according to the Agency approved plans, or (iii) any other performance or act or failure to perform or act pursuant to or breach of this Agreement by Developer, or by any individual or entity that Developer shall bear the legal liability thereof, including but not limited to, officers, agents, employees, contractors or subcontractors of Developer

Without affecting the rights of the Agency, the City, and their respective Representatives, under any provisions of this Agreement, Developer shall not be required to indemnify and hold harmless the Agency, the City, and their respective Representatives, for liability attributable to the active negligence or intentional misconduct of Agency, the City, and their respective Representatives, provided such active negligence or intentional misconduct is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where the Agency, the City or their respective Representatives are shown to have been actively negligent or to have acted with intentional misconduct and where the Agency, the City, or their respective Representative' active negligence or intentional misconduct accounts for only a percentage of the liability involved, the obligation of Developer will be for that entire portion or percentage of liability not attributable to the active negligence or intentional misconduct of the Agency, the City, or their respective Representatives

Developer agrees to use commercially diligent and reasonable efforts to obtain executed indemnity agreements with provisions substantially similar to those set forth here in this section identifying the Agency, the City, or their respective Representatives as named indemnitees from each and every contractor or any other person or entity involved by, for, with or on behalf of Developer in the performance of this Agreement. Such indemnity agreements may be separate agreements, or, at Developer's discretion, may consist of indemnification provisions included in Developer's contract with such third party which such provisions identify the Agency, the City, or their respective Representatives as named indemnitees. In the event Developer fails to obtain such indemnity obligations from others as required herein, Developer agrees to be fully responsible to the Agency, the City, or their respective Representatives for all acts of each and every contractor or any other person or entity involved by, for, with or on behalf of Developer in the performance of this Agreement.

Failure of the Agency, the City, or their respective Representatives to monitor compliance with these requirements imposes no additional obligations on the Agency, the City, or their respective Representatives and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend the Agency, the City, or their respective representatives as set forth herein is binding on the successors, assigns or heirs of Developer and shall survive the expiration or termination of this Agreement or this Section 417.

500 COVENANTS AND RESTRICTIONS

501 Covenant Regarding Specific Uses

Developer covenants and agrees that Developer shall use the Site to construct the Project. Developer shall be relieved of such covenant and agreement upon the recordation of the Release of Construction Covenants. Developer covenants and agrees that of the twenty four (24)

Units in the Project, (i) the twelve (12) Units with street level retail/commercial space (collectively, the "Live/Work Units") shall be marketed, held for sale, sold, and held for occupancy as live/work units in accordance with Chapter 17 400 060 of the Culver City Municipal Code entitled "Live/Work Development Standards", and (ii) the remaining twelve (12) Units shall be held for marketed, held for sale, sold, and held for occupancy as residential Units (collectively, the "Residential Units") in accordance with Chapter 17 400 065 of the Culver City Municipal Code entitled "Mixed Use Development Standards"

All uses conducted on the Site, including, without limitation, all activities undertaken by the Developer pursuant to this Agreement, shall conform to all applicable provisions of the Redevelopment Plan, the Culver City Municipal Code and any other applicable Governmental Requirements. Developer makes no representation or warranty with respect to the sale of the units (though Developer does make certain covenants with respect to the sale and marketing of the Units in Section 602), and Developer's inability to sell the Units, despite its commercially reasonable diligent efforts to do so, is not a default hereunder

502 Covenants Regarding Maintenance

Developer shall maintain the Site and all Improvements thereon, including lighting and signage, in good condition, free of debris, waste and graffiti, reasonable wear and tear excepted, and in compliance with the terms of the Redevelopment Plan and with all applicable provisions of the Culver City Municipal Code. Upon the recordation of the Release of Construction Covenants, Developer shall cause the HOA to covenant to maintain the common area portion of the Improvements and landscaping on the Site in accordance with the "Maintenance Standards," as hereinafter defined. Such Maintenance Standards shall apply to all buildings, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Site and any and all other common area of the Improvements on the Site. To accomplish the maintenance, Developer and/or the HOA shall covenant to either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items reasonably necessary to comply with the requirements of this Agreement.

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

(a) The Site shall be maintained in conformance and in compliance with the approved building permit drawings, and reasonable maintenance standards for similar, neighboring structures, including but not limited to painting and cleaning of all exterior surfaces, as necessary, and other exterior facades comprising all private improvements and public improvements to the curbline. The Site shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable developments.

(b) Landscape maintenance shall include, but not be limited to watering/irrigation, fertilization, mowing, edging, trimming of grass, tree and shrub pruning, trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage, replacement, as needed, of all plant materials,

control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas, and staking for support of trees

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

Agency agrees to notify Developer or the HOA, as successor in interest to the Developer, in writing if the condition of the Site does not meet with the Maintenance Standards specified herein and to specify the deficiencies and the actions required to be taken by Developer and/or the HOA to cure the deficiencies. Upon notification of any maintenance deficiency, Developer and/or the HOA shall have thirty (30) days within which to correct, remedy or cure the deficiency, unless such deficiency cannot be reasonably corrected, remedied or cured within such period, in which case, such period shall be extended for such time as is necessary to accomplish the same provided that Developer and/or the HOA is diligently pursuing such correction, remedy or cure. If the written notification states the problem is urgent relating to the public health and safety of the City or Agency, then Developer and/or the HOA shall have forty eight (48) hours to commence curing the problem. In the event Developer and/or the HOA does not maintain the Site in the manner set forth herein and in accordance with the Maintenance Standards specified herein, Agency shall have, in addition to any other rights and remedies hereunder, the right to maintain the Site, or to contract for the correction of such deficiencies, after written notice to Developer and/or the HOA, and Developer and/or the HOA shall be responsible for the payment of all such reasonable out of pocket third party costs incurred by Agency. Any notice given by the Agency under this Section 502 must specify in bold and conspicuous type that Agency is delivering the notice pursuant to Section 502, and Developer's and/or HOA's failure to act within the required time period will entitle the Agency to exercise the self-help rights granted under this Section 502.

503 Covenants Regarding Redevelopment Plan, Nondiscrimination

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Site or any part thereof that Developer, and its successors and assignees, shall devote the Site to the uses specified in the Redevelopment Plan, the Developer Declaration, and this Agreement for the periods of time specified therein. The foregoing covenants shall run with the land.

" Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site or any part thereof, including without limitation the Units, nor shall Developer itself or any person claiming under or through them establish or permit any such practice or practices of discrimination or segregation with

reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site or the Units. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Site or any part thereof, including without limitation the Units, on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

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

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

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

504 Effect of Violation of this Agreement After Completion of Construction

Agency is the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided, without regard to whether Agency has been, remains or is an owner of any land or interest therein in the Site or in the Project. Agency shall have the right, if the Agreement or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or

other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants may be entitled. The covenants contained in this Agreement shall remain in effect until the issuance of the Release of Construction Covenants for the completion of the construction of the Improvements, except for the following

(a) The covenants pertaining to the general use and operation of the Site, as set forth in Section 501, shall remain in effect for the term of the Redevelopment Plan

(b) The covenants pertaining to maintenance of the Site and all improvements thereon, as set forth in Section 502, shall remain in effect for the term of the Redevelopment Plan.

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

600 DEVELOPER SALE OF UNITS AND OTHER COVENANTS

601 Formation of HOA, Recordation of HOA CC&Rs

Developer shall form a nonprofit mutual benefit corporation and a home owners' association for the Project and purchasers of the Units in accordance with the Davis-Stirling Common Interest Development Act (California Civil Code Sections 1350 through 1376) (the "CID Law") Developer shall prepare the HOA CC&Rs The HOA CC&Rs shall provide that the Agency is a third party beneficiary thereof with the right to enforce the covenants contained therein, and that the HOA CC&Rs shall not be amended in any material respect without the written consent of the Agency, not to be unreasonably withheld, conditioned or delayed Prior to finalization and submittal of the HOA CC&Rs, Developer shall obtain the Agency's approval of the HOA CC&Rs, which approval shall not be unreasonably withheld, conditioned or delayed

Developer shall submit the HOA CC&Rs to the Department of Real Estate and otherwise comply with the CID Law and all other applicable Governmental Requirements in connection with the formation of the HOA Developer shall amend or cause to be amended the HOA CC&Rs as required by the CID Law upon transfer of the Units to the non profit mutual benefit corporation or the third party purchasers thereof, respectively Notwithstanding the foregoing, Developer shall not amend the HOA CC&Rs without the prior written approval of the Agency

602 Intentionally Omitted

603 Release of Units for Sale

Developer shall commence marketing the Units as soon as it deems it commercially reasonable to do so, but in no event later than ninety (90) days prior to the expected date of receipt of a certificate of occupancy from the City Developer shall release for sale the first phase of six (6) Units not later than ninety (90) days prior to the expected date of receipt of a certificate of occupancy from the City Developer shall also use commercially reasonable diligent efforts to enter into sales contracts for the Units as soon as reasonably possible

604 Conditions Precedent to Developer's Sale of the Units

In addition to the other requirements with which Developer must comply under this Agreement, as conditions precedent to Developer's close of escrow for the sale of each Unit in the Project, Developer shall have completed each of the following prior to the sale of any Unit

(a) Insurance Developer shall have provided to the Agency's Assistant Executive Director insurance certificates conforming to Section 308 hereof and shall have demonstrated to Agency that during the time that the Units are being sold and subsequent to the conveyance of control of the HOA to the homeowners, the Project and each of the Units shall be adequately insured

(b) HOA CC&Rs Developer shall have prepared and submitted to the Agency, and Agency shall have approved, the CC&Rs for the HOA formed in accordance with Section 601 for the Units

(c) Certificate of Occupancy Developer shall have processed and obtained all of the Project entitlements, including, without limitation, a certificate of occupancy issued by the City

(d) Intentionally Omitted.

(e) Developer Declaration. The Developer Declaration shall have been rescinded solely with respect to the individual unit proposed for sale

(f) Buyer Declaration Developer shall have had the proposed Qualified Buyer(s) execute an appropriate Declaration and delivered such executed Declaration to escrow with instructions that such Declaration be recorded immediately after the grant deed conveying title to the Unit to the Qualified Buyer, and Developer shall have provided Agency with evidence thereof

(g) No Default Developer shall not be in default of any of its material obligations under the terms of this Agreement beyond the expiration of any notice and cure period, and all representations and warranties of Developer contained herein shall be true and correct in all material respects

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

(i) Payments Developer shall have timely made all payments required to be made under the Promissory Note, Construction Loan and any other financing secured by the Site

(j) Release of Construction Covenants Developer shall have applied for and obtained the Release of Construction Covenants

(k) Escrow Instructions Developer shall have instructed the escrow agent for the sale of the Unit to disburse from the sales proceeds an amount equal to the Unit Sale Note Payment to the Agency

The foregoing items together constitute the Agency's conditions precedent to Developer's sale of any of the Units. Developer's sale of a Unit without the prior satisfaction or affirmative written waiver of the foregoing by Agency shall constitute a Default under this Agreement

605 Disclosures to Home Buyers

Developer shall make all disclosures required by applicable Governmental Requirements to third party purchasers of a Unit. Developer shall disclose to all third party purchasers of a Unit that certain of the Units must be occupied and used as live/work units in accordance with the Mixed Use Ordinance, and Developer must obtain a written confirmation from the third party purchasers of a Unit of such disclosure

606 Recordation of Declarations

Developer covenants and agrees that upon the sale of each Unit, it shall cause the Qualified Buyer to execute and deliver to Developer an appropriate Declaration and Developer shall cause such Declaration to be recorded immediately after the recordation of the grant deed conveying title of the Unit to the Qualified Buyer

700 DEFAULTS, REMEDIES AND TERMINATION

701 Defaults - General

Subject to the extensions of time set forth in Section 806, each of the following which is not cured within the applicable period set forth below shall be a "Default" under this Agreement

(a) Developer or Agency materially fails to comply with any provision contained in this Agreement, or

(b) The occurrence of any default under any of the other Agency Loan Documents or any other agreement secured by an interest in the Site (including, without limitation, any Construction Loan) following the expiration of any applicable notice or cure period, or

(c) Construction of the Improvements is abandoned, or any element of the Improvements is not completed within the time allocated for it in the Schedule of Performance or the Improvements are not completed by the date set forth in the Schedule of Performance, or

(d) Construction of the Improvements is halted prior to completion for any period of thirty (30) consecutive days for any cause which is not described in Section 806, or

(e) A court of competent jurisdiction enters an order enjoining construction of the Improvements, or such a court or an authorized governmental agency orders that sale of the Units be suspended or halted, or any required approval, license or permit is withdrawn or suspended, and the order, withdrawal or suspension remains in effect for a period of thirty (30) days, or

(f) There exists a default, after the expiration of any applicable notice or cure periods, under the architectural contract for the Project, any engineering contract for the Project, the Construction Contract or any other material contract for or pertaining to the construction of the Improvements, or

(g) Any surety obligated for any Improvements is called upon to perform its obligations, or

(h) Developer or Agency is in default under any of the Agency Loan Documents after the expiration of any applicable notice or cure period, or

(i) The failure of Urban Equity Properties, LLC or Bayview Equities, LLC to make the Capital Contributions (as defined in the Limited Liability Company Agreement of West Culver Lofts, LLC dated January 1, 2006 (excluding any amendments which may be effected subsequent to January 1, 2006)) in a timely manner and in such amounts as are required by the Limited Liability Company Agreement of West Culver Lofts, LLC dated January 1, 2006 (excluding any amendments which may be effected subsequent to January 1, 2006) which impairs the ability of the Developer to perform under this Agreement, or

(j) A return of Capital Contributions (as defined in the Limited Liability Company Agreement of Developer) is made by Developer without the prior written approval of Agency prior to the completion of the construction of the Improvements, provided however, the reimbursement of costs by the Construction Lender from Construction Loan proceeds shall not constitute a return of capital hereunder, or

(k) A distribution of Net Cash Flow (as defined in the Limited Liability Company Agreement of Developer) is made by Developer without the prior written approval of Agency prior to the completion of the construction of the Improvements, or

(l) Developer is unable to pay its debts as they become due, or a petition is filed in bankruptcy, or other bankruptcy or similar proceeding is commenced by or against Developer or any guarantor of Developer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, or Developer commences any dissolution, liquidation or termination pursuant to Article 17 of the Limited Liability Company Agreement of Developer

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

If the Default is not cured or commenced to be cured and thereafter diligently pursued to completion by the defaulting Party within thirty (30) calendar days after service of the Notice of Default, or if such default is not a monetary default and cannot reasonably be cured within such thirty (30) day period, if the other party immediately, with due diligence, commences to cure, correct or remedy such failure or delay within thirty (30) days and has not completed such cure, correction or remedy within ninety (90) days, such failure shall constitute an "Event of Default" under this Agreement and the defaulting Party will be liable to the other Party for any damages caused by the Default and other relief as is afforded by applicable Governmental Requirements

702 Institution of Legal Actions

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

703 Termination by Developer Prior to Conveyance

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

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

(b) Agency is in Default and has failed to cure the Default within thirty (30) days after receipt of Notice of Default, or

(c) one or more of Developer's Condition Precedent to Closing is not satisfied on or before the Outside Closing Date,

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

704 Termination by the Agency Prior to Conveyance

In the event that Agency is not in Default and prior to the Closing either

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

(b) Developer is in Default and has failed to cure the Default within thirty (30) days after receipt of Notice of Default, or

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

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

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

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

705 Applicable Law

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

706 Acceptance of Service of Process

In the event that any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Assistant Executive Director of the Agency or in such other manner as may be provided by law.

In the event that any legal action is commenced by the Agency against the Developer, service of process on the Developer shall be made by personal service upon an

officer or member of the Developer or in such other manner as may be provided by law, and shall be valid whether made within or without the State of California.

707 Rights and Remedies Are Cumulative

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

708 Damages

If either the Developer or the Agency defaults with regard to any of the provisions of this Agreement, the non-defaulting Party shall serve written Notice of such Default upon defaulting party. If the Default is not cured or commenced to be cured by the defaulting party within thirty (30) days after service of the Notice of Default, the defaulting party shall be liable to the other party for any damages caused by such Default

709 Consequential Damages

Without limiting the generality of the foregoing, neither Developer nor Agency shall in any event be entitled to, and Developer and Agency, each hereby waives, any right to seek consequential damages of any kind or nature from the other party, or City arising out of or in connection with this Agreement, and in connection with such waiver Developer and Agency are familiar with and hereby waive the provision of Section 1542 of the California Civil Code which provides as follows

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

710 Specific Performance

If either the Developer or the Agency defaults under any of the provisions of this Agreement, the non-defaulting party shall serve written Notice of such Default upon the defaulting party. If the Default is not commenced to be cured by the defaulting Party within thirty (30) days of service of the Notice of Default, the non-defaulting Party at its option may institute an action for specific performance of the terms of this Agreement.

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

711 Inaction Not a Waiver of Default

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

712 Attorneys' Fees

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

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

713 Right of Reverter

The Agency shall have the additional right, at its option, to re-enter and take possession of the Site conveyed by the Agency to the Developer, with all improvements thereon, and revert in the Agency the estate theretofore conveyed to the Developer if, after Conveyance of title and prior to recordation of the Release of Construction Covenants, the Developer (or its successors in interest)

(a) Fails to proceed with the construction of Improvements as required by this Agreement for a period of three (3) months, plus any extension as may be granted pursuant to Section 806 of this Agreement, after written notice thereof from the Agency

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

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

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

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

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

The Grant Deed shall contain appropriate reference and provision to give effect to the Agency's right, as set forth in this Section 713 subject to the foregoing provisions

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

Upon the revesting in the Agency of title to the Site as provided in this Section 713, the Agency shall, pursuant to its responsibilities under State law, use its best efforts to resell the Site or part thereof as soon and in such manner as the Agency shall find feasible and consistent with the objectives of such law and of the Redevelopment Plan to a qualified and responsible party or parties (as determined by the Agency), who will assume the obligation of making or completing the Improvements, or such improvements in their stead as shall be satisfactory to the Agency and in accordance with the uses specified for such Site or part thereof in the Redevelopment Plan. Upon such resale of the Site, the proceeds thereof shall be applied

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

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

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

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

800 GENERAL PROVISIONS

801 Notices, Demands and Communications Between the Parties

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

To Agency	Culver City Redevelopment Agency Attn: Susan Evans, Assistant Executive Director 9770 Culver Boulevard Culver City, CA 90232-0507
Copy to	Leibold, McClendon & Mann, P C Attn: Barbara Zeid Leibold, Esq 23422 Mill Creek Drive, Suite 105 Laguna Hills, California 92653
To Developer	West Culver Lofts, LLC c/o Urban Equity Partners, LLC Attn: Robert C Little, Jr 203 Argonne Avenue, B-145 Long Beach, CA 90803
Copy to	The Krasnove Law Firm 838 Carson Street, Suite 210 Torrance, CA 90503 Attention: Edward Krasnove, Esq

Any Notice shall be deemed received as of the date of delivery or rejection as evidenced by a return receipt or courier evidence.

802 Subordination of Indebtedness and Agency and City

Any indebtedness of the Agency and the City to the Developer created by this Agreement is subordinate to any pledge of tax increments to the bondholders of any tax increment bonds which have been or may hereafter be issued by the Agency and/or the City. The Parties hereby agree to execute any and all ancillary documents as may reasonably be requested by any bondholder or other purchaser of bonds, notes or other forms of indebtedness of

the Agency entitled to receive the tax increment revenues for the repayment of any other indebtedness of the Agency for which the tax increment revenues have been or may hereafter be pledged

803 Conflicts of Interest

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

804 Warranty Against Payment of Consideration for Agreement

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

805 Nonliability of Officials and Employees

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

806 Enforced Delay, Extension of Times of Performance

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy; acts of terrorism, epidemics, quarantine restrictions, freight embargoes; lack of transportation, governmental restrictions or priority; litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor or supplier, acts of the other party, acts of failure to act of any public or governmental agency or entity (other than that acts or failure to act of the Agency or the City shall not excuse performance by the Agency) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by mutual agreement of the Agency and the Developer. That notwithstanding, if said prevention or delay extends for one (1) year, any party, by notice in writing to the other, may terminate this Agreement. If, however, notice by the party claiming such extension is sent to the other party more than thirty (30) days after the commencement of the cause, the period shall commence to run thirty (30) days prior to the date of the giving of such notice. Notwithstanding any provision of this Agreement to the contrary, the lack of funding to complete the development of the Site shall not constitute grounds of enforced delay

pursuant to this Section 806 nor shall this Section 806 operate to delay any payments due on the Promissory Note

807 Inspection of Books and Records

The Agency or its designee has the right at the Agency's sole cost and expense, and at all reasonable times during regular business hours, after not less than seventy two (72) hours prior notice, to inspect the books and records and other related documents of the Developer pertaining to the satisfaction of their obligations hereunder as reasonably necessary for purposes of enforcing the provisions of this Agreement, including, without limitation, the Promissory Note. Such books, records and related documents shall be maintained by the Developer at locations as agreed by the Parties. Throughout the term of this Agreement, the Developer shall submit to the Agency reasonable written progress reports as and when reasonably requested by Agency on all matters pertaining to the Project. Such inspection shall be limited to not more than one time during any calendar quarter and shall be conducted in such a manner as to minimize interference with the day to day operation of the Developer's business.

808 Plans and Data

If this Agreement is terminated by the Developer pursuant to Section 703, the Agency shall have the right but not the obligation to purchase from Developer all plans, drawings, studies and related documents concerning the Project within Developer's possession and control, without any representation or warranty whatsoever as to their truth, accuracy or completeness. The purchase price for all or any part of such materials shall be their cost to Developer, less amounts already disbursed to the Developer from the Agency Loan for such purposes.

If this Agreement is terminated by Agency pursuant to Section 704, then, pursuant to the exercise of Agency's rights under the Assignment of Plans, Reports and Data, Developer shall deliver to Agency any and all plans, drawings, studies and related documents concerning the Project within Developer's possession and control, without representation or warranty. Upon delivery to the Agency, the Agency shall have the right to use such materials as it deems necessary and appropriate to fulfill the purposes of this Agreement without obligation to Developer.

809 Approval by Agency and Developer

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

810 Relationship Between Agency and Developer

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

811 Real Estate Brokerage Commission

Agency and Developer each represent and warrant to the other that no broker or finder is entitled to any commission or finder's fee in connection with this transaction, and each agrees to defend and hold harmless the other from any claim to any such commission or fee resulting from any action on its part.

812 Computation of Time

The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

813 Legal Advice

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

814 Time of Essence

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

815 Disclosure Authorization

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

816 Administration

This Agreement shall be administered by the Assistant Executive Director following approval of this Agreement by the Agency. Whenever a reference is made in this Agreement to an action, finding or approval to be undertaken by the Agency, the Assistant Executive Director is authorized to act on behalf of the Agency unless specifically provided otherwise or the context should require otherwise. The Assistant Executive Director shall have the authority to issue interpretations, waive provisions and enter into amendments of this Agreement on behalf of the Agency so long as such actions do not substantially change the uses or development permitted for the Project, or add to the costs of the Agency as specified herein or as agreed to by the Agency Board. Notwithstanding the foregoing, the Assistant Executive Director may in his or her sole and absolute discretion refer any matter to the Agency Board for action, direction or approval.

817 Mutual Cooperation

Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of this Agreement. To the extent that any lender to, or equity investor in the Project requires modifications to this Agreement or any attachment hereto, the City and Agency agree to make such modification within a reasonable time on the condition that such modification does not materially change the rights and obligations of the Parties as set forth herein.

818 Ground Breaking and Grand Openings

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

819 Estoppel Letters

Each party shall, upon the reasonable request of the other, issue estoppel letters indicating the absence of any default of the requesting party, if such be the case, and the effectiveness of this Agreement, if such be the case.

820 Counterparts

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

821 Entire Agreement, Waivers and Amendments

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original This Agreement includes __ pages and Attachment Nos 1 through 14, which constitute the entire understanding and agreement of the parties

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

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

822 Time for Acceptance of Agreement by Agency

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

[Signatures On Next Page]

IN WITNESS WHEREOF, the Agency and Developer have signed this Agreement

"DEVELOPER"

WEST CULVER LOFTS, LLC, a Delaware
limited liability company

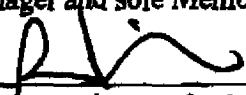
By **URBAN EQUITY PROPERTIES, LLC**, an
Ohio limited liability company, its Managing
Member

By **URBAN EQUITY PARTNERS, LLC**, a
California limited liability company, its
Manager and sole Member

Date

4-18-06

By


Name **Robert C Little, Jr**
Title **Member**

"AGENCY"

CULVER CITY REDEVELOPMENT
AGENCY, a public body corporate and politic

Date

By
Its

ATTEST

Agency Secretary

APPROVED AS TO FORM

LEIBOLD, McCLENDON & MANN, P C

By

Barbara Zeid Leibold, Special Counsel

[SIGNATURE PAGE TO DDA]

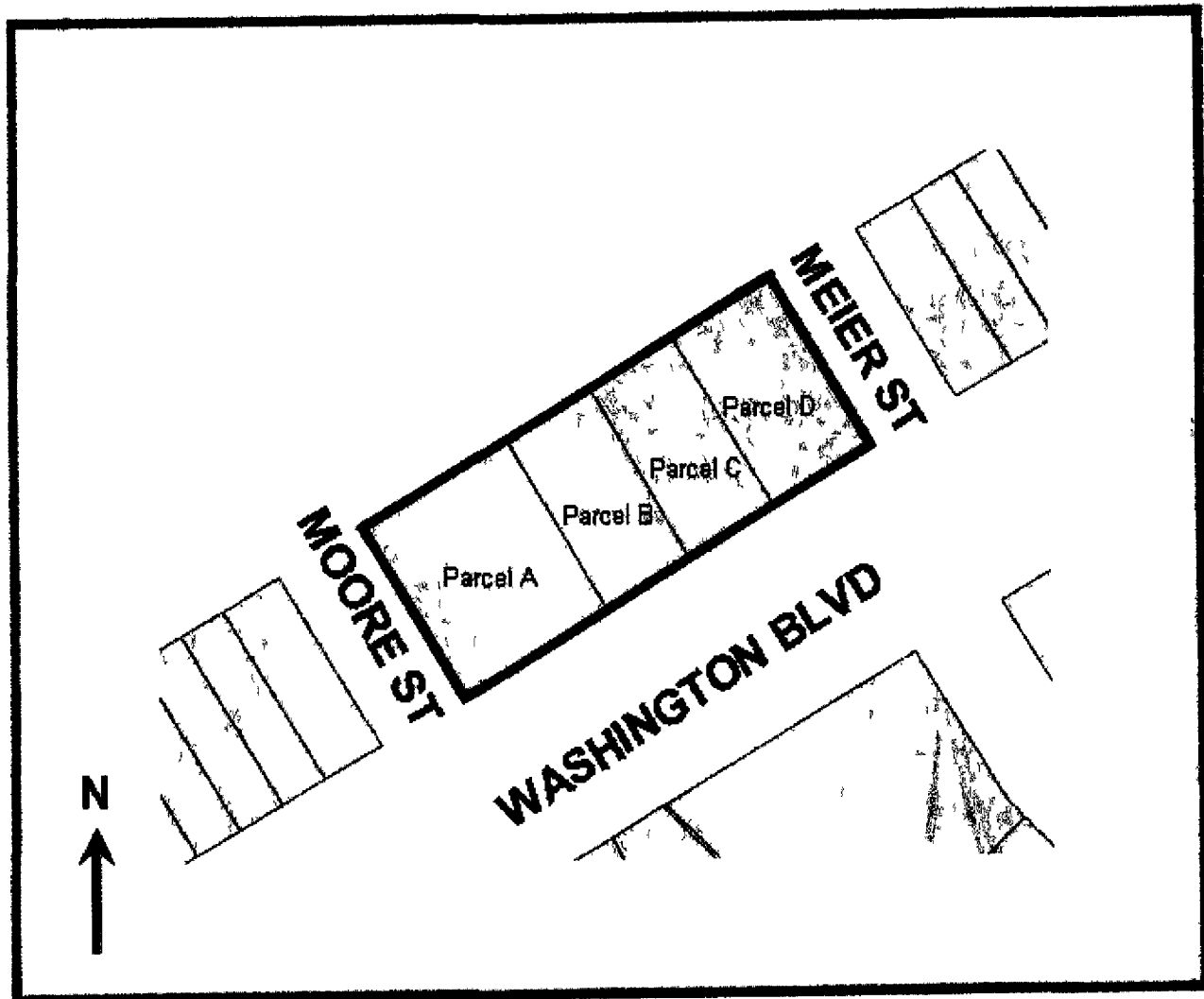
83

ATTACHMENT NO 1

SITE MAP

[See Attached]

ATTACHMENT NO 1



ATTACHMENT NO 2
LEGAL DESCRIPTION

[See Attached]

ATTACHMENT NO 2
LEGAL DESCRIPTION

PARCEL A-12823 W WASHINGTON

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

LOTS 55, 56 AND 57 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS
PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY

PARCEL B-12813 W WASHINGTON

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

LOT 58 AND 59 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER
MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY
APN 4236-021-008

PARCEL C-12811 W WASHINGTON

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

Lots 60 and 61 of Tract No 5951, in the city of Culver City, as per map recorded in Book
37, Page 72 of Maps, in the office of the county recorder of said county
APN 4236-021-009

PARCEL D-1203 W WASHINGTON

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

Lots 62 and 63 of Tract 5951, in the city of Culver City, as per map recorded in Book 77
Page 72 of Maps, in the office of the county recorder of said county
APN 4236-021-010

ATTACHMENT NO 3
PROMISSORY NOTE SECURED
BY DEED OF TRUST

[See Attached]

PROMISSORY NOTE SECURED BY DEED OF TRUST
(WEST CULVER LOFTS)

Loan Amount **\$2,400,000**
Date _____

Culver City, California

FOR VALUE RECEIVED, WEST CULVER LOFTS, LLC, a Delaware limited liability company, (the "**Borrower**") promises to pay to the **CULVER CITY REDEVELOPMENT AGENCY**, a public body, corporate and politic (the "**Agency**"), or order, the principal sum of Two Million Four Hundred Thousand Dollars (\$2,400,000 00) Such principal amount has been advanced pursuant to that certain Disposition and Development Agreement by and between the Agency and Borrower dated for identification purposes only as of _____, 2006 (the "**Agreement**")

1 **Agency Loan** This Note evidences the obligation of Borrower to Agency for the repayment of funds in the principal sum of Two Million Four Hundred Thousand Dollars (\$2,400,000 00) (the "**Agency Loan**") pursuant to the Agreement for the purpose of paying for a portion of the purchase price for Borrower's acquisition of 12823 West Washington Boulevard ("**Parcel A**"), 12813 West Washington Boulevard ("**Parcel B**"), 12811 West Washington Boulevard ("**Parcel C**"), and 12803-07 West Washington Boulevard ("**Parcel D**"), County of Los Angeles, State of California (collectively, the "**Site**") in connection with the construction of a mixture of twelve (12) live/work Units and twelve (12) residential loft Units, fifty seven (57) above ground parking spaces, storage, utilities and trash enclosure (collectively, the "**Project**") All capitalized terms shall have the same meaning as set forth in the Agreement unless otherwise defined herein

2 **Interest**. The Agency Loan shall bear interest at the rate of three and one-half percent (3 1/2%) per annum, compounded annually Upon the occurrence of an Event of Default, all amounts outstanding hereunder shall bear interest at a rate of ten percent (10%) per annum, compounded annually (the "**Default Rate**")

3 **Disbursement**. As of the date of this Note, the entire principal amount of the loan amount (Two Million Four Hundred Thousand Dollars (\$2,400,000)) has been disbursed by the Agency to the Borrower Borrower shall not be entitled to any additional disbursements hereunder

4 **Security For Note** The security for this Note includes a Deed of Trust, Fixture Filing and Assignment of Rents, of even date herewith from Borrower to Agency, (as the same may from time to time be amended, restated, modified or supplemented the "Deed of Trust") recorded against the Site and an Assignment of Plans, Reports and Data (the "Assignment") This Note, the Deed of Trust, the Assignment, the Agreement and all other documents now or hereafter securing, guaranteeing or executed in connection with the Agency Loan, as the same may from time to time be amended, restated, modified or supplemented, are herein sometimes called individually a "Loan Document" and together the "Loan Documents "

5 **Schedule of Repayment** All payments shall be recorded on Exhibit "A" hereto, the **Payment Record** The first principal payment shall be in the amount of Three Hundred Thousand Dollars (\$300,000) (with no payment of accrued and outstanding interest required) and shall be due and payable on such date as building permits are issued by the City for the Project Thereafter, all payments shall be applied first to outstanding accrued interest, and then to principal Thereafter, principal payments of Eighty Seven Thousand Five Hundred Dollars (\$87,500) plus accrued and outstanding interest (each, a "Unit Sale Note Payment") shall be made to Agency via wire transfer upon the close of escrow for the sale of each Unit. Such wire transfer shall be made no later than one business day after the grant deed effecting the sale of the Unit to the Qualified Buyer is recorded by the in the Official Records of the Los Angeles County Recorder

6 **Intentionally Omitted**

7 **Maturity Date** Notwithstanding the foregoing, the entire principal balance of this Note then unpaid, together with all accrued and unpaid interest and all other amounts payable hereunder shall be due and payable in cash in full on September 30, 2009 (the "Maturity Date"), the final maturity date of this Note

Further, the total amount of the outstanding balance of principal and any other interest and amounts owed under this Note shall become immediately due and payable with interest accruing thereon as set forth in Section 2 hereof at the election of the Agency upon an Event of Default (as defined in Section 10 below) by the Borrower Failure to declare such amounts due shall not constitute a waiver on the part of the Agency to declare them due subsequently

8 **Terms of Payment.** Payment shall be made in lawful money of the United States The Agency shall provide Borrower with written wire transfer instructions for the payment of principal and interest due hereunder The bank account into which payment is directed may be changed from time to time as the Agency may designate in writing

9 **Prepayment.** Borrower shall have the right to prepay this Note in whole or in part without penalty or premium

10 **Event of Default, Acceleration.** The occurrence of any of the following shall constitute an "Event of Default" under this Note (i) Borrower fails to pay any amount due hereunder within five (5) days of its due date, (ii) any default occurs under any of the Loan Documents, including this Note, subject to any cure period set forth in the applicable document, or (iii) any sale, transfer, assignment or other conveyance (whether voluntary or by operation of law) of all or any part of the Site or any interest in the Site or in the Project except as permitted by the Agreement

Upon the occurrence of any Event of Default, or at any time thereafter, at the option of the Agency, the entire amount owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such Event of Default. The Agency may exercise any of its other rights, powers and remedies under the Loan Documents or available at law or in equity. All of the rights and remedies of the Agency under this Note and the other Loan Documents are cumulative of each other and of any and all other rights at law or in equity, and the exercise by the Agency of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by the Agency of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by the Agency to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default.

Borrower agrees to pay to the Agency on demand all costs and expenses incurred by Agency in seeking to collect this Note or to enforce any of the Agency's rights and remedies under the Loan Documents, including court costs and reasonable attorneys' fees and expenses, whether or not suit is filed hereon, or whether in connection with arbitration, judicial reference, bankruptcy, insolvency or appeal.

11 **Right to Cure.** The Agency shall not exercise any right or remedy provided for herein because of any uncured default of Borrower unless, in the Event of a Default, either (i) the Agency has complied with the notice provisions and cure period set forth in the applicable Loan Document under which the default occurred, or (ii) the Agency shall have first given written notice thereof to Borrower and Borrower shall have failed to cure the default within a period of thirty (30) days after the giving of such notice of default with respect to a non-monetary default and five (5) days with respect to a monetary default, provided that if a non-monetary default cannot be cured within thirty (30) days, Borrower commences to cure such default within a period of thirty (30) days after the giving of such notice of default and Borrower proceeds diligently to cure such default until it shall be fully cured within no more than ninety (90) days after the giving of such notice, the Agency shall not exercise any right or remedy provided for herein until such ninety (90) day period shall expire, provided, however, the Agency shall not be required to give any such notice or allow any part of the grace period if Borrower shall have filed a petition in bankruptcy or for reorganization or a bill in equity or otherwise initiated proceedings for the appointment of a receiver of its assets, or if Borrower shall have made a general assignment for the benefit of creditors, or if a receiver or trustee is

appointed for Borrower and such appointment or such receivership is not terminated within sixty (60) days

12 Extension The Agency shall grant a request by Borrower to extend the Maturity Date of this Note to March 31, 2010 (the "Extended Maturity Date"), upon and subject to the following terms and conditions

a Conditions Unless otherwise agreed by the Agency in writing

(i) Borrower shall request the extension, if at all, by written notice to the Agency not less than thirty (30) days, and not more than sixty (60) days, prior to the Maturity Date

(ii) At the time of the request, the construction of the Improvements (as defined in the Loan Agreement) shall have been completed in accordance with the requirements of the Loan Documents

(iii) At the time of the request, and at the time of the extension, there shall not exist any Event of Default, nor any condition or state of facts which after notice and/or lapse of time would constitute a monetary Event of Default

(iv) Current financial statements regarding Borrower (dated not earlier than thirty (30) days prior to the request for extension) and all other financial statements and other information as may be reasonably requested by the Agency regarding Borrower and the Project, shall have been submitted promptly to the Agency, and there shall not have occurred, in the opinion of the Agency, any material adverse change in the business or financial condition of Borrower or in the Site, Project or Units from that which existed on the date of this Note

(v) Whether or not the extension becomes effective, Borrower shall pay all out-of-pocket costs and expenses incurred by the Agency in connection with the proposed extension (pre-closing and post-closing), including appraisal fees, environmental audit and reasonable attorneys' fees actually incurred by the Agency, all such costs and expenses incurred up to the time of the Agency's written agreement to the extension shall be due and payable prior to the Agency's execution of that agreement (or if the proposed extension does not become effective for any reason other than Agency's breach, then upon demand by the Agency), and any future failure to pay such amounts shall constitute a default under the Loan Documents

(vi) All applicable approvals and requirements of the Agency shall have been satisfied with respect to the extension

(vii) Not later than the Maturity Date, (A) the extension shall have been consented to and documented to the Agency's reasonable satisfaction in a writing signed by Borrower, the Agency, and all other parties deemed necessary by the Agency (such as any senior or subordinate lienholders and permanent lenders (if any)),

and (B) the Agency shall have been provided with an updated title report and judgment and lien searches, and appropriate title insurance endorsements shall have been issued as required by the Agency

(viii) Borrower shall be in full and timely compliance in all material respects with the conditions and covenants set forth in Section 600 of the Agreement, and shall be utilizing commercially reasonable diligent efforts to sell the Units in a timely manner

b Loan Terms All terms and conditions of this Note and the Loan Documents shall continue to apply to the extended term except to the extent changed in a writing documenting the extension signed by the Borrower and the Agency (such changes to be effective on and after the original Maturity Date, if the extension becomes effective as provided herein)

13 Waivers Borrower and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging this liability

14 Attorneys' Fees and Costs

a Borrower agrees to pay immediately upon demand all costs and expenses of the Agency including reasonable attorneys' fees if (i) after an Event of Default, this Note is placed in the hands of an attorney or attorneys for collection, (ii) after an Event of Default hereunder or under the Deed of Trust, the Agency finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Borrower, or to the protection of its rights under this Note, the Agreement, the Declaration, or the Deed of Trust, or (iii) the Borrower seeks to have the Project abandoned by or reclaimed from any estate in bankruptcy or attempts to have any stay or injunction prohibiting the enforcement or collection of this Note or prohibiting the enforcement of the Loan Documents or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court

b If the Agency shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, materially adversely affecting the Site or the title thereto or the interest of the Agency under the Deed of Trust, including without limitation, any form of condemnation or eminent domain proceeding, the Agency shall be reimbursed by Borrower immediately upon demand for all costs, charges, and reasonable attorneys' fees incurred by the Agency in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Site

15 **The Agency May Assign** The Agency may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Borrower

16. **Borrower Assignment Prohibited** Except for a Permitted Transfer, in no event shall Borrower assign or transfer any portion of this Note, the Agency Loan and/or the Agreement except in accordance with Section 206 of the Agreement

17 **Notice** Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested at the addresses set forth below or at such address as either party may designate by written notice

Borrower West Culver Lofts, LLC
 c/o Urban Equity Partners, LLC
 203 Argonne Avenue, B-145
 Long Beach, CA 90803
 Attn Robert C Little, Jr

To Agency Culver City Redevelopment Agency
 9770 Culver Boulevard
 Culver City, CA 90232-0507
 Attn Susan Evans, Assistant Executive Director

Copy to Leibold, McClendon & Mann, P C
 23422 Mill Creek Drive, Suite 105
 Laguna Hills, CA 92653
 Attn Barbara Zeid Leibold, Esq

18 **Recourse Obligation Until Completion of Construction. Note Secured by Deed of Trust.** Prior to Borrower's purchase of the Property, Borrower's obligations under this Note and the Agreement shall be secured by that certain Assignment of Plans, Reports and Data executed by Borrower pursuant to the Agreement This Note shall constitute a recourse obligation of Borrower until the completion of the Project and the recordation of the Release of Construction Covenants Borrower's obligations under this Note and the Agreement shall, at all times subsequent to the recordation of the Release of Construction Covenants, during which any amount remains outstanding hereunder, be secured by that certain deed of trust ("Deed of Trust") of which Agency is the beneficiary, recorded against Borrower's fee interest in the Property Subsequent to Borrower's purchase of the Property, Agency must resort only to the Property for repayment in the Event of Default by Borrower Nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for this Note of all the rights and remedies of the Agency, or (b) be deemed in any way to impair the right of the Agency to assert the unpaid principal amount of this Note as a demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on, this Note, nothing contained therein is intended

to relieve the Borrower, and any general partner, member, or shareholder of Borrower, from liability for damages caused to Agency as a result of, and, Borrower and any general partner, member, or shareholder of Borrower shall be liable for and indemnify and hold harmless the Agency and its Representative for all Losses and Liabilities incurred by Agency as a result of (i) fraud or willful misrepresentation of any material fact, (ii) the retention of any rental income or other income arising with respect to the Project collected by Borrower after the Agency has given any notice that Borrower is in default to the full extent of the rental income or other income retained and collected by Borrower after the giving of any such notice, (iii) the fair market value as of the time of the giving of any notice referred to in subparagraph (ii) above of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Loan Documents after the giving of any notice referred to above, and (iv) the willful misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Project. Upon completion of the Project as evidenced by recordation of the Release of Construction Covenants, this Note shall become nonrecourse, and at such time Borrower shall have no personal liability for repayment and the Agency must resort only to the Site and/or the Units for repayment in the Event of Default by Borrower.

19 **Construction** This Note shall be construed in accordance with and be governed by the laws of the State of California

20 **Amendments** This Note may not be modified or amended except by an instrument in writing expressing such intention executed by the parties sought to be bound thereby, which writing must be so firmly attached to this Note so as to become a permanent part thereof

21 **Successors Bound** This Note shall be binding upon Borrower and its permitted successors and assigns

22 **Severability** If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby

[Signature On Next Page]

IN WITNESS WHEREOF, Borrower has executed this Promissory Note

BORROWER

WEST CULVER LOFTS, LLC, a Delaware
limited liability company

By **URBAN EQUITY PROPERTIES,
LLC**, an Ohio limited liability company,
its Managing Member

By **URBAN EQUITY PARTNERS,
LLC**, a California limited liability
company, its Manager and sole
Member

By _____
Name Robert C Little, Jr
Title Member

EXHIBIT "A"

PAYMENT RECORD

<u>Unit Number**</u>	<u>Payment Due Date</u>	<u>Principal Repayment Amount Due</u>	<u>Interest Received</u>	<u>Payment Date</u>
N/A	Upon the date building permits for the Project are issued by the City	\$300,000		
1	*	\$87,500		
2	*	\$87,500		
3	*	\$87,500		
4	*	\$87,500		
5	*	\$87,500		
6	*	\$87,500		
7	*	\$87,500		
8	*	\$87,500		
9	*	\$87,500		
10	*	\$87,500		
11	*	\$87,500		
12	*	\$87,500		
13	*	\$87,500		
14	*	\$87,500		
15	*	\$87,500		
16	*	\$87,500		
17	*	\$87,500		
18	*	\$87,500		
19	*	\$87,500		
20	*	\$87,500		
21	*	\$87,500		
22	*	\$87,500		
23	*	\$87,500		
24	*	\$87,500		
Total		\$2,400,000		

* The repayment amount per each Unit is the "Unit Sale Note Payment" which is equal to a principal payment of \$87,500 plus accrued and outstanding interest Payment is due to Agency on or prior to the close of escrow for the sale of each Unit

** The Unit number refers to the order in which the Units are sold to third party buyers

ATTACHMENT NO 4

GRANT DEED

[See Attached]

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO**

Culver City Redevelopment Agency)
9770 Culver Boulevard)
Culver City, California 90232-0507)
Attn Susan Evans, Assistant Executive Director)

(Space above for Recorder's Use Only)
(Exempt from Recording Fees per Govt Code Section 6103)

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The **CULVER CITY REDEVELOPMENT AGENCY**, a public body, corporate and politic (the "Agency"), acting to carry out the Redevelopment Plan ("Redevelopment Plan") for the Culver City Redevelopment Project, Component Area 4 (the "Project Area"), under the Community Redevelopment Law of California, hereby grants to **WEST CULVER LOFTS, LLC**, a Delaware limited liability company (the "Developer"), the real property hereinafter referred to as the "Property," described in Exhibit "A" attached hereto and incorporated herein, subject to the existing easements, restrictions and covenants of record described there

1 Conveyance in Accordance With Redevelopment Plan, Disposition and Development Agreement. The Property is conveyed in accordance with and subject to the Redevelopment Plan and the Disposition and Development Agreement entered into between the Agency and the Developer (the "DDA"), a copy of which is on file with the Agency at its offices as a public record and which is incorporated herein by reference

2 Permitted Uses The Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof, that upon the date of this Grant Deed and during construction through completion of development and thereafter, the Developer shall devote the Property to the uses specified in the Redevelopment Plan and this Grant Deed for the periods of time specified therein. All uses conducted on the Property, including, without limitation, all activities undertaken by the Developer pursuant to the DDA, shall conform to the DDA, the Redevelopment Plan and all applicable provisions of the City Municipal Code. The foregoing covenants shall run with the land.

3 Restrictions on Transfer The Developer further agrees as follows

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

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

All of the terms, covenants and conditions of this Grant Deed shall be binding upon the Developer and the permitted successors and assigns of the Developer. Whenever the term "Developer" is used in this Grant Deed, such term shall include any other successors and assigns as herein provided

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

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

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

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

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

subtenants, or vendees in the premises herein leased "

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

5 Reserved.

6 Violations Do Not Impair Liens No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest permitted by the DDA, provided, however, that any subsequent owner of the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such owner's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise

7 Covenants Run With Land All covenants contained in this Grant Deed shall be covenants running with the land All of the Developer's obligations hereunder except as provided hereunder shall terminate and shall become null and void upon the expiration of the Redevelopment Plan Every covenant contained in this Grant Deed against discrimination contained in paragraph 4 of this Grant Deed shall remain in effect in perpetuity

8 Covenants For Benefit of Agency All covenants without regard to technical classification or designation shall be binding for the benefit of the Agency, and such covenants shall run in favor of the Agency for the entire period during which such covenants shall be in force and effect, without regard to whether the Agency is or remains an owner of any land or interest therein to which such covenants relate The Agency, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach

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

10 Right of Reverter The Agency shall have the right, at its option, to re-enter and take possession of the Property conveyed by the Agency to the Developer, with all

improvements thereon, and revest in the Agency the estate theretofore conveyed to the Developer if, after Conveyance of title and prior to recordation of the Release of Construction Covenants, the Developer (or its successors in interest)

(a) Fails to proceed with the construction of Improvements as required by the DDA for a period of three (3) months, plus any extension as may be granted pursuant to Section 806 of the DDA, after written notice thereof from the Agency

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

(c) Transfers or suffers any involuntary Transfer of the Property, or any part thereof, or effects a Change of Control in violation of the DDA

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

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

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

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

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

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

(y) Second, to reimburse the Developer, its successor or transferee up to the amount

equal to (1) the sum of the purchase price paid to the Agency by the Developer for the Property, (2) the costs incurred for the development of the Property and for the improvements existing on the site at the time of the re-entry and repossession, less (3) any gains or income withdrawn or made by the Developer from the Property or the improvements thereon

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

To the extent that the rights established herein involve a forfeiture, the rights of the Agency hereunder must be strictly interpreted in favor of the Agency, the party for whose benefit the right of reverter is created. The right of reverter and other rights established herein are to be interpreted in light of the fact that the Agency will convey the Property to the Developer for development of the Project as set forth herein and not for speculation

[SIGNATURE PAGE FOLLOWS]

WHEREAS, the undersigned has executed this Grant Deed as of the date set forth below

"AGENCY"

**CULVER CITY REDEVELOPMENT
AGENCY**, a public body, corporate and politic

_____, 20__

By _____
Assistant Executive Director

APPROVED AS TO FORM

LEIBOLD, McCLENDON & MANN, P C

Barbara Zeid Leibold, Special Counsel

APPROVED AS TO FORM

City Attorney

EXHIBIT A

LEGAL DESCRIPTION

PARCEL A-12823 W WASHINGTON

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

LOTS 55, 56 AND 57 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

PARCEL B-12813 W WASHINGTON

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

LOT 58 AND 59 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
APN 4236-021-008

PARCEL C-12811 W WASHINGTON

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

LOTS 60 AND 61 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 37, PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
APN 4236-021-009

PARCEL D-1203 W WASHINGTON

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

LOTS 62 AND 63 OF TRACT 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
APN 4236-021-010

ATTACHMENT NO 5

DEED OF TRUST

[See Attached]

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO)
Culver City Redevelopment Agency)
9770 Culver Boulevard)
Culver City, California 90232-0507)
Attn Susan Evans, Assistant Executive Director)

(Space above for Recorder's use)
(Exempt from Recording Fees per Govt Code Section 6103)

SUBORDINATED DEED OF TRUST, FIXTURE FILING AND ASSIGNMENT OF RENTS

THIS SUBORDINATED DEED OF TRUST, FIXTURE FILING AND ASSIGNMENT OF RENTS ("Deed of Trust") is made as of _____, 2006 by WEST CULVER LOFTS, LLC, a Delaware limited liability company ("Trustor"), whose address is 203 Argonne Avenue, Long Beach, California 90803, to _____, whose address is _____ ("Trustee"), for the benefit of CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, whose address is 9770 Culver Boulevard, Culver City, California 90232-0507 ("Beneficiary")

THIS DEED OF TRUST is given, inter alia, for the purpose of securing (i) the obligation of Trustor to repay Beneficiary that certain loan in the amount of Two Million Four Hundred Thousand Dollars (\$2,400,000) made by Beneficiary for the benefit of Trustor (the "Agency Loan"), evidenced by that certain Promissory Note of even date herewith (the "Promissory Note") and made in accordance with that certain Disposition and Development Agreement (West Culver Lofts) dated as of _____ 20____ by and between Trustor and Beneficiary, (the "Agreement"), (ii) the performance of Trustor's obligations thereunder and under this Deed of Trust and the Declaration of Conditions, Covenants and Restrictions as hereinafter defined, and (iii) payment of interest and other amounts due and payable pursuant to and in accordance with the terms and conditions of the Promissory Note. The Agency Loan was made in connection with the acquisition by Borrower of certain real property located in Culver City at 12823, 12813, 12811, and 12803-07 Washington Boulevard and more specifically described in Exhibit A hereto (collectively, the "Property"), and in connection with the construction of twelve (12) live/work units and twelve (12) residential units thereon by the Trustor in accordance with the Agreement (the "Project"). All terms not defined herein shall have the meanings set forth in the Agreement. The Property is more particularly described in Exhibit A attached hereto and by this reference incorporated herein.

FOR GOOD AND VALUABLE CONSIDERATION, including the financial assistance herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, the Property,

TOGETHER WITH any and all buildings and improvements now or hereafter erected on the Property including, without limitation, Trustor's interest in fixtures tenements, attachments, appliances, equipment building systems, machinery, and other articles now or hereafter attached to the buildings and improvements (collectively, the "Improvements"), all of which shall be deemed and construed to be a part of the real property,

TOGETHER WITH all earnings, rents, issues, profits, revenue, royalties, income, proceeds and other benefits, including without limitation prepaid rents and security deposits (collectively, the "Rents") derived from any lease, sublease, license, franchise or concession or other agreement (collectively, the "Leases") now or hereafter affecting all or any portion of the Property or the Improvements or the use or occupancy thereof,

TOGETHER WITH all interests, estates or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Property or the Improvements, including without limitation, all right, title and interest now owned or hereafter acquired by Trustor in and to any greater estate in the Property or the Improvements,

TOGETHER WITH all easements, tenements, hereditaments, appurtenances, rights-of-way and rights now owned or hereafter acquired by Trustor used or useful in connection with the Property or as a means of access thereto, including, without limiting the generality of the foregoing, all rights pursuant to any trackage agreement and all rights to the nonexclusive use of common drive entries, all oil and gas and other hydrocarbons and all other minerals and water and water rights and shares of stock evidencing the same,

TOGETHER WITH all leasehold estate, right, title and interest of Trustor in and to all leases, subleases, subtenancies, licenses, franchises, occupancy agreements and other agreements covering the Property, the Improvements or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder, including, without limitation, all cash or security deposits, prepaid or advance rentals, and deposits or payments of similar nature,

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired in and to any Property lying within the right-of-way of any street, open or proposed, adjoining the Property and any and all sidewalks, vaults, alloys and strips and gores of property adjacent to or used in connection with the Property,

TOGETHER WITH all the estate, interest, right title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance in effect with respect to the Property, which Trustor now has or may hereafter acquire in the Property or the Improvements and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the interests described in this Deed of Trust, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages

The entire estate, property and interest hereby conveyed to Trustee may hereafter be collectively referred to as the "Trust Estate"

FOR THE PURPOSE OF SECURING

(a) the payment of the sum of Two Million Four Hundred Thousand Dollars (\$2,400,000), and any interest due, according to the terms of the Promissory Note, and any and all additions, modifications or extensions thereof,

(b) performance of every obligation, covenant and agreement of Trustor contained in the Agreement the Promissory Note, and that certain Declaration of Conditions, Covenants and Restrictions by and between Trustor and Beneficiary dated and recorded concurrently herewith (the "Declaration of Conditions, Covenants and Restrictions") which includes among other covenants and restrictions, covenants of construction and maintenance of the Project and all modifications, extensions, renewals, and replacements thereof or any other agreement now or hereafter executed by Trustor which recites that the obligations thereunder are secured by this Deed of Trust (collectively, the "Agency Loan Documents").

(c) payment of all sums advanced by Beneficiary or its successors and assigns, or Trustee, to enforce the Promissory Note, the Agreement, the Declaration of Conditions, Covenants and Restrictions or this Deed of Trust to protect the Trust Estate upon an Event of Default, with interest thereon at the rate of ten percent (10%) per annum, compounded annually (the "Default Rate") pursuant to the terms of the Promissory Note,

(d) payment and performance of all other obligations of Trustor arising from any and all existing and future agreements with Beneficiary, or its successors or assigns, when such agreement recites that the obligations thereunder are secured by this Deed of Trust

All initially capitalized terms used herein which are defined in the Agreement shall have the same meaning herein unless the context otherwise requires

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

ARTICLE 1 COVENANTS AND AGREEMENTS OF TRUSTOR

1.1 Payment of Secured Obligations Trustor shall immediately pay when due all amounts secured hereby

1.2 Maintenance, Repair, Alterations Trustor (a) shall keep the Property and the Improvements thereon in good condition and repair in accordance with the Agency Loan Documents, including without limitation the Declaration of Conditions, Covenants and Restrictions, (b) shall not remove, demolish or substantially alter any of the Improvements except upon the prior written consent of Beneficiary, (c) shall complete promptly and in a good and workmanlike manner any Improvement which may be now or hereafter constructed on the Property and promptly restore in like manner any portion of the Improvements which may be damaged or destroyed thereon from any cause whatsoever (provided that Trustor is in compliance with all insurance requirements set forth herein, and provided that the damage or destruction of any Improvement is of the

nature covered by the Trustor's insurance, Trustor's obligation to restore the Improvements pursuant to this paragraph shall be limited to the available insurance proceeds), and pay when due all claims for labor performed and materials furnished therefor; (d) shall comply in all material respects with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Trust Estate or any part thereof or requiring any alterations or improvements, (e) shall not commit or permit any waste or deterioration of the Property or the Improvements, (f) shall not allow changes in the use for which all or any part of the Property or the Improvements were intended, and (g) shall not initiate or acquiesce to a change in the zoning classification of the Property and the Improvements without Beneficiary's prior written consent.

1 3 Required Insurance

(a) Trustor shall at all times provide, maintain and keep in force or cause to be provided, maintained and kept in force, at no expense to Trustee or Beneficiary, policies of insurance in accordance with the terms of the Agency Loan Documents in form and amounts, providing for deductibles, and issued by companies, associations or organizations covering such casualties, risks, perils, liabilities and other hazards as required by the Agency Loan Documents or by Beneficiary pursuant thereto

(b) Trustor shall not obtain separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Beneficiary is included thereon under a standard, non-contributory mortgagee clause or endorsement acceptable to Beneficiary Trustor shall immediately notify Beneficiary whenever any such separate insurance is obtained and shall promptly deliver to Beneficiary copies of the original policy or policies of such insurance

(c) Within ninety (90) days following the end of each fiscal year of Trustor, at the request of Beneficiary, Trustor at Trustor's expense shall furnish such evidence of replacement costs as the insurance carrier providing casualty insurance for the building(s) and other improvements on the Property may require to determine, or which such carrier may provide in determining, the then replacement cost of the building(s) and other improvements on the Property

1 4 Delivery of Policies, Payment of Premiums

(a) At Beneficiary's option Trustor shall furnish Beneficiary with an original of all policies of insurance required under Section 1 3 above or evidence of insurance issued by the applicable insurance company for each required policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number and the period of coverage, and otherwise in form and substance reasonably satisfactory to Beneficiary in all respects

(b) In the event Trustor fails to provide, maintain, keep in force or deliver to Beneficiary the policies of insurance required by this Deed of Trust or by any Agency Loan Documents, Beneficiary may (but shall have no obligation to) procure such insurance or single-interest insurance for such risks covering Beneficiary's interest and Trustor will pay all premiums thereon and reimburse Beneficiary for all amounts paid or incurred by it in connection therewith promptly upon demand by Beneficiary and, until

such payment and reimbursement is made by Trustor, the amount of all such premiums and amounts paid or incurred by Beneficiary shall become indebtedness secured by this Deed of Trust and bear interest at the Default Rate. Following an Event of Default for failure to maintain insurance in accordance with this Section 1.4 and upon written request by Beneficiary, Trustor shall deposit with Beneficiary in monthly installments, an amount equal to 1/12 of the estimated aggregate annual insurance premiums on all policies of insurance required by the Agency Loan Documents or this Deed of Trust. The foregoing obligation to deposit monthly installments shall not apply if Trustor is required to escrow insurance payments with Senior Lender and the Senior Lender maintains insurance in accordance with this Section 1.4. In such event Trustor further agrees to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to Beneficiary. Upon receipt of such bills, statements or other documents evidencing that a premium for a required policy is then payable, and providing Trustor has deposited sufficient funds with Beneficiary pursuant to this Section 1.4, Beneficiary shall timely pay such amounts as may be due thereunder out of the funds so deposited with Beneficiary. If at any time and for any reason the funds deposited with Beneficiary are or will be insufficient to pay such amounts as may be then or subsequently due, Beneficiary shall notify Trustor and Trustor shall immediately deposit an amount equal to such deficiency with Beneficiary. Notwithstanding the foregoing, nothing contained herein shall cause Beneficiary to be deemed a trustee of the funds or to be obligated to pay any amounts in excess of the amount of funds deposited with Beneficiary pursuant to this Section 1.4, nor shall anything contained herein modify the obligation of Trustor set forth in Section 1.3 hereof to maintain and keep such insurance in force at all times. Trustor shall be entitled to no interest on such funds.

1.5 Casualties, Insurance Proceeds Trustor shall give prompt written notice thereof to Beneficiary after the happening of any casualty to or in connection with the Property, the Improvements, or any part thereof, whether or not covered by insurance subject to the provisions of any senior liens, in the event of such casualty, all proceeds of insurance shall be payable to Beneficiary, whether required by the Agency Loan Documents or otherwise, and Trustor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Beneficiary. If Trustor receives any proceeds of insurance resulting from such casualty, whether required by the Agency Loan Documents or otherwise, Trustor shall promptly pay over such proceeds to Beneficiary. Beneficiary is hereby authorized and is empowered by Trustor to settle, adjust or compromise any and all claims for loss, damage or destruction under any policy or policies of insurance. In the event of any damage or destruction of the Property or the Improvements, Beneficiary shall apply all loss proceeds remaining after deduction of all expenses of collection and settlement thereof, including, without limitation, fees and expenses of attorneys and adjustors, to the restoration of the Improvements, but only as repairs or replacements are effected and continuing expenses become due and payable and provided all applicable conditions specified in the Agency Loan Documents with respect thereto have been satisfied. If an Event of Default has occurred or is continuing under any one or more of such conditions in the Agency Loan Documents, Beneficiary shall not be obligated to make any further disbursements pursuant to the Promissory Note and Beneficiary shall apply all loss proceeds, after deductions as herein provided, to the repayment of any indebtedness thereunder, together with all accrued interest thereon,

notwithstanding that the outstanding balance may not be due and payable and the Agreement shall terminate. Nothing herein contained shall be deemed to excuse Trustor from repairing or maintaining the Property and the Improvements as provided in Section 1 2 hereof or restoring all damage or destruction to the Property or the Improvements as provided in Section 1 2 hereof, regardless of whether or not there are insurance proceeds available to Trustor or whether any such proceeds are sufficient in amount, and the application or release by Beneficiary of any insurance proceeds shall not cure or waive any Event of Default nor any notice of default under this Deed of Trust or invalidate any act done pursuant to such notice.

1 6 Assignment of Policies Upon Foreclosure In the event of foreclosure of this Deed of Trust or other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Trustor in and to all policies of insurance obtained by Trustor, whether required by the Agency Loan Documents or otherwise, shall inure to the benefit of and pass to the successor in interest of Trustor or the purchaser or grantee of the Trust Estate.

1 7 Identification, Subrogation, Waiver of Offset

(a) If Beneficiary is made a party to any litigation concerning this Deed of Trust or any of the Agency Loan Documents, the Trust Estate or any part thereof or interest therein, or the occupancy of the Property or the Improvements by Trustor, then Trustor shall indemnify, defend and hold Beneficiary harmless from all liability by reason of that litigation, including reasonable attorneys' fees and expenses incurred by Beneficiary as a result of any such litigation, whether or not any such litigation is prosecuted to judgment, except to the extent that such liability is caused by the negligence or willful misconduct of Beneficiary. Beneficiary may employ an attorney or attorneys selected by it to protect its rights hereunder, and Trustor shall pay to Beneficiary reasonable attorneys' fees and costs incurred by Beneficiary, whether or not an action is actually commenced against Trustor by reason of its breach.

(b) Trustor waives any and all rights to claim or recover against Trustee, Beneficiary, and their respective officers, employees, agents and representatives, for loss of or damage to Trustor, the Trust Estate, Trustor's property or the property of others under Trustor's control from any cause insured against or required to be insured against by the provisions of this Deed of Trust.

(c) All sums payable by Trustor in accordance with the terms of this Deed of Trust, the Promissory Note or the Agreement shall be paid upon notice and demand and without counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Trustor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of (i) any damage to or destruction of or any condemnation or similar taking of the Trust Estate or any part thereof, (ii) any restriction or prevention of or interference by any third party unrelated to Trustee, Beneficiary, and their respective officers, employees, agent and representatives with any use of the Trust Estate or any part thereof, (iii) any title defect or encumbrance or any eviction from the Improvements or any part thereof by title paramount or otherwise, (iv) any bankruptcy,

insolvency, reorganization, composition adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary, or by any court, in any such proceeding, (v) any claim which Trustor has or might have against Beneficiary, which does not relate to the Agency Loan, or (vi) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Trustor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein and subject to any limitation thereon provided by law, Trustor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Trustor

1 8 Taxes and Impositions

(a) As used herein, "Impositions" means all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including, without limitation, nongovernmental levies or assessments such as maintenance charges, levies or charges resulting from covenants, conditions and restrictions affecting the Trust Estate, which are assessed or imposed upon the Trust Estate or any portion of it, or become due and payable, and which create, may create or appear to create a lien upon the Trust Estate, or any part thereof, or upon any person, property, equipment or other facility used in the operation or maintenance thereof, or any tax or assessment on the Trust Estate, or any part of it, in lieu thereof or in addition thereto, or any license fee, tax or assessment imposed on Beneficiary and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby. Trustor shall pay all Impositions at least ten (10) days prior to delinquency. Trustor shall deliver to Beneficiary proof of the payment of the Impositions within thirty (30) days after such Impositions are paid.

(b) Subject to any such obligations which Trustor may have to any senior lender, after an Event of Default by Trustor and upon written request by Beneficiary, Trustor shall pay to Beneficiary, unless the Property and Improvements have received an ad valorem property tax exemption pursuant to subdivision (f) or (g) of Section 214 of the California Revenue and Taxation Code, an initial cash reserve in an amount adequate to pay all Impositions for the ensuing tax fiscal year and shall thereafter continue to deposit with Beneficiary, in monthly installments, an amount equal to 1/12 of the sum of the annual Impositions reasonably estimated by Beneficiary, for the purpose of paying the installment of Impositions next due on the Property and the Improvements (funds deposited for this purpose shall hereinafter be referred to as "Impounds") In such event Trustor further agrees to cause all bills, statements or other documents relating to Impositions to be sent or mailed directly to Beneficiary. Upon receipt of such bills, statements or other documents, and providing Trustor has deposited sufficient Impounds with Beneficiary pursuant to this Section 1 8(b), Beneficiary shall timely pay such amounts as may be due thereunder out of the Impounds so deposited with Beneficiary. If at any time and for any reason the Impounds deposited with Beneficiary are or will be insufficient to pay such amounts as may then or subsequently be due, Beneficiary may notify Trustor and upon such notice Trustor shall deposit immediately an amount equal to such deficiency with Beneficiary. If after the payment of the Impositions there shall be an excess amount held by Beneficiary, such excess amount shall be refunded to Trustor.

in any manner and in such amount as Beneficiary may elect. Beneficiary may commingle Impounds with its own funds and shall not be obligated to pay or allow any interest on any Impounds held by Beneficiary pending disbursement or application hereunder. Beneficiary may reserve for future payment of Impositions such portion of the Impounds as Beneficiary may in its absolute discretion deem proper.

(c) Upon an Event of Default under any of the Agency Loan Documents or this Deed of Trust, Beneficiary may apply the balance of the Impounds upon any indebtedness or obligation secured hereby in such order as Beneficiary may determine, notwithstanding that the indebtedness or the performance of the obligation may not yet be due according to the terms thereof. Should Trustor fail to deposit with Beneficiary (exclusive of that portion of the payments which has been applied by Beneficiary upon any indebtedness or obligation secured hereby) sums sufficient to fully pay such Impositions at least fifteen (15) days before delinquency thereof, Beneficiary may, at Beneficiary's election, but without any obligation so to do, advance any amounts required to make up the deficiency, which advances, if any, shall bear interest at the Default Rate, shall be secured hereby and shall be repayable to Beneficiary as herein elsewhere provided, or at the option of Beneficiary the latter may, without making any advance whatever, apply any Impounds held by it upon any indebtedness or obligation secured hereby in such order as Beneficiary may determine, notwithstanding that the indebtedness or the performance of the obligation may not yet be due according to the terms thereof. Should any Event of Default occur or exist on the part of the Trustor in the payment or performance of any of Trustor's obligations under the terms of the Agency Loan Documents, Beneficiary may, at any time at Beneficiary's option, apply any sums or amounts in its possession received pursuant to Sections 1.4(b) and 1.8(b) hereof, or as Rents of the Property or the Improvements, or any portion thereof, or otherwise, to any indebtedness or obligation of the Trustor secured hereby in such manner and order as Beneficiary may elect, notwithstanding the indebtedness or the performance of the obligation may not yet be due according to the terms thereof. The receipt, use or application of any such Impounds paid by Trustor to Beneficiary hereunder shall not be construed to affect the maturity of any indebtedness secured by this Deed of Trust or any of the rights or powers of Beneficiary or Trustee under the terms of the Agency Loan Documents or any of the obligations of Trustor or any guarantor under the Agency Loan Documents.

(d) Trustor shall not suffer, permit or initiate the joint assessment of any real and personal property which may constitute any portion of the Trust Estate or suffer, permit or initiate any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Trust Estate, or any portion of it, as a single lien.

(e) If reasonably requested by Beneficiary, Trustor shall cause to be furnished to Beneficiary a tax reporting service covering the Property and the Improvements of the type, duration and with a company reasonably satisfactory to Beneficiary.

(f) If, by the laws of the United States of America, or of the State of California or any political subdivision thereof having jurisdiction over Trustor,

Beneficiary or the Trust Estate or any portion thereof, any tax, assessment or other payment is due or becomes due in respect of the issuance of the Promissory Note or the recording of this Deed of Trust, Trustor covenants and agrees to pay each such tax, assessment or other payment in the manner required by any such law. Trustor further covenants to defend and hold harmless and agrees to indemnify Beneficiary, its successors or assigns, against any liability incurred by reason of the imposition of any tax, assessment or other payment on the issuance of the Promissory Note or the recording of this Deed of Trust.

1 9 Utilities Trustor shall pay or shall cause to be paid when due all utility charges which are incurred by Trustor for the benefit of the Property or the Improvements and all other assessments or charges of a similar nature, whether or not such charges are or may become liens thereon.

1 10 Actions Affecting Trust Estate Trustor shall promptly give Beneficiary written notice of and shall appear in and contest any action or proceeding purporting to affect any portion of the Trust Estate or the security hereof or the rights or powers of Beneficiary or Trustee, and shall pay all costs and expenses, including the cost of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which Beneficiary or Trustee may appear.

1 11 Actions By Trustee or Beneficiary to Preserve Trust Estate If Trustor fails to make any payment or to do any act as and in the manner provided in any of the Agency Loan Documents, Beneficiary and/or Trustee, each in its own discretion, without obligation so to do, without releasing Trustor from any obligation, and without notice to or demand upon Trustor, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. In connection therewith (without limiting their general powers, whether conferred herein, in any other Agency Loan Documents or by law), Beneficiary and Trustee shall have and are hereby given the right, but not the obligation, (a) to enter upon and take possession of the Property and the Improvements, (b) to make additions, alterations, repairs and improvements to the Property and the Improvements which they or either of them may consider necessary or proper to keep the Property or the Improvements in good condition and repair, (c) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary or Trustee, (d) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of either may affect or appears to affect the security of this Deed of Trust or be prior or superior hereto, and (e) in exercising such powers, to pay necessary expenses, including reasonable attorneys' fees and costs or other necessary or desirable consultants. Trustor shall, immediately upon demand therefor by Beneficiary and Trustee or either of them, pay to Beneficiary and Trustee an amount equal to all respective costs and expenses incurred by such party in connection with the exercise of the foregoing rights, including, without limitation, costs of evidence of title, court costs, appraisals, surveys and receiver's, reasonable trustee's and attorneys' fees, together with interest thereon from the date of such expenditures at the Default Rate.

1 12 Survival of Warranties All representations, warranties and covenants of Trustor contained in the Agency Loan Documents or incorporated by reference therein,

shall survive the execution and delivery of this Deed of Trust and shall remain continuing obligations, warranties and representations of Trustor so long as any portion of the obligations secured by this Deed of Trust remains outstanding

1 13 Eminent Domain

(a) Subject to the provisions of any senior liens, in the event that any proceeding or action be commenced for the taking of the Trust Estate, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, condemnation or otherwise, or if the same be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, or should Trustor receive any notice or other information regarding such proceeding, action, taking or damage, Trustor shall give prompt written notice thereof to Beneficiary. Beneficiary shall also be entitled to reasonably approve any compromise or settlement in connection with such taking or damage. All compensation, awards, damages, rights of action and proceeds awarded to Trustor by reason of any such taking or damage (the "Condemnation Proceeds") are hereby assigned to Beneficiary and Trustor agrees to execute such further assignments of the Condemnation Proceeds as Beneficiary or Trustee may require. After deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit), including reasonable attorneys' fees, incurred by it in connection with any such action or proceeding, subject to any applicable terms of the Agreement, Beneficiary shall apply all such Condemnation Proceeds to the restoration of the Improvements, provided that (i) the taking or damage will not, in Beneficiary's reasonable judgment, materially and adversely affect the contemplated use and operation of Property and the Improvements, and (ii) all applicable conditions set forth in the Agreement are met. If all of the above conditions are met, Beneficiary shall disburse the Condemnation Proceeds only as repairs or replacements are effected and continuing expenses become due and payable.

(b) If any one or more of such conditions is not met, subject to the provisions of any senior liens, Beneficiary shall apply all of the Condemnation Proceeds, after deductions as herein provided, to the repayment of the outstanding balance of the Promissory Note, together with all accrued interest thereon, notwithstanding that the outstanding balance may not be due and payable, and Beneficiary shall have no further obligation to make disbursements pursuant to the Agreement or the other Agency Loan Documents. If the Condemnation Proceeds are not sufficient to repay the Promissory Note in full, Trustor shall have no obligation to pay any remaining balance. Application or release of the Condemnation Proceeds as provided herein shall not cure or waive any Event of Default or notice of default hereunder or under any other Agency Loan or invalidate any act done pursuant to such notice.

1 14 Additional Security No other security now existing, or hereafter taken, to secure the obligations secured hereby shall be impaired or affected by the execution of this Deed of Trust and all additional security shall be taken, considered and held as cumulative. The taking of additional security, execution of partial releases of the security, or any extension of the time of payment of the indebtedness shall not diminish the force, effect or lien of this Deed of Trust and shall not affect or impair the liability of any Borrower, surety or endorser for the payment of the indebtedness. In the event

Beneficiary at any time holds additional security for any of the obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same, at its option either before, concurrently, or after a sale is made hereunder

1 15 Successors and Assigns 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" means the owner and holder of the Promissory Note, whether or not named as Beneficiary herein In exercising any rights hereunder or taking any actions provided for herein, Beneficiary may act through its employees, agents or independent contractors authorized by Beneficiary

1 16 Inspections Beneficiary, or its agents, representatives or employees, are authorized to enter upon or in any part of the Property and the Improvements at any reasonable time following reasonable written notice thereof for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform hereunder or under the terms of any of the Agency Loan Documents Without limiting the generality of the foregoing, Trustor agrees that Beneficiary will have the same right, power and authority to enter and inspect the Property and the Improvements as is granted to a secured lender under Section 2929.5 of the California Civil Code, and that Beneficiary will have the right to appoint a receiver to enforce this right to enter and inspect the Property and the Improvements to the extent such authority is provided under California law, including the authority given to a secured lender under Section 564(c) of the Code of Civil Procedure

1 17 Liens Trustor shall pay and promptly discharge, at Trustor's cost and expense, all liens, encumbrances and charges upon the Trust Estate, or any part thereof or interest therein, subject to Trustor's right to contest in good faith any such liens, encumbrances and charges The Trustor shall remove or have removed any levy or attachment made on any of the Property or any part thereof, or assure the satisfaction thereof within a reasonable time Despite the foregoing, Trustor shall not be required to prepay any consensual lien or encumbrance against the Trust Estate which has been consented to in writing by Beneficiary If Trustor shall fail to remove and discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of Beneficiary, Beneficiary may but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien, encumbrance or charge by depositing in a court a bond or the amount claimed or otherwise giving security for such claim, or by procuring such discharge in such manner as is or may be prescribed by law Trustor shall, immediately upon demand therefor by Beneficiary, pay to Beneficiary an amount equal to all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing right to discharge any such lien, encumbrance or charge, together with interest thereon from the date of such expenditure at the Default Rate

1 18 Trustee's Powers At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Promissory Note secured hereby for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of the Trust Estate, Trustee

may (a) reconvey any part of the Trust Estate, (b) consent in writing to the making of any map or plat thereof, (c) join in granting any easement thereon, or (d) join in any extension agreement or any agreement subordinating the lien or charge hereof

1 19 Beneficiary's Powers Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Trust Estate not then or theretofore released as security for the full amount of all unpaid obligations, Beneficiary may, from time to time and without notice (a) release any person so liable, (b) extend the maturity or alter any of the terms of any such obligation, (c) grant other indulgences, (d) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel, portion or all of the Trust Estate, (e) take or release any other or additional security for any obligation herein mentioned, or (f) make compositions or other arrangements with debtors in relation thereto

1 20 Indemnity In addition to any other indemnities to Beneficiary specifically provided for in this Deed of Trust and/or in the Agreement, Trustor hereby indemnifies, and shall defend and save harmless, Beneficiary and its authorized representatives from and against any and all losses, liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, architects', engineers' and reasonable attorneys' fees and all disbursements which may be imposed upon, incurred by or asserted against Beneficiary and its authorized representative by reason of (a) the construction of any improvements on the Property, (b) any capital improvements, other work or things done in, on or about the Property or any part thereof, (c) any use, nonuse, misuse, possession, occupation, alteration, operation, maintenance or management of any portion of the Trust Estate or any part thereof or any street, drive, sidewalk, curb, passageway or space comprising a part thereof or adjacent thereto, (d) any negligence or willful act or omission on the part of Trustor and its agents, contractors, servants, employees, licensees or invitees, (e) any accident, injury (including death) or damage to any person or property occurring in, on or about the Property or any part thereof, (f) any lien or claim which may be alleged to have arisen on, against, or with respect to any portion of the Trust Estate under the laws of the local or state government or any other governmental or quasi-governmental authority or any liability asserted against Beneficiary with respect thereto, (g) any tax attributable to the execution, delivery, filing or recording of this Deed of Trust, the Promissory Note or the Agreement, (h) any contest due to Trustor's actions or failure to act, permitted pursuant to the provisions of this Deed of Trust, (i) any Event of Default under the Promissory Note, the Declaration of Conditions, Covenants and Restrictions, this Deed of Trust or the Agreement, or (j) any claim by or liability to any contractor or subcontractor performing work or any party supplying materials in connection with the Property or the Improvements, except to the extent caused by the Beneficiary's negligence or willful misconduct

ARTICLE 2 ASSIGNMENT OF RENTS, ISSUES AND PROFITS

2 1 Assignment Trustor hereby irrevocably, absolutely, presently and unconditionally assigns and transfers to Beneficiary all the Rents of or from any portion

of the Trust Estate, and hereby gives to and confers upon Beneficiary the right, power and authority to collect such Rents Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact, at the option of Beneficiary at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Trustor, Trustee or Beneficiary, for all such Rents, and apply the same to the indebtedness secured hereby, provided, however, that so long as an Event of Default shall not have occurred hereunder and be continuing, Trustor shall have the right to collect such Rents Upon the request of Beneficiary, Trustor shall execute and deliver to Beneficiary, in recordable form, a specific assignment of any leases now or hereafter affecting the Trust Estate or any portion thereof to evidence further the assignment hereby made The Assignment of Rents in this Article 2 is intended to be an absolute assignment from Trustor to Beneficiary and not merely an assignment for security only

2.2 Election of Remedies Subject to Trustor's right to collect the Rents pursuant to Section 2.1, Beneficiary may, either in person, by agent or by a receiver appointed by a court, enter upon and take possession of all or any portion of the Property and the Improvements, enforce all Leases, in its own name sue for or collect all Rents, including those past due and unpaid, and apply the same to the costs and expenses of operation and collection, including, without limitation, reasonable attorneys' fees, and to any indebtedness then secured hereby, in such order as Beneficiary may determine The collection of such Rents, or the entering upon and taking possession of the Property or the Improvements, or the application thereof as provided above, shall not cure or waive any Event of Default or notice of default hereunder or under any of the Agency Loan Documents or invalidate any act done in response to such Event of Default or pursuant to such notice of default

ARTICLE 3 REMEDIES UPON DEFAULT

3.1 Events of Default For all purposes hereof, the term "Event of Default" means (a) at Beneficiary's option, the failure of Trustor to pay any amount due hereunder or under the Promissory Note within five (5) days of the date the same is due and payable, whether by acceleration or otherwise, (b) the failure of Trustor to perform any non-monetary obligation hereunder, or the failure to be true in any material respect when made of any representation or warranty of Trustor contained herein, and the continuance of such failure for thirty (30) days after notice, or within any longer grace period, if any allowed in the Agreement or the Promissory Note for such failure, or (c) the existence of any other Event of Default under any of the Agency Loan Documents or under any other agreement secured by an interest in the Property

3.2 Acceleration Upon Default, Additional Remedies Upon the occurrence of an Event of Default, Beneficiary may, at its option, declare all indebtedness secured hereby to be immediately due and payable upon notice and demand Thereafter Beneficiary may

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Property and the Improvements, or any

part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of any portion of the Trust Estate, including, without limitation (i) taking possession of Trustor's books and records with respect to the Property and Improvements, (ii) completing the construction of the Improvements, (iii) maintaining or repairing the Improvements or any other portion of the Trust Estate, (iv) increasing the income from the Trust Estate, with or without taking possession of the Property or the Improvements, (v) entering into, modifying, or enforcing Leases, (vi) suing for or otherwise collecting the Rents or other amounts owing to Trustor, including those past due and unpaid, and (vii) applying the same, less costs and expenses of operation and collection including, without limitation, attorneys' fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Property or the Improvements, the collection of such Rents and the application thereof as provided above, shall not cure or waive any Event of Default under the Agency Loan Documents or this Deed of Trust or notice of default hereunder,

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof,

(c) Deliver to Trustee a written declaration of default and demand for sale and a written notice of default and election to cause Trustor's interest in the Trust Estate to be sold, which notice Trustee or Beneficiary shall cause to be duly filed of record in the Official Records of the county in which the Property is located, or

(d) Exercise all other rights and remedies provided herein, in any of the Agency Loan Documents or other documents now or hereafter securing all or any portion of the obligations secured hereby, or by law

3.3 Foreclosure by Power of Sale Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Promissory Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require

(a) Beneficiary or Trustee shall give such notice of default and election to sell as is then required by applicable law. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale having been given as required by law, sell the Trust Estate at the time and place of sale fixed by it in the notice of sale, either as a whole, or in separate lots or parcels or items as Beneficiary shall deem expedient 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 the time of sale. Trustee shall deliver to such purchaser or purchasers thereof a trustee's deed conveying the property so sold, which shall not contain any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Beneficiary shall be entitled to pay the purchase price by crediting the purchase price of the property against the obligations secured hereby. Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(b) After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale in the following priority, to payment of (i) first, all sums expended under the terms hereof not then repaid, with accrued interest at the Default Rate, (ii) second, all other sums then secured hereby, and (iii) the remainder, if any, to the person or persons legally entitled thereto

(c) Subject to Civil Code Section 2924g, Trustee may postpone sale of all or any portion of the Trust Estate by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale

3 4 Appointment of Receiver Upon the occurrence of an Event of Default hereunder, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Trust Estate or the adequacy for any security for the obligations then secured hereby, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Trust Estate, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein

3 5 Remedies Not Exclusive Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or under any Agency Loan Documents or other agreement or any laws now or hereafter in force, notwithstanding some or all of the indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary. It being agreed that Trustee and Beneficiary and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Agency Loan Documents to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and either of them may pursue inconsistent remedies

3 6 Request for Notice Trustor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address set forth in Section 4 3 of this Deed of Trust

3 7 Forbearance by Lender Not a Waiver Any forbearance by Beneficiary in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Beneficiary of payment of any sum secured by this Deed of Trust after the due date of such payment shall not be a waiver of Beneficiary's right either to require prompt payment when due of all other sums so secured or to declare an Event of Default for failure to make prompt payment. The procurement of insurance or this payment of taxes or other liens or charges by Beneficiary shall not be a waiver of Beneficiary's right to accelerate the maturity of the indebtedness secured by this Deed of Trust nor shall Beneficiary's receipt of any awards, proceeds or damages under this Deed of Trust operate to cure or waive any Event of Default with respect to any payment secured by this Deed of Trust.

ARTICLE 4 MISCELLANEOUS

4 1 Amendments This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

4 2 Trustor Waiver of Rights Trustor waives to the extent permitted by law, (a) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisal before sale of any portion of the Trust Estate, (b) all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created, (c) all rights and remedies which Trustor may have or be able to assert by reason of the laws of the State of California pertaining to the rights and remedies of sureties, (d) the right to assert any statute of limitations as a bar to the enforcement of the lien of this Deed of Trust or to any action brought to enforce the Agreement or any other obligation secured by this Deed of Trust, and (e) any rights, legal or equitable, to require marshalling of assets or to require upon foreclosure sales in a particular order, including any rights under Civil Code Sections 2899 and 3433. Beneficiary shall have the right to determine the order in which any or all of the Trust Estate shall be subjected to the remedies provided herein. Beneficiary shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Nothing contained herein shall be deemed to be a waiver of Trustor's rights under Section 2924c of the Civil Code.

4 3 Notices Any approval, disapproval, demand, document or other notice ("Notice") required or permitted under this Deed of Trust must be in writing and may be given by any commercially acceptable means to the party to whom the Notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by Notice.

Borrower West Culver Lofts, LLC
 c/o Urban Equity Partners, LLC
 203 Argonne Avenue, B-145
 Long Beach, CA 90803
 Attn Robert C Little, Jr

To Agency Culver City Redevelopment Agency
 9770 Culver Boulevard
 Culver City, CA 90232-0507
 Attn Susan Evans, Assistant Executive Director

Copy to Leibold, McClendon & Mann, P C
 23422 Mill Creek Drive, Suite 105
 Laguna Hills, CA 92653
 Attn Barbara Zeid Leibold, Esq

Any Notice shall be deemed received immediately if delivered by hand and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail

4 4 Acceptance by Trustee Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law

4 5 Captions The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust

4 6 Invalidity of Certain Provisions Every provision of this Deed of Trust is intended to be severable In the event any term or provision hereof is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable

4 7 Subrogation To the extent that proceeds of the Promissory Note are used to pay any outstanding lien, charge or prior encumbrance against the Trust Estate, such proceeds have been or will be advanced by Beneficiary at Trustor's request and Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether the liens, charges or encumbrances are released

4 8 Attorneys' Fees In the event that either party hereto brings any action or files any proceeding in connection with the enforcement of its respective rights under this Deed of Trust or the Promissory Note, as a consequence of any breach by the other party of its obligations thereunder, the prevailing party in such action or proceeding shall be entitled to have its reasonable attorneys' fees and out-of-pocket expenditures paid by the losing party The attorneys' fees so recovered shall include fees for prosecuting or defending any appeal and shall be awarded for any supplemental proceedings until the final judgment is satisfied in full In addition to the foregoing award of attorneys' fees, the prevailing party in any lawsuit with respect to the Promissory Note or this Deed of Trust shall also be entitled to its reasonable attorneys' fees incurred in any post-judgment

proceedings to collect or enforce the judgment. In addition to the foregoing, Trustor agrees to pay or reimburse Beneficiary, upon demand by Beneficiary for all costs incurred by Beneficiary in connection with enforcement of this Deed of Trust or the Promissory Note, including without limitation, reasonable attorneys' fees and costs, if there shall be filed by or against Trustor any proceedings under any federal or state bankruptcy or insolvency laws, whether Beneficiary is a creditor in such proceedings or otherwise.

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

4 9 No Merger of Lease If both the lessor's and lessee's estate under any lease or any portion thereof which now or hereafter constitutes a part of the Trust Estate shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger unless Beneficiary so elects as evidenced by recording a written declaration so stating, and, unless and until Beneficiary so elects, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary as to the separate estates. In addition, upon the foreclosure of the lien created by this Deed of Trust on the Trust Estate pursuant to the provisions hereof, any leases or subleases then existing and affecting all or any portion of the Trust Estate shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at such foreclosure sale shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice thereof to such tenant or subtenant.

4 10 Governing Law This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

4 11 Joint and Several Obligations Should this Deed of Trust be signed by more than one party, all obligations herein contained shall be deemed to be the joint and several obligations of each party executing this Deed of Trust. Any married person signing this Deed of Trust agrees that recourse may be had against community assets and against his or her separate property for the satisfaction of all obligations contained herein.

4 12 Interpretation In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

4 13 Completion of Construction This Deed of Trust is a construction deed of trust within the meaning of Commercial Code Section 9313. For purposes of subdivision

(6) of that statute, "completion of construction" shall not be deemed to occur prior to substantial completion of all work, and installation or incorporation into the Improvements of substantially all materials, for which sums secured hereby are disbursed by Beneficiary

4 14 Reconveyance by Trustee Upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations under the Declaration of Conditions, Covenants and Restrictions, have been satisfied, and upon surrender of this Deed of Trust and the Promissory Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall promptly reconvey to Trustor, or to the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. Notwithstanding the foregoing, provided no Event of Default is ongoing, individual Units shall be reconveyed from the lien of this Deed of Trust upon payment by Trustor of the Unit Sale Note Payment for the particular Unit in accordance with the Promissory Note, and recordation of the appropriate Declaration executed by the buyer of the Unit and satisfaction of the other conditions set forth in Section 604 of the Agreement. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto." Such grantee shall pay Trustee a reasonable fee and Trustee's costs incurred in so reconveying the Trust Estate.

4 15 Counterparts This document may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to physically form one document, which may be recorded.

4 16 Nonforeign Entity Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 18805, 18815 and 26131, as applicable, of the Revenue and Taxation Code ("CRTC") provide that a transferee of a U.S. real property interest must withhold tax, in the case of the Code, if the transferor is a foreign person, or if, in the case of the CRTC, the transferor is not a California resident. To inform Beneficiary that the withholding of tax will not be required in the event of the disposition of the Property or the Improvements, or any portion thereof or interest therein, pursuant to the terms of this Deed of Trust, Trustor hereby certifies, under penalty of perjury, that (a) Trustor is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and the regulations promulgated thereunder, and (b) Trustor's U.S. employer identification number is 14-1947745, and (c) Trustor's principal place of business is 203 Argonne Avenue, B-145, Long Beach, California 90803. It is understood that Beneficiary may disclose the contents of this certification to the Internal Revenue Service and the California Franchise Tax Board, and that any false statement contained herein could be punished by fine, imprisonment or both. Trustor covenants and agrees to execute such further certificates, which shall be signed under penalty of perjury, as Beneficiary shall reasonably require. The covenant set forth herein shall survive the foreclosure of the lien of this Deed of Trust or acceptance of a deed in lieu thereof.

4.17 Substitute Trustee Beneficiary at any time and from time to time, by instrument in writing, may substitute and appoint a successor Trustee (either corporate or individual) to any Trustee named herein or previously substituted hereunder which instrument when executed, acknowledged, and recorded in the Official Records of the Office of the Recorder of the county or counties where the Property is located shall be conclusive proof of the proper substitution and appointment of each successor trustee or trustees, who shall then have all the title, powers, duties and rights of the predecessor Trustee, without the necessity of any conveyance from such predecessor Trustee shall not be obligated to notify any party hereto of pending sale under any other Deed of Trust, or, unless brought by Trustee, or any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party

4.18 Fixture Filing This Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder in the county in which the Property is located with respect to any and all fixtures included within the term "Trust Estate" as used herein and with respect to any goods or other personal property that may now be or hereafter become such fixtures

4.19 Acknowledgement TRUSTOR ACKNOWLEDGES RECEIPT OF A TRUE COPY OF THIS DEED OF TRUST WITHOUT CHARGE

TRUSTOR PLEASE NOTE UPON THE OCCURRENCE OF AN EVENT OF DEFAULT, CALIFORNIA PROCEDURE PERMITS TRUSTEE TO SELL THE TRUST ESTATE AT A SALE HELD WITHOUT SUPERVISION BY ANY COURT AFTER EXPIRATION OF A PERIOD PRESCRIBED BY LAW UNLESS YOU PROVIDE AN ADDRESS FOR THE GIVING OF NOTICE, YOU MAY NOT BE ENTITLED TO NOTICE OF THE COMMENCEMENT OF ANY SALE PROCEEDINGS BY EXECUTION OF THIS DEED OF TRUST, YOU CONSENT TO SUCH PROCEDURE BENEFICIARY URGES YOU TO GIVE PROMPT NOTICE OF ANY CHANGE IN YOUR ADDRESS SO THAT YOU MAY RECEIVE PROMPTLY ANY NOTICE GIVEN PURSUANT TO THIS DEED OF TRUST

4.20 Request For Notice Pursuant to Government Code Section 27321 4(b) Trustor hereby requests that a copy of any notice of default or notice of sale given under this Deed of Trust be mailed to Trustor at the address for Trustor set forth herein

4.21 Subordination This Deed of Trust and the provisions contained herein shall be subordinate to the Declaration of Conditions, Covenants and Restrictions and to the lien of any Construction Loan as provided in the Agreement

[Signature On Next Page]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written

TRUSTOR

WEST CULVER LOFTS, LLC, a Delaware limited liability company

By **URBAN EQUITY PROPERTIES, LLC**, an Ohio limited liability company, its Managing Member

By **URBAN EQUITY PARTNERS, LLC**, a California limited liability company, its Manager and sole Member

By _____
Name Robert C Little, Jr
Title Member

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

PARCEL A-12823 W. WASHINGTON

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

LOTS 55, 56 AND 57 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER
MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY

PARCEL B-12813 W. WASHINGTON

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

LOT 58 AND 59 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP
RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY
RECORDER OF SAID COUNTY
APN 4236-021-008

PARCEL C-12811 W. WASHINGTON

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

LOTS 60 AND 61 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER
MAP RECORDED IN BOOK 37, PAGE 72 OF MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY
APN 4236-021-009

PARCEL D-1203 W. WASHINGTON

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

LOTS 62 AND 63 OF TRACT 5951, IN THE CITY OF CULVER CITY, AS PER MAP
RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY
RECORDER OF SAID COUNTY
APN 4236-021-010

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, before me _____ a Notary Public in and
for said County and State, 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 capacit(-y/-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 of Notary Public

[SEAL]

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, before me, _____, a Notary Public in and for said County and State, 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 capacit(-y/-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 of Notary Public

[SEAL]

ATTACHMENT NO 6
SCHEDULE OF PERFORMANCE

[See Attached]

SCHEDULE OF PERFORMANCE

- | | | |
|---|--|---|
| 1 | <u>Entitlements</u>
Developer shall obtain all necessary entitlements to construct the Project, including a site plan, tentative tract map and any other items determined to be necessary by the City | Prior to execution by Developer of DDA |
| 2 | <u>City Council/Agency Consideration of DDA</u>
City and Agency hold joint public hearing to consider DDA | May __, 2006 |
| 3 | <u>Execution of Agreement By Agency</u> | Within 15 days after approval by City and Agency at noticed public hearing |
| 4 | <u>Opening of Escrow for Transfer of Property per Section 302 1 of DDA</u> | Not later than 30 days after the Effective Date |
| 5 | <u>Agency Deposits into Escrow the Grant Deed</u> | Within 15 days of the opening of escrow |
| 6 | <u>Developer Deposits into Escrow the Developer Down Payment per Section 301 2 of DDA</u> | Within 15 days of the opening of escrow |
| 7 | <u>Parties Order Title Report for Property</u> | Within 15 days of the opening of escrow, and in no event later than the date set forth in Section 306 of the DDA |
| 8 | <u>Parties Approve Title Report for Property</u> | Within 15 days of the receipt of the Title Report (as such time frame may be extended in accordance with Section 306) and at least 15 days prior to the close of escrow |
| 9 | <u>Developer submits design development and building permit drawings to Agency per DDA Section 402 1</u> | Not later than 60 days from the Effective Date |

- | | | |
|----|--|---|
| 10 | <u>Agency Approval of design development and building permit drawings per DDA Section 402 2</u> | Within 10 business days of submittal by Developer |
| 11 | <u>Submission of Evidence of Financing</u>
Developer shall submit a draft Construction Loan, construction budget, Construction Contract and other financial information to Agency as required by Section 314 of the DDA | Not later than 60 days from the Effective Date |
| 12 | <u>Approval of Evidence of Financing</u>
The Assistant Executive Director shall approve, conditionally approve or disapprove the Evidence of Financing as required by Section 314 of the DDA | Within 10 business days of submittal by Developer |
| 13 | <u>Developer's request for revisions, if any, per DDA Section 402 4</u> | Prior to issuance of a building permit by City to construct proposed project |
| 14 | <u>City approvals</u> Developer shall have obtained all City approvals, entitlements and permits required for the development of the Site, including, without limitation, the completion of plan check by City Building and Safety Division and the issuance of building permits | Not later than 90 days from the Effective Date |
| 15 | <u>Close of Escrow for Transfer of Property</u> Title to Property is conveyed to Developer | Ninety days after the opening of escrow and upon satisfaction of Agency's Conditions Precedent to Conveyance per Section 303 1 of DDA and Developer's Conditions Precedent to Closing per Section 303 2 of DDA, but in no event later than the Outside Closing Date |
| 16 | <u>Commence Construction</u>
Developer shall commence the construction of the Project | Within 15 days of the close of escrow, but not later than 12 months from the Effective Date |
| 17 | <u>Completion of Construction</u>
Developer shall complete construction of the Project, | Within 18 months from the commencement of construction, but in any event not later than December 31, |

- including, without limitation, the Improvements 2008
- 18 Final Inspection Within 10 days of written notice of completion by Developer
Agency shall conduct a final inspection of the Project
- 19 Release of Construction Covenants Upon satisfactory completion of the Project in accordance with the Agreement and conditions set forth in Section 415 of the DDA, within 10 business days of receipt written request from Developer (as such date may be extended under the terms of Section 415 of the DDA)
Agency shall issue a Release of Construction Covenants
- 20 Release for Sale of First Phase Within 18 months from the commencement of construction, but in any event not later than December 31, 2008
Developer shall release for sale the 6 units constituting the first phase
- 21 Close of Escrow for Sale of Units by Developer Upon satisfaction of the conditions precedent to the sale of the units per Section 604 of the DDA, and as soon as possible after Developer receipt of a Certificate of Occupancy and Release of Construction Covenants
- 22 Release for Sale of Second Phase Not later than 30 days after the execution of a sale contract for the last unit in the previous phase
Developer shall release for sale the 6 units constituting this phase
- 23 Release for Sale of Third Phase Not later than 30 days after the execution of a sale contract for the last unit in the previous phase
Developer shall release for sale the 6 units constituting this phase
- 24 Release for Sale of Fourth Phase Not later than days after the execution of a sale contract for the last unit in the previous phase
Developer shall release for sale the 6 units constituting this phase

ATTACHMENT NO 7
SCOPE OF DEVELOPMENT

[See Attached]

ATTACHMENT NO 7

WEST CULVER LOFTS - LIVE/WORK & RESIDENTIAL PROJECT

SCOPE OF DEVELOPMENT

I INTRODUCTION

The **West Culver Lofts** project is consistent with the General Plan General Corridor land-use designation and meets the development standards of the project overlay zone and mixed-use (Municipal Code Chapter 17 400 065) and live/work standards (Municipal Code Chapter 17 400 060) The proposed project is in the best interest of the public health, safety and general welfare

The project site is located on the North side of Washington Blvd and is bound by Meier Street to the east, Moore Street to the west and a public alley to the North The site is approximately 24,043 gross square feet

LEGAL DESCRIPTION

Street Addresses

12803 W Washington Blvd ,	12811 W Washington Blvd ,
12813 W Washington Blvd	12823 W Washington Blvd ,
Culver City, Ca 90066	

Tract Map (existing)

Lots 55,56,57,58,59,60,61,62,63 of Tract No 5951 in Book 77, Page 72 of Maps

Assessors Parcels

Book 4236, Page 021 and Lots 007, 008, 009, and 010
Per Los Angeles County Recorder's Office

DEFINITIONS

"Live/Work " Live/work is defined in the Culver City Municipal Code Live/work generally means residential and nonresidential uses coexisting within one contiguous dwelling unit The occupant(s) of a Live/Work unit both live and work within the same premises

"Residential" Residential is where an occupant(s) lives without coexisting uses as defined above

II DESCRIPTION OF DEVELOPMENT

The **West Culver Lofts** is a Live-Work and residential project featuring "loft-style" condominium dwelling units. The proposed project includes a total of 24 units of residential condominiums. Of the 24 units, 12 include a ground floor suite allocated as work-space facing Washington Blvd, these 12 units constitute the live/work units as defined above. The estimated gross building area is approximately 38,000 square feet constructed in three levels up to 35 feet above grade. Fifty-seven (57) off-street parking spaces are located within the building's enclosed first floor parking area.

The project does not materially increase demand for city services. The building will be fully equipped with fire sprinklers, therefore reducing the demand for fire services. Demand for police services in private mixed-income projects such as this (with secured entries and parking) is minimal and will be a significant improvement over prior uses. Municipal utilities, such as water, power, and sewage are in place prior to the development of the building, eliminating the need for costly additional public infrastructure, developer pays for hook-up and tap fees.

III DEVELOPMENT STANDARDS

A GENERAL

The residential and live-work development on the site are based upon the Live/Work Development Standards Section 17 400 060 of the project overlay zone and mixed-use - live/work ordinance (17 400 065).

The Site Plan Review, SPR P-2005012, concluded that the layout of the development, including orientation and location of the building, open space, vehicular and pedestrian access, circulation, parking and loading facilities, building set-backs and heights, and other improvements are consistent with the requirements of the zoning district and applicable development and design guidelines of the district.

In addition to the on-site improvements the project also includes new curb, gutter, sidewalk, street trees, parking meters and reconstruction of the public alley and partial side streets.

B USE REGULATIONS

Per the Live/Work Development Standards (Section 17 400 060) the following uses/occupations shall be permitted in the Live/Work units:

- a Accountant
- b Architect
- c Artist and artisan

- d Attorney
- e. Computer software and multimedia related professional
- f Engineer
- g Fashion, graphic, interior and other designer
- h Insurance, real estate and travel agent
- i Photographer
- j Psychologist/Psychiatrist
- k Other similar uses/occupations as determined by the Director may be permitted provided that the allowed uses/occupations are permitted by the underlying zone

C OCCUPANCY & EMPLOYEES

At least one of the full-time employees of the live work unit must be a full-time resident of the Live/Work unit and shall possess a valid Business Tax Certificate

Only one residential area per Live/Work unit shall be allowed Residential units are one residential area by definition

The residential area of Live/Work units shall not be rented separately from the working space

D BUSINESS ACTIVITY

None of the uses permitted shall be operated in an objectionable manner due to fumes, odor, dust, smoke, gas, noise or vibrations, which are or may be detrimental to properties and occupants in the neighborhood and/or to any other uses and occupants on the same property

E SPECIAL & TEMPORARY EVENTS

Special and/or temporary events in live/work units shall be required to follow the permit process for special and/or temporary events

F COVENANTS

A covenant shall be executed by the owner of each Live/Work unit, and shall include statements that the occupant(s) understand(s) and accept(s) he/she is living in a live/work unit and must operate a business from said unit The covenant shall also set forth the required use conditions as described in this Section

1 The residential component shall be contiguous with and integral to the working space with direct access between the two areas and not as a separate stand-alone dwelling unit

2 Only one residential component per unit shall be allowed The residential component space and the business component space shall only be used as one

contiguous habitable space and, if rented, shall only be rented together as one tenant space

3 Normal business operating hours for Live/Work residents shall be observed to control parking demand. Therefore, the parking spaces designated as Live/Work spaces in excess of two per unit for units over 900 gsf shall be shared as Live/Work and residential Guest spaces 24 hours a day

5 A resident in any live/work unit shall operate a business from the unit and shall possess a Culver City Business Tax Certificate in good standing for business activities conducted within the unit

G UNIT SIZES

The minimum square footage of a Live/Work or Residential unit shall be seven hundred square feet (700 sq ft)

H BUILDING SETBACKS

As approved by Culver City Planning Commission in SPR 2005012

I. BUILDING HEIGHTS

As approved by Culver City Planning Commission in SPR 2005012

J DENSITY

The density and intensity of a live/work project is limited by the parking, setbacks, heights, minimum unit size, and other applicable development standards and requirements

K OPEN SPACE

Private and Common Open Space Each unit shall have a minimum of forty eight square feet (48 sq ft) of common and/or private open space

Common open space areas should be a minimum of fifteen linear feet (15') in any direction

Private open space areas should be at least thirty square feet (30 sq ft) and five linear feet (5') in any direction

The following amenities can be applied toward the open space requirement

a Atriums

- b Balconies
- c Courtyards
- d Decks
- e Gardens
- f Patios

Or similar amenities not listed above approved on a case-by-case basis

L ACCESS

Where more than one live/work unit is proposed within a single structure, each unit shall be separated from other units and other uses in the structure

Access to individual units shall be from common access areas, corridors, hallways, courtyards or directly from the outside of the building

Access to each unit shall be clearly identified to provide for emergency services

All life and fire safety issues, such as stairs, corridors, and doors, shall comply with the California Building Code regulations in effect at the time of conversion or construction

M SIGNAGE

Signage for live/work units shall be limited to the following

Window Signs A glass door sign shall be considered a window sign

One window sign with a maximum dimension of one foot by two feet shall be permitted

No sign permit shall be required for the one permitted window sign

Window signs shall be limited to individual letters and logos placed on the surface of the window or glass door

No window sign on the outside of the window shall extend onto or over the perimeter window frames, mullions or building façade divisions of the window on which it is displayed The text of the window sign shall be limited to the business name and a brief message identifying the type of product or service and contact information

Projecting/hanging signs

One projecting/hanging sign with a maximum dimension of one foot by two feet shall be permitted

A sign permit shall be required for one permitted projecting/hanging sign

Projecting/hanging signs shall not be internally illuminated

Projecting/hanging signs shall be displayed perpendicular to the wall to which it is affixed

The maximum distance between the wall and the outer edge of the sign shall be three feet (3'), or if a paved sidewalk is below, fifty percent (50%) of the width of the sidewalk, whichever is less

The minimum vertical clearance from the bottom of the sign to grade or to the sidewalk below, if applicable, shall be eight feet (8') unless a greater clearance is required by the Building Official

The maximum height of the sign shall be fifteen feet (15') above grade or from the sidewalk below, if applicable

N PERFORMANCE STANDARDS

Light and Ventilation Adequate light and ventilation shall be provided for and meet the California Building Code regulations in effect at the time of construction

Sound Transmission Common walls and ceilings of live/work units shall be constructed or upgraded using techniques to limit sound transmission as specified for residential uses by the California Building Code for new construction or equivalent in effect at the time of construction, and pursuant to Condition 69 of Planning Commission Resolution No 2006-P005

Minimum Facilities Each Live/Work unit shall have adequate kitchen facilities (sink, stove, and refrigerator hook-ups) and bathroom facilities (shower or bathtub, sink, and toilet) that would be commercially acceptable for a Residential unit

Title 24 energy requirements shall be met or exceeded

O LIVE/WORK OFF-STREET PARKING REQUIREMENTS

Table LW-1 Live/Work Parking Requirements

Gross square feet, including loft space	Parking Spaces
Up to 900 gsf	2
900 gsf to 1499 gsf	3
Greater than 1500 gsf	4

1space shared as guest parking
2 spaces shared as guest parking

P RESIDENTIAL OFF-STREET PARKING REQUIREMENTS

- 1 When commingled with Live/Work parking that share common points of ingress & egress Live/Work Parking spaces in excess of two per unit for units over 900 gsf shall be designated and applicable to the residential guest parking

requirement Demand for these spaces is controlled through Covenants, Conditions and Restrictions (CC&R's) executed by Live/Work residents

2 Residential guest parking will be accessible twenty four (24 hrs) hours per day

3 Residential guest parking will be free of charge

Q COMMINGLED PARKING

The project may have a commingled parking area for residential and Live/Work uses, subject to the following conditions

- a Residential, Live/Work and Guest parking spaces shall be designated with signs
- b Residential and Live/Work uses share common points of ingress & egress
- c The parking layout shall be designed so that residents are not inconvenienced by Live/Work parking demand
- d Live/Work Parking spaces in excess of two per unit for units over 900 gsf shall be designated and applicable to the residential Guest parking requirement

R ADDITIONAL PARKING REQUIREMENTS

All required parking stalls shall be at least eight feet and four inches (8'-4") wide and eighteen feet (18') long per Culver City Parking Design and Layout Guidelines

Tandem parking may be allowed to satisfy the parking requirement for Live/Work uses

R ADA ACCESSIBILITY

The development shall be accessible to the handicapped as required by State regulations for new construction

IV SITE PLAN REVIEW (SPR P-2005012)

The Site Plan Review including but not limited to site plan drawings, parking plans, colored elevations, sections, roof plan and material board were submitted to Culver City Planning Commission for review and recommendation to the City Council and Redevelopment Agency The Planning Commission approved the Site Plan Review and staff report on February 22, 2006 subject to the Conditions of Approval and Resolution No 2006-P005, which shall be incorporated herein by reference The Project shall be constructed substantially in accordance with the approved Site Plan Review (SPR P-2005012)

V TENTATIVE TRACT MAP (No 65473, TTM P-2005014)

The proposed Tentative Tract Map for condominium purposes that comprises 24 air space units was submitted to Culver City Planning Commission for review and recommendation to the City Council and Redevelopment Agency. The Planning Commission approved the Tentative Tract Map on February 22, 2006 subject to the Conditions of Approval and Resolution No 2006-P005. The proposed Tentative Tract Map must be approved by the City Council and Redevelopment Agency. The Project shall be constructed substantially in accordance with the Tentative Tract Map approved by the City Council and Redevelopment Agency.

VI CEQA REVIEW

Based upon the Initial Study the Lead Agency determined and recommended to the Planning Commission on February 22, 2006 that the project will not have a significant adverse impact on the environment given certain mitigations and recommended adoption of a Mitigated Negative Declaration.

VII. DEMOLITION, SITE PREPARATION AND CONSTRUCTION

The Redevelopment Agency shall demolish all structures on the Site. The Agency shall perform all demolition and containment activities in accordance with Environmental Laws. Agency shall demolish all structures on the Site, including, without limitation, the removal of all organic debris and substandard fill. In addition, Agency shall complete all remediation required by the Environmental Reports. In connection with the demolition of the structures on the Site, Agency shall use reasonable care to locate and remove any of the following which may be attached to any of the structures being demolished: (i) septic tanks and cess pools, (ii) grease receptors, and (iii) sumps and similar items.

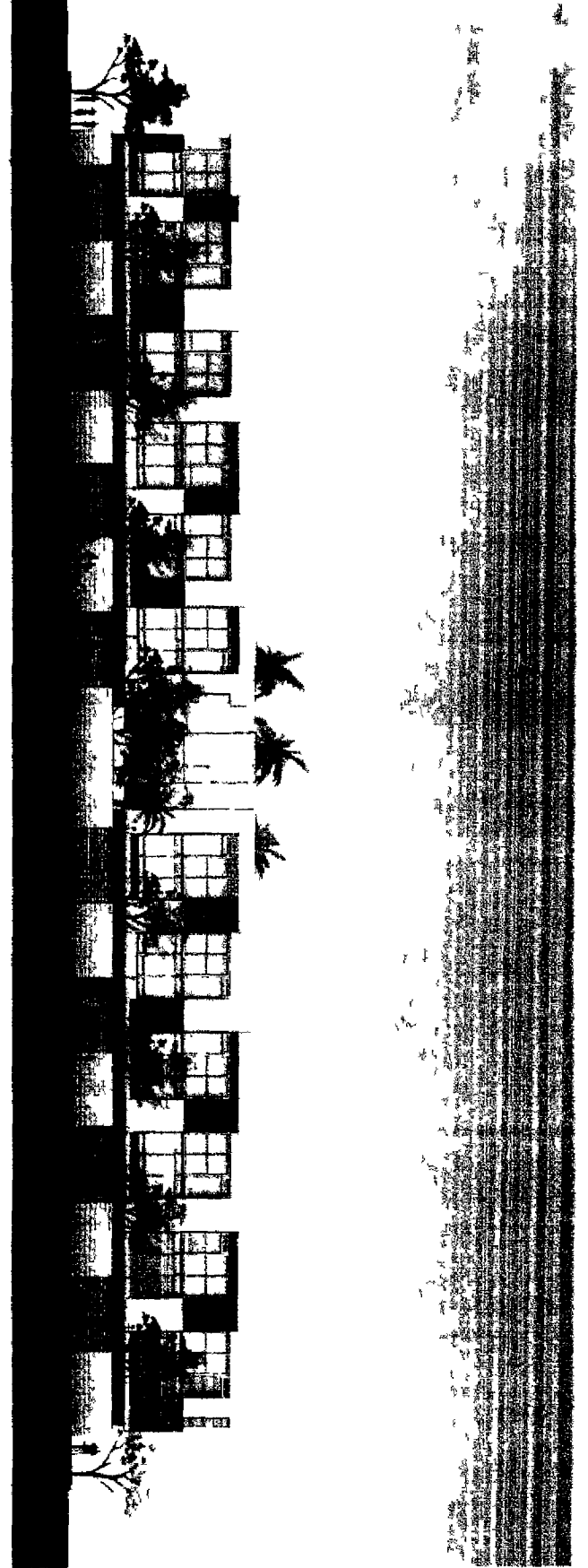
All of the cost of planning, designing, developing, financing and constructing all of the improvements in conformance with the approved drawings shall be borne by Developer. Certain obligations of this Section are outlined in the Schedule of Performance, Attachment # 6.

VIII MAINTENANCE OF COMMON AREAS

Common Areas include all pedestrian walkways, perimeter walls and fences, landscaped areas and parking facility located within the project boundary documented by the Survey and Tentative Tract Map. Such Common Areas shall be privately owned and maintained by the Homeowners Association (HOA) created by the Developer for the project. The Covenants Conditions and Restrictions (CC&R's) shall be provided to the City for review and approval per the Schedule of Performance, Attachment # 6.

IX DRAWINGS

The attached drawings dated October 26, 2005 (as to the Building Section (1 page)) and December 8, 2005 (as to the Building Elevation (2 pages) and Street Level Plan (1 page)), comprised of four (4) pages are made a part of this Scope of Development. The Project shall be constructed substantially in accordance with the attached drawings.



WASHINGTON BLVD SOUTH ELEVATION SCALE 1/8" = 1'-0"

NORTHWEST ELEVATION SCALE 1/8" = 1'-0"

DATE	10/10/01
BY	ARCHITECT
PROJECT	WEST CULVER LOFTS
NO.	A 20

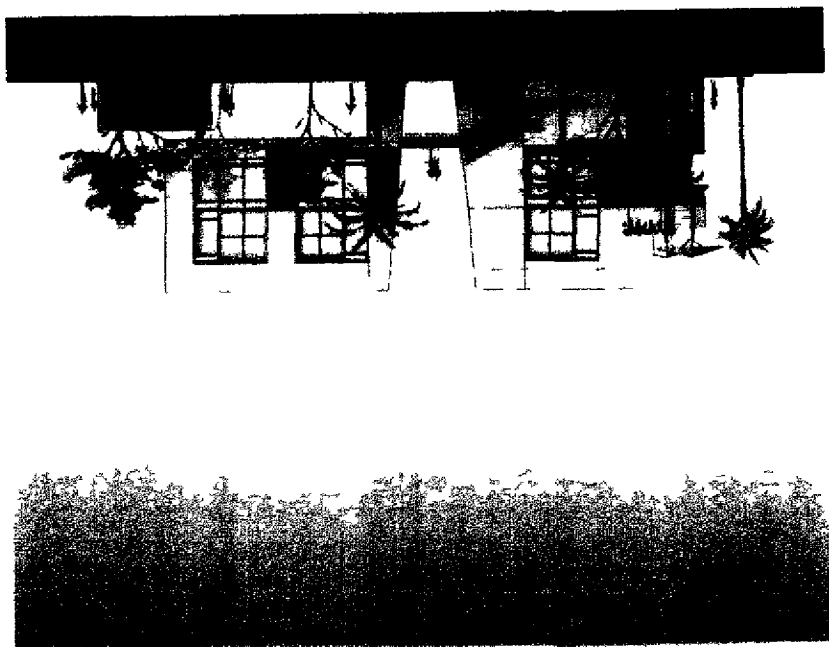
10/10/01
ARCHITECT
WEST CULVER LOFTS
A 20
BUILDING ELEVATION



MICHAEL HONG ARCHITECTS
1000 10th Ave. N. Ste. 200
Seattle, WA 98107
Phone: 206.461.8888
Fax: 206.461.8889
www.mharchitects.com

WEST
CULVER
LOFTS

WEST COURT ELEVATION SCALE: 1/8" = 1'-0"



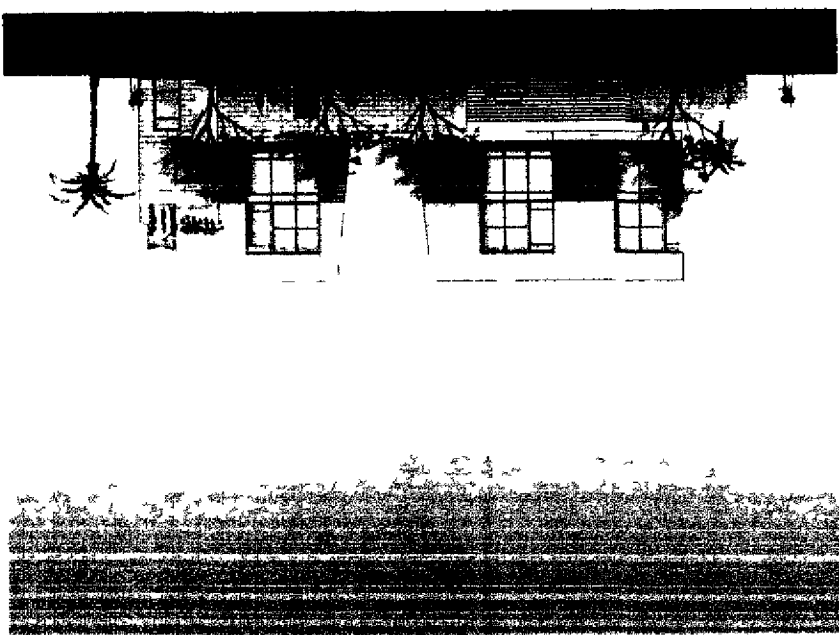
WEST STREET ELEVATION SCALE: 1/8" = 1'-0"



EAST COURT ELEVATION SCALE: 1/8" = 1'-0"



MOORE STREET ELEVATION SCALE: 1/8" = 1'-0"

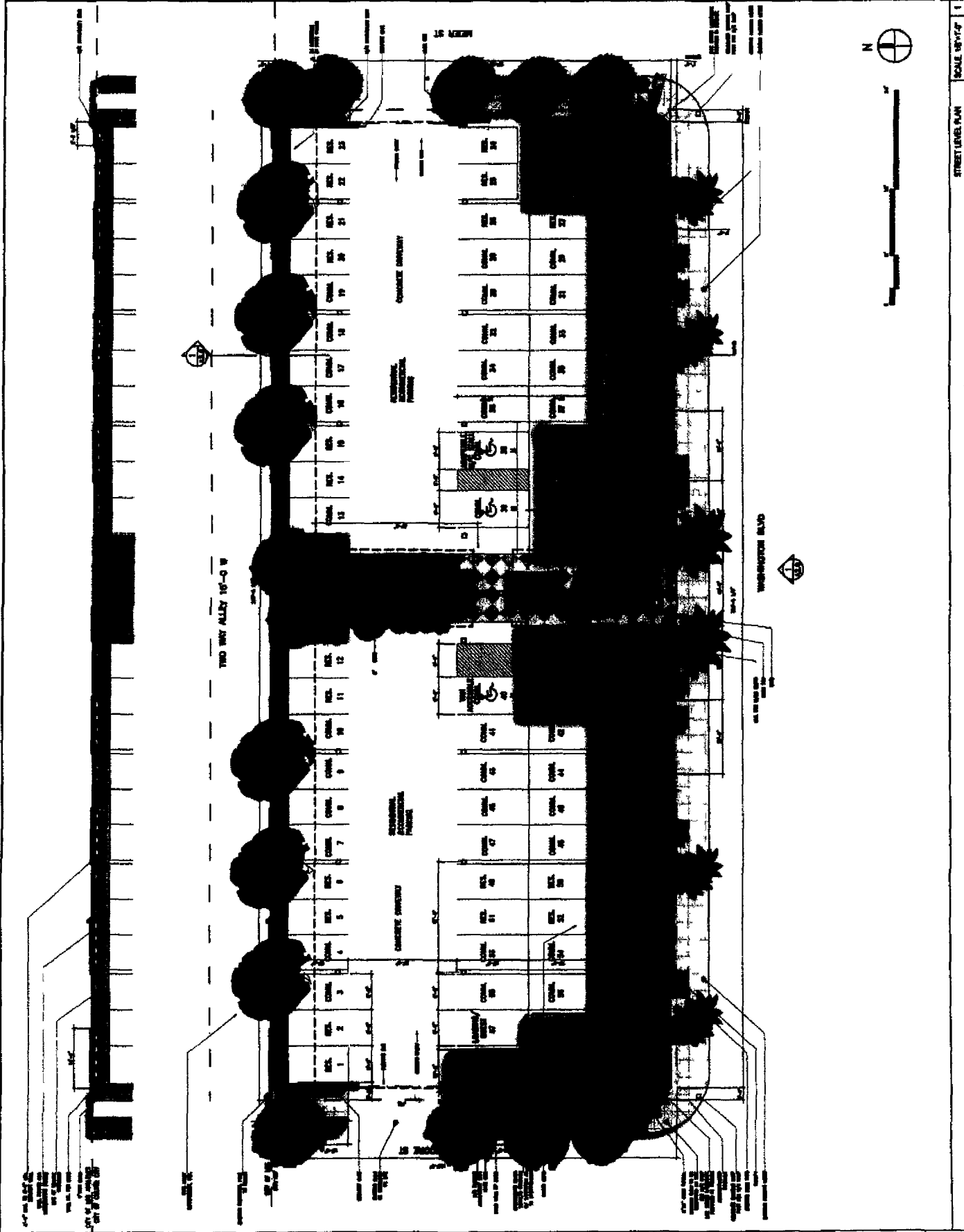
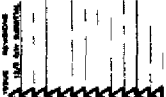


BUILDING ELEVATION

A 21

URBAN
FOOTPRINT
MICHAEL HONG ARCHITECTS

WEST
CULVER
LOFTS



ATTACHMENT NO 8
RELEASE OF CONSTRUCTION COVENANTS

[See Attached]

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO**

Culver City Redevelopment Agency)
9770 Culver Boulevard)
Culver City, California 90232-0507)
Attn Susan Evans, Assistant Executive Director)

(Space above for Recorder's Use Only)
(Exempt from Recording Fees per Govt Code Section 6103)

RELEASE OF CONSTRUCTION COVENANTS

THIS RELEASE OF CONSTRUCTION COVENANTS ("Release") is hereby made as of this ____ day of _____, 200_, by the **CULVER CITY REDEVELOPMENT AGENCY**, a public body corporate and politic (the "Agency") in favor of **WEST CULVER LOFTS, LLC**, a Delaware limited liability company (the "Developer")

RECITALS

A The Agency and the Developer entered into that certain Disposition and Development Agreement dated for identification purposes only as of _____, 200_ (the "Agreement")

B Pursuant to the Agreement, the Agency and the Developer entered into that certain Declaration of Covenants, Conditions and Restrictions dated _____, 200_. The Agreement provides for the completion of certain improvements (the "Project") to certain real property (the "Site") situated in Culver City, California, and more particularly described on Exhibit A attached hereto and made a part hereof by this reference. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Declaration of Covenants, Conditions and Restrictions.

C As required in the Agreement and the Declaration of Covenants, Conditions and Restrictions, the Agency shall furnish the Developer with a Release of Construction Covenants upon completion of the Project, which Certificate shall be in such form as to permit it to be recorded in the Los Angeles County Recorder's Office.

D The Agency has conclusively determined that the construction of the Project on the Site as required by the Agreement and the Declaration of Covenants, Conditions and Restrictions has been satisfactorily completed.

NOW, THEREFORE, Agency hereby certifies as follows:

1 As provided in the Declaration of Covenants, Conditions and Restrictions, the Agency does hereby certify that the construction of the Project on the Site has been fully and satisfactorily performed and completed in accordance with the Agreement and the Declaration of Covenants, Conditions and Restrictions.

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

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

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

"AGENCY"

**CULVER CITY REDEVELOPMENT
AGENCY**, a public body, corporate and
politic

By _____
Its _____

ATTEST

Agency Secretary

APPROVED AS TO FORM

LEIBOLD, MCCLENDON & MANN,
P C

By _____
Barbara Zerd Leibold,
Special Counsel

EXHIBIT A
LEGAL DESCRIPTION

PARCEL A-12823 W. WASHINGTON

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

LOTS 55, 56 AND 57 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS
PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY

PARCEL B-12813 W. WASHINGTON

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

LOT 58 AND 59 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER
MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY
APN 4236-021-008

PARCEL C-12811 W. WASHINGTON

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

LOTS 60 AND 61 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER
MAP RECORDED IN BOOK 37, PAGE 72 OF MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY
APN 4236-021-009

PARCEL D-1203 W. WASHINGTON

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

LOTS 62 AND 63 OF TRACT 5951, IN THE CITY OF CULVER CITY, AS PER MAP
RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY
RECORDER OF SAID COUNTY
APN 4236-021-010

State of California)
) ss
County of _____)

On _____, before me,

(name, title of officer, e g , Jane Doe,
Notary Public") personally appeared

(name(s) of signer(s))

- ☐ personally known to me CORC
☐ 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 person(s) acted, executed the instrument

Witness my hand and official seal

(Signature of Notary)

Capacity claimed by signer *(This section is OPTIONAL.)*

- ☐ Individual
☐ Corporate Officer(s)
☐ Partner(s)
☐ General ☐ Limited
☐ Attorney-in-fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other

Signer is representing

(name of person(s) or entity(ies))

Attention Notary Although the information requested below is OPTIONAL, it could
prevent fraudulent attachment of this certificate to an unauthorized document

THIS CERTIFICATE

Title or Type of Document

MUST BE ATTACHED

TO THE DOCUMENT

Number of Pages _____ Date of Document

DESCRIBED AT RIGHT Signer(s) Other than Named Above

State of California)
) ss
County of _____)

On _____, _____, before me,

(name, title of officer, e g , Jane Doe,
Notary Public") personally appeared

(name(s) of signer(s))

- ☐ personally known to me CORC
☐ 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 person(s) acted, executed the instrument

Witness my hand and official seal

(Signature of Notary)

Capacity claimed by signer, (This section is OPTIONAL.)

- ☐ Individual
☐ Corporate Officer(s)
☐ Partner(s)
☐ General ☐ Limited
☐ Attorney-in-fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other

Signer is representing

(name of person(s) or entity(ies))

Attention Notary Although the information requested below is OPTIONAL, it could
prevent fraudulent attachment of this certificate to an unauthorized document

THIS CERTIFICATE

Title or Type of Document

MUST BE ATTACHED

TO THE DOCUMENT

Number of Pages _____ Date of Document

DESCRIBED AT RIGHT Signer(s) Other than Named Above

ATTACHMENT NO 9

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
(RESIDENTIAL UNITS)**

[See Attached]

RECORDING REQUESTED BY,)
AND WHEN RECORDED MAIL TO)
)
Culver City Redevelopment Agency)
9770 Culver Boulevard)
Culver City, California 90232-0507)
Attn: Susan Evans, Assistant Executive Director)
)

(Space Above For Recorder's Use Only)
(Exempt from Recording Fees Per Gov. Code Section 6103)

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
(RESIDENTIAL UNITS)**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (RESIDENTIAL UNITS) ("Declaration") is dated as of _____, _____, and is made by and between the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency") and _____ (the "Owner"). As used herein, the term "Owner" shall be deemed to include (i) the foregoing listed individual or individuals, and (ii) the successors and assigns of such individual or individuals, during the time the successors and/or assigns own or hold an interest in Unit No. ____ of the real property commonly known as _____, Culver City, California (the "Property"), which Property is legally described in Exhibit "A" attached hereto and incorporated herein by this reference. Where Owner consists of more than one individual, the term shall be deemed to include any one or more of the individuals comprising Owner. The Agency and Owner are sometimes hereinafter referred to severally as a "Party" and collectively as the "Parties". This Declaration is made with reference to the following facts:

RECITALS

A WHEREAS, prior to the execution of this Declaration, West Culver Lofts, LLC, a Delaware limited liability company (the "Developer") has executed and entered into a certain Disposition and Development Agreement (West Culver Lofts) (the "Agreement"), which entitles Developer, subject to the terms and conditions thereof, to develop and sell the Property to Owner. The Agreement enables Developer to acquire, develop and sell the Property in furtherance of the California Community Redevelopment Law, Health and Safety Code Section 33000, et seq., by providing for the improvement and development of property with construction of a mixed use retail/commercial and residential complex. Furthermore, the Agreement fosters the Agency's implementation of the Redevelopment Plan approved and adopted by the City Council of the City of Culver City on November 23, 1998 by Ordinance No. 98-015 and amended on January 12, 2004 (the "Redevelopment Plan")

B WHEREAS, pursuant to the Agreement, the Developer has constructed or promises to construct twenty-four (24) townhome/condominium units (collectively, the "Project"), which Project shall consist of the following: (i) twelve (12) townhome/condominium units with street-level retail/commercial space, which shall be sold, occupied and used as Live/Work Units (collectively, the "Live/Work Units") in accordance with Chapter 17.400.060 of the Culver City Municipal Code, entitled "Live/Work Development Standards", and (ii) twelve (12) residential townhome/condominium units, which shall be sold and occupied as

residential units (collectively, the "Residential Units") in accordance with Chapter 17 400 065 of the Culver City Municipal Code entitled "Mixed Use Development Standards" The subject Property hereof is designated as a Residential Unit

C WHEREAS, the Property is subject to use restrictions as contained herein because the purpose of the Agreement is to effectuate the California Redevelopment Law and the restrictions on use are necessary to achieve this purpose and to maximize the housing which the Agency can offer with its limited funds

D WHEREAS, the Agency desires to insure, for the benefit of the residents of the City of Culver City, all future residents of the Project, and the community at large, that the Property remains a Residential Unit for the life of the Redevelopment Plan pursuant to the terms and conditions of this Declaration

DECLARATION AND AGREEMENT

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Parties hereby declare and agree as follows

ARTICLE I **GENERAL DUTIES OF OWNER**

101 **Property Designation** Owner understands and accepts that the Property bound by this Declaration is a unit which has been designated and reserved as one (1) of twelve (12) Residential Units within the Project Owner further understands and accepts that the Property is located in a mixed use development and that commercial activities are permitted and required to be engaged in the Live/Work Units in accordance with Section 17 400 060 of the Culver City Municipal Code, entitled "Live/Work Development Standards" Notwithstanding the foregoing, the Property shall be used solely for residential purposes

102 **Property Use Restriction** Owner agrees and covenants on behalf of itself and its successors and assigns that during the term of this Declaration (as set forth in Section 6 below) the Property shall be used solely as a personal residence and shall not change character or lose its designation as a Residential Unit by virtue of any sale, transfer, development, or any other act which would affect the Property by Owner or any of Owner's successors or assigns The Property shall not be used as a Live/Work Unit during the term of this Declaration

103 Covenant of Maintenance

A **Maintenance by Owner** Owner shall, at Owner's sole cost and expense, maintain and repair the Property and the improvements thereon keeping the same in good condition and making all repairs as may be required by this Declaration and the Culver City Municipal Code (the "Code") Owner shall maintain the improvements and the landscaping on the Property, including keeping the Property and any balcony or patio adjacent to the Property free from an accumulation of debris or waste materials consistent with community standards All exterior, painted surfaces of any structures located on the Property shall be maintained at all times in a clean, safe and presentable manner

B Graffiti Removal by Owner All graffiti, and defacement of any type, including marks, words and pictures must be removed within forty eight (48) hours from the Property and any necessary painting or repair completed within one (1) week of creation or within one (1) week after notice to Owner from the Agency, whichever is less

C Damage and Destruction Affecting Property-Duty to Rebuild If all or any portion of the Property and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of Owner to rebuild, repair or reconstruct the Property in a timely manner to restore it to Code compliance condition

D Variance in Exterior Appearance and Design If the Property is damaged or destroyed by casualty, Owner may apply to the Agency and the City of Culver City for approval to reconstruct, rebuild or repair the Property in a manner which will provide different exterior appearance and lot design from that which existed prior to the date of the casualty. Notwithstanding any reconstruction permitted under this subsection, such reconstruction shall be completed so as to restore the Unit to its original character as a Residential Unit

E Time Limitation In the event of damage or destruction due to casualty, Owner shall be obligated to proceed with all due diligence and commence reconstruction within two (2) months after the damage occurs and complete reconstruction within six (6) months after damage occurs or demolition and vacate within two (2) months, unless prevented by causes beyond the reasonable control of Owner

F Structural Modifications In order to protect and maintain the architectural and structural integrity of the Property, no structural modification shall be made to the Property without a validly issued building permit in accordance with the requirements of the Code. Any application for a building permit pursuant to this section and in connection with a proposed exterior modification to the Property shall be accompanied by elevations and plans depicting the proposed modifications

104 Covenant of Nondiscrimination Owner covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof that Owner, and its successors and assignees, shall devote the Property to the uses specified in the Redevelopment Plan, this Declaration, and the Agreement for the periods of time specified therein. The foregoing covenants shall run with the land

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

B Nondiscrimination Clauses Owner shall refrain from restricting the rental, sale or lease of the Property or any part thereof, including without limitation the Units, on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses

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

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

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

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

105 No Nuisance, No Drugs Owner shall not maintain, cause to be maintained, or allow to be maintained on or about the Property any public or private nuisance, including without limitation, the conduct of criminal activities set forth in the nuisance abatement provisions of the Uniform Controlled Substances Act (Health & Safety Code Sections 11570, et seq.) or the Street

Terrorism Enforcement and Prevention Act (Penal Code Sections 186 22 et seq) or any successor statute or law Owner represents to the Agency that Owner shall maintain a drug free environment on the Property Owner covenants to the Agency that Owner and all persons residing on the Property shall not unlawfully manufacture, distribute, dispense, possess or use controlled substances, as said term is defined in 21 United States Code Section 812 and California Health and Safety Code Section 11007, including marijuana, heroin, cocaine, and amphetamines on the Property If Owner or any person residing on the Property is convicted, pleads guilty or nolo contendere to a charge of unlawfully manufacturing, distributing, dispensing, possessing or using controlled substances on the Property, then such event shall constitute a breach of this Declaration, which shall entitle the Agency to exercise all remedies permitted by law as a result of such breach

ARTICLE II **ENFORCEMENT**

201 Term of Covenants Except for the nondiscrimination covenants set forth in Section 104 above, which shall run in perpetuity, the covenants, the conditions and restrictions set forth herein, including those relating to the use of the Property as a Residential Unit, shall run with the Property for the life of the Redevelopment Plan, as presently exists and as amended from time to time

202. Covenants to Run with the Land All conditions, covenants, and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by, the Agency and its successors and assigns, against Owner, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof

203 Covenants For Benefit of City and the Redevelopment Agency All covenants without regard to technical classification or designation shall be binding for the benefit of the City of Culver City (the "City"), and the Agency, and such covenants shall run in favor of the Agency and the City without regard to whether the Agency or the City is or remains an owner of any land or interest therein to which such covenants relate The Agency and the City, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper legal proceedings to enforce and to cure such breach to which it or any other beneficiaries of these covenants may be entitled during the terms specified for such covenants

204 Remedies, Attorneys' Fees and Costs Breach of the covenants contained in this Declaration may be enjoined, abated or remedied by appropriate legal proceeding In the event that the Agency incurs any attorneys' fees, court costs, or any other costs or expenses in investigating compliance with or enforcing this Declaration, or investigating or defending claims brought by Owner under this Declaration, the Agency shall be entitled to recover any such fees, costs and expenses from Owner

205 Remedies Cumulative The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive. The Parties acknowledge that the Agency's rights under this Declaration are in addition to, rather than in lieu of, other rights and remedies of the Agency provided for in the Agreement and all documents executed and delivered in connection with the Agreement including, but not limited to, the Note and Deed of Trust.

206 Failure to Enforce The failure to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

207 No Waiver Failure by the Agency to enforce, or delay by the Agency in enforcing, any right or remedy with respect to this Declaration shall not bar or limit any subsequent enforcement of the same or any other right or remedy with respect to the same subject matter or a different subject matter. Rights and remedies of the Agency under this Declaration may be waived or modified only by a written instrument signed by the Agency which states an express intention to waive or modify such rights and remedies.

ARTICLE III **GENERAL PROVISIONS**

301 Severability In the event that any provision or clause of this Declaration conflicts with applicable law, or is otherwise rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions, or the application thereof to other persons or circumstances, shall be deemed severable and the same shall remain enforceable and valid to the fullest extent permitted by law.

302 Construction The provisions of this Declaration shall be liberally construed for the purpose of developing and maintaining the Project in accordance with this Declaration and the Agreement. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

303 Amendments This Declaration may be amended only by the written agreement of Owner and the Agency.

304. Notices Notices and other written communications given pursuant to this Declaration, unless otherwise specified herein, shall be sent by certified U.S. mail (postage prepaid, return receipt requested) or reputable same-day or overnight delivery service. Any Notice shall be deemed received as of the date of delivery. Notices shall be addressed as appears below for the respective parties.

If to Owner

If to Agency

Culver City Redevelopment Agency
Attention Susan Evans, Assistant Executive Director
9770 Culver Boulevard
Culver City, CA 90232-0507

With a copy to

Leibold, McClendon & Mann, P C
Attention Barbara Zeid Leibold, Esq
23422 Mill Creek Drive, Suite 105
Laguna Hills, CA 92653

305 Insurance. Owner must ensure that homeowners' association obtains special perils property insurance on the common elements and the Property, including the limited common elements, covering at least the bare walls, floors and ceilings of the Property. This insurance must be for not less than the full insurable replacement cost of the Property, less deductibles, including coverage for municipal building code requirements at the time the insurance is purchased and at each renewal date. If not purchased by homeowners' association, Owner must obtain special perils property insurance covering personal property, improvements and betterments to the Property installed by or on behalf Owner. Improvements or betterments are defined as all decorating, fixtures, furnishings, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, or built-in cabinets installed by or on behalf of Owner. In addition, the policy shall contain a provision that obligates the insurer to notify the Culver City Redevelopment Agency, 9770 Culver Boulevard, Culver City, California 90232-0507, Attention Susan Evans, Assistant Executive Director at least thirty (30) calendar days in advance of the effective date of a material change (other than diminution of policy limits due to a claim), cancellation or termination of the policy.

Issuance pursuant to this Section must be in a form and content acceptable to and underwritten by insurers financially acceptable to the Agency.

306 Notice of Inspection Owner agrees and acknowledges that the Agency and its employees and agents shall have the right to enter upon the Property during normal business hours to ensure compliance with this Declaration and other applicable federal, state and local laws and regulations. The Agency agrees to notify Owner not less than twenty four (24) hours prior to the Agency's proposed time of inspection of the Property, and agrees to attempt to obtain Owner's consent to the timing of such inspection. Upon receipt of such notice, Owner agrees to cooperate with the Agency in making the Property available for inspection by the Agency. Owner acknowledges and agrees that in the event that if for any reason Owner fails to consent to such inspection, the Agency may obtain an administrative inspection warrant or take such other legal actions as may be necessary to gain entry to and inspect the Property.

307 Recordation The Parties shall cause this Declaration to be recorded in the Official Records of Los Angeles County, California.

308 Further Assurances Owner shall from time to time provide the Agency with such further information and shall execute such further documentation and agreements as may be reasonably necessary or appropriate to carry out the purposes of this Declaration

309 Joint and Several Obligations If at any time the Property is owned by more than one individual, all of the Owners shall be jointly and severally liable for the obligations imposed by this Declaration

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have duly executed this Declaration as of the date indicated above

"OWNER(S)"

Name _____

Name _____

Name _____

THE CULVER CITY REDEVELOPMENT AGENCY

By _____

Its _____

ATTEST

Agency Secretary

APPROVED AS TO FORM

LEIBOLD, MCCLENDON & MANN, P C

Barbara Zeid Leibold, Special Counsel

STATE OF CALIFORNIA)
)ss
COUNTY OF LOS ANGELES)

On _____, _____, before me, _____,
Notary Public 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, _____,
Notary Public 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 OF THE PROPERTY

[TO BE INSERTED]

EXHIBIT "A" 166

ATTACHMENT NO 10

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
(LIVE/WORK UNITS)**

[See Attached]

167

RECORDING REQUESTED BY,)
AND WHEN RECORDED MAIL TO)
Culver City Redevelopment Agency)
9770 Culver Boulevard)
Culver City, California 90232-0507)
Attn: Susan Evans, Assistant Executive Director)

(Space Above For Recorder's Use Only)
(Exempt from Recording Fees Per Gov. Code Section 6103)

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (LIVE/WORK UNITS)

This **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (LIVE/WORK UNITS)** ("Declaration") is dated as of _____, _____, and is made by and between the **CULVER CITY REDEVELOPMENT AGENCY**, a public body, corporate and politic (the "Agency") and _____ (the "Owner"). As used herein, the term "Owner" shall be deemed to include (i) the foregoing listed individual or individuals, and (ii) the successors and assigns of such individual or individuals, during the time the successors and/or assigns own or hold an interest in Unit No. _____ of the real property commonly known as _____, Culver City, California (the "Property") which Property is legally described in Exhibit "A" attached hereto and incorporated herein by this reference. Where Owner consists of more than one individual, the term shall be deemed to include any one or more of the individuals comprising Owner. The Agency and Owner are sometimes hereinafter referred to severally as a "Party" and collectively as the "Parties". This Declaration is made with reference to the following facts:

RECITALS

A WHEREAS, prior to the execution of this Declaration, West Culver Lofts, LLC, a Delaware limited liability company (the "Developer") has executed and entered into a certain Disposition and Development Agreement (West Culver Lofts) (the "Agreement"), which entitles Developer, subject to the terms and conditions thereof, to develop and sell the Property to Owner. The Agreement enables Developer to acquire, develop and sell the Property in furtherance of the California Community Redevelopment Law, Health and Safety Code Section 33000, et seq., by providing for the improvement and development of property with construction of a mixed use retail/commercial and residential complex. Furthermore, the Agreement fosters the Agency's implementation of the Redevelopment Plan approved and adopted by the City Council of the City of Culver City on November 23, 1998 by Ordinance No. 98-015 and amended on January 12, 2004 (the "Redevelopment Plan").

B WHEREAS, pursuant to the Agreement, the Developer has constructed or promises to construct twenty four (24) townhome/condominium units (collectively, the "Project"), which Project shall consist of the following: (i) twelve (12) townhome/condominium units with street level retail/commercial space, which shall be sold, occupied and used as live/work units (collectively, the "Live/Work Units") in accordance with Chapter 17.400.060 of the Culver City Municipal Code, entitled "Live/Work Development Standards", and (ii) the remaining twelve (12) townhome/condominium units shall be sold and occupied as residential

units (collectively, the "Residential Units") in accordance with Chapter 17 400 065 of the Culver City Municipal Code entitled "Mixed Use Development Standards " The subject Property hereof is designated as a Live/Work Unit

C WHEREAS, the Property is subject to use restrictions as contained herein because the purpose of the Agreement is to effectuate the California Redevelopment Law and the restrictions on use are necessary to achieve this purpose and to maximize the housing which the Agency can offer with its limited funds

D WHEREAS, the Agency desires to insure, for the benefit of the residents of the City of Culver City, all future residents of the Project, and the community at large, that the Property remains a Live/Work Unit for the life of the Redevelopment Plan pursuant to the terms and conditions of this Declaration

DECLARATION AND AGREEMENT

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Parties hereby declare and agree as follows

ARTICLE I GENERAL DUTIES OF OWNER

101 Unit Designation Owner understands and accepts that the Property bound by this Declaration is a unit which has been designated and reserved as one (1) of twelve (12) Live/Work Units within the Project Owner further understands and accepts that Owner must operate a business from the Property and comply with the use conditions described in Section 17 400 060 of the Culver City Municipal Code, entitled "Live/Work Development Standards," including, without limitation the following

A **Permitted Uses/Occupations** The following uses/occupations are permitted in the Property

- 1 Accountant
- 2 Architect
- 3 Artist and artisan
- 4 Attorney
- 5 Computer software and multimedia related professional
- 6 Engineer
- 7 Fashion, graphic, interior and other designer
- 8 Insurance, real estate and travel agent

9 Photographer

10 Psychologist/Psychiatrist

11 Other similar uses/occupations as determined by the Director may be permitted provided that the allowed uses/occupations are permitted by the underlying zone

B Occupancy and Employees

1 At least one of the full-time employees of the business occupying the Property must be a full-time resident of the Property and shall possess a valid Business Tax Certificate

2 Only one residential area per Property is allowed

3 The residential area shall not be rented separately from the working space

4 No more than one employee, other than the resident(s) of the Property shall be permitted on site at any given time in units that are less than or equal to 1,499 square feet

5 No more than 2 employees, other than the resident(s) of the Property, shall be permitted on site at any given time in units that are greater than or equal to 1,500 square feet

C Business activity None of the uses permitted shall be operated in an objectionable manner due to fumes, odor, dust, smoke, gas, noise or vibrations, which are or may be detrimental to properties and occupants in the neighborhood and/or to any other uses and occupants on the same property

D Special and/or temporary events Special and/or temporary events in the Property are required to follow the permit process for special and/or temporary events contained in Chapter 17 520 (Temporary Use and Special Event Permits) of the Culver City Municipal Code

E Conditions

1 The residential component shall be contiguous with and integral to the working space with direct access between the two areas and not as a separate stand-alone dwelling unit

2 Only one residential component per unit is allowed The residential component space and the business component space shall only be used as one contiguous habitable space and, if rented, shall only be rented together as one tenant space

3 Any lease between the Owner and a tenant, or between a tenant and a subtenant, shall refer to the fact that the unit is subject to this Declaration

4 A resident in the Live/Work Unit shall operate a business from the unit and shall possess a Culver City Business Tax Certificate in good standing for business activities conducted within the unit

102. Property Use Restriction Upon Transfer Owner agrees and covenants on behalf of itself and its successors and assigns that during the term of this Declaration (as set forth in Section 6 below) the Property shall be used as a Live/Work Unit in accordance herewith and shall not change character or lose its designation as a Live/Work Unit by virtue of any sale, transfer, development, or any other act which would affect the Property by Owner or any of Owner's successors or assigns

103. Covenant of Maintenance

A. Maintenance by Owner Owner shall, at Owner's sole cost and expense, maintain and repair the Property and the improvements thereon keeping the same in good condition and making all repairs as may be required by this Declaration and the Culver City Municipal Code (the "Code") Owner shall maintain the improvements and the landscaping on the Property, including keeping the Property and any balcony or patio adjacent to the Property free from an accumulation of debris or waste materials consistent with community standards All exterior, painted surfaces of any structures located on the Property shall be maintained at all times in a clean, safe and presentable manner

B Graffiti Removal by Owner All graffiti, and defacement of any type, including marks, words and pictures must be removed within forty eight (48) hours from the Property and any necessary painting or repair completed within one (1) week of creation or within one (1) week after notice to Owner from the Agency, whichever is less

C Damage and Destruction Affecting Property-Duty to Rebuild If all or any portion of the Property and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of Owner to rebuild, repair or reconstruct the Property in a timely manner to restore it to Code compliance condition

D Variance in Exterior Appearance and Design If the Property is damaged or destroyed by casualty, Owner may apply to the Agency and the City of Culver City for approval to reconstruct, rebuild or repair the Property in a manner which will provide different exterior appearance and lot design from that which existed prior to the date of the casualty Notwithstanding any reconstruction permitted under this subsection, such reconstruction shall be completed so as to restore the Unit to its original character as a Live/Work Unit

E Time Limitation In the event of damage or destruction due to casualty, Owner shall be obligated to proceed with all due diligence and commence reconstruction within two (2) months after the damage occurs and complete reconstruction within six (6) months after damage occurs or demolition and vacate within two (2) months, unless prevented by causes beyond the reasonable control of Owner

F Structural Modifications In order to protect and maintain the architectural and structural integrity of the Property, no structural modification shall be made to the Property without a validly issued building permit in accordance with the requirements of the Code. Any application for a building permit pursuant to this section and in connection with a proposed exterior modification to the Property shall be accompanied by elevations and plans depicting the proposed modifications.

104 Covenant of Nondiscrimination Owner covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof that Owner, and its successors and assignees, shall devote the Property to the uses specified in the Redevelopment Plan, this Declaration, and the Agreement for the periods of time specified therein. The foregoing covenants shall run with the land.

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

B Nondiscrimination Clauses Owner shall refrain from restricting the rental, sale or lease of the Property or any part thereof, including without limitation the Units, on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

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"That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed,

religion, sex marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased '''

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If to Agency

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Attention: Susan Evans, Assistant Executive Director
9770 Culver Boulevard
Culver City, CA 90232-0507

with a copy to

Leibold, McClendon & Mann, P.C.
Attn: Barbara Zeid Leibold, Esq.
23422 Mill Creek Drive, Suite 105
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[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have duly executed this Declaration as of the date indicated above

"OWNER(S)"

Name _____

Name _____

Name _____

THE CULVER CITY REDEVELOPMENT AGENCY

By _____

Its _____

ATTEST

Agency Secretary

APPROVED AS TO FORM

LEIBOLD, MCCLENDON & MANN, P C

Barbara Zeid Leibold, Special Counsel

STATE OF CALIFORNIA)
)ss
COUNTY OF LOS ANGELES)

On _____, _____, before me, _____,
Notary Public 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
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WITNESS my hand and official seal

Signature

STATE OF CALIFORNIA)
)ss
COUNTY OF LOS ANGELES)

On _____, _____, before me, _____,
Notary Public 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 OF THE PROPERTY

[to be inserted]

EXHIBIT "A"

ATTACHMENT NO 11

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
(DEVELOPER)**

[See Attached]

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO)
Culver City Redevelopment Agency)
9770 Culver Boulevard)
Culver City, California 90232-0507)
Attn Susan Evans, Assistant Executive Director)

(Space above for Recorder's use only)
(Exempt from Recording Fees Per Govt Code §6103)

DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS (DEVELOPER)

THIS DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS (DEVELOPER) (this "Declaration") is made as of ___ day of _____, 200_ ("Effective Date") by and between **WEST CULVER LOFTS, LLC**, a Delaware limited liability company (together with its permitted successors and assigns, the "Developer") and the **CULVER CITY REDEVELOPMENT AGENCY**, a public body, corporate and politic (the "Agency")

RECITALS

A WHEREAS, prior to or concurrently with the execution of this Declaration, Developer and the Agency have entered into that certain Development and Disposition Agreement (the "Agreement"), which requires the Agency to sell and the Developer to buy that certain real property (the "Site") which is legally described in Exhibit "A" attached hereto and incorporated herein All terms not defined herein shall have the meaning set forth in the Agreement The Agreement is a public record on file at the offices of the Agency

B WHEREAS, the purpose of the Agreement is to enable the Developer to purchase and thereafter develop the Site in furtherance of the California Community Redevelopment Law, Health and Safety Code Section 33000, et seq., by providing for the improvement and development of the Site with construction of a mixed retail/commercial and residential use complex Furthermore, the Agreement fosters the Agency's implementation of the Redevelopment Plan approved and adopted by the City Council of the City of Culver City on November 23, 1998 by Ordinance No 98-015 and amended on January 12, 2004 (the "Redevelopment Plan")

C WHEREAS, pursuant to the Agreement, the Developer has agreed to construct twenty four (24) townhome/condominium units on the Site and fifty seven (57) parking spaces (collectively, the "Project"), which Project shall consist of the following (i) twelve (12) townhome/condominium units with street level retail/commercial space, which shall be sold, occupied and used as live/work units (collectively, the "Live/Work Units") in accordance with Chapter 17 400 060 of the Culver City Municipal Code, entitled "Live/Work Development Standards", and (ii) the remaining twelve (12) townhome/condominium units, which shall be sold and occupied as residential units (collectively, the "Residential Units") in accordance with

Chapter 17 400 065 of the Culver City Municipal Code entitled "Mixed Use Development Standards" The Live/Work Units and the Residential Units shall be collectively referred to herein as the "Units "

D WHEREAS, the purpose of the Agreement is to effectuate the California Redevelopment Law and the restrictions on use of the Property are necessary to achieve this purpose and to maximize the housing which the Agency can assist with its limited funds

E WHEREAS, the Agency desires to insure, for the benefit of the residents of the City of Culver City, all future residents of the Project, and the community at large, that the Project be constructed as and remain a mixture of Live/Work and Residential Units (twelve (12) Live/Work Units and twelve (12) Residential Units) for the life of the Redevelopment Plan and pursuant to the terms and conditions of this Declaration

DECLARATION AND AGREEMENT

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Parties hereto agree and covenant as follows

ARTICLE I **GENERAL DUTIES OF DEVELOPER**

101 Covenant to Construct and Sell Developer shall commence and complete the construction of the Project in a timely manner and in accordance with the schedule and other terms and conditions set forth in the Agreement and all applicable laws, regulations and entitlements No demolition or construction activities shall be undertaken on the Site without a validly issued building permit in accordance with the requirements of the City of Culver City Municipal Code Developer covenants and agrees for itself, and its successors, assigns, and every successor in interest to Developer's interest in the Site or any part thereof, that Developer shall use the Site only to construct the Project Developer shall be relieved of such covenant and agreement upon the recordation of the Release of Construction Covenants

Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to Developer's interest in the Site or any part thereof, that upon the Closing and during the period of the Developer's ownership of the Site and upon completion of construction of the twenty four (24) Units in the Project, (i) the twelve (12) Live/Work Units shall be held for sale or occupancy, sold, occupied and used if at all, as Live/Work Units, and (ii) the remaining twelve (12) Residential Units shall be held for sale or occupancy, sold, occupied, and used, if at all, as Residential Units

All uses conducted on the Site, including, without limitation, all activities undertaken by the Developer pursuant to this Agreement, shall conform to all applicable provisions of the Redevelopment Plan, the Culver City Municipal Code and any other applicable Governmental Requirements

102 Maintenance

A Maintenance by Developer/HOA Developer shall maintain the Site and all Improvements thereon, including lighting and signage, in good condition, reasonable wear and tear excepted, and in compliance with the terms of the Redevelopment Plan and with all applicable provisions of the Culver City Municipal Code. Upon the recordation of the Release of Construction Covenants, Developer shall cause the Home Owners' Association ("HOA") to covenant to maintain the common area portion of the Improvements and landscaping on the Site in accordance with the "Maintenance Standards," as hereinafter defined. Such Maintenance Standards shall apply to all buildings, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Project and any and all other common area of the Improvements on the Project. To accomplish the maintenance, Developer and/or the HOA shall covenant to either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items reasonably necessary to comply with the requirements of this Agreement.

B. Maintenance Standards The Developer and/or the HOA and its maintenance staff, contractors or subcontractors shall covenant to comply with the following standards (the "Maintenance Standards")

1 The Project shall be maintained in conformance and in compliance with the approved building permit drawings, and reasonable maintenance standards for similar, neighboring structures, including but not limited to painting and cleaning of all exterior surfaces, as necessary, and other exterior facades comprising all private improvements and public improvements to the curbline. The Project shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable developments.

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

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

C **Notice** Agency agrees to notify Developer or the HOA, as successor in interest to the Developer, in writing if the condition of the Site does not meet with the Maintenance Standards specified herein and to specify the deficiencies and the actions required to be taken by Developer and/or the HOA to cure the deficiencies. Upon notification of any maintenance deficiency, Developer and/or the HOA shall have thirty (30) days within which to correct, remedy or cure the deficiency, unless such deficiency cannot be reasonably corrected, remedied or cured within such period, in which case, such period shall be extended for such time as is necessary to accomplish the same provided that Developer and/or the HOA is diligently pursuing such correction, remedy or cure. If the written notification states the problem is urgent relating to the public health and safety of the City or Agency, then Developer and/or the HOA shall have forty eight (48) hours to commence curing the problem. In the event Developer and/or the HOA does not maintain the Site in the manner set forth herein and in accordance with the Maintenance Standards specified herein, Agency shall have, in addition to any other rights and remedies hereunder, the right to maintain the Site, or to contract for the correction of such deficiencies, after written notice to Developer and/or the HOA, and Developer and/or the HOA shall be responsible for the payment of all such reasonable out of pocket third party costs incurred by Agency. Any notice given by the Agency under this Declaration must specify in bold and conspicuous type that Agency is delivering the notice pursuant to this Declaration, and Developer's and/or HOA's failure to act within the required time period will entitle the Agency to exercise the self-help rights granted under the Agreement.

103 No Hazardous Materials Activity Developer shall not engage in any Hazardous Materials Activity in violation of Environmental Laws and shall comply with all Governmental Requirements in connection with the development and operation of the Project.

In addition, Developer shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Site in violation of Environmental Laws. Such precautions shall include compliance with all Governmental Regulations with respect to any Hazardous Materials. In addition, Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards with respect to the disclosure, storage, use, removal and disposal of Hazardous Materials. Notwithstanding the foregoing, this Declaration shall not prohibit the use of such products in quantities as are customarily used in the construction, maintenance, rehabilitation or management of residential developments or associated buildings and grounds, or used in residential activities in a manner typical of other comparable residential developments, or legal substances commonly ingested by a significant population living within the Project including without limitation alcohol, aspirin, tobacco and saccharine.

104 Covenant of Non-Discrimination Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Site or any part thereof that Developer, and its successors and assignees, shall devote the Site to the uses specified in the Redevelopment Plan, this Declaration, and this Agreement for the periods of time specified therein. The foregoing covenants shall run with the land.

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

B Non-Discrimination Clauses Developer shall refrain from restricting the rental, sale or lease of the Site or any part thereof, including without limitation the Units, on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

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

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

3 **In contracts** "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or

her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants lessees, subtenants sublessees or vendees of the premises "

ARTICLE II **ENFORCEMENT**

201 Term of Covenants Except for the nondiscrimination covenants set forth in Section 3 above, which shall run in perpetuity, the covenants, conditions and restrictions set forth herein shall run with the Property for the life of the Redevelopment Plan, as presently exists and as amended from time to time. The characterization of a Unit as either a Live/Work Unit or a Residential Unit shall not change by virtue of a sale or transfer of that Unit from Developer to a third party purchaser.

202 Remedies Breach of the covenants contained in this Declaration may be enjoined, abated or remedied by any appropriate legal proceeding.

203 Rights of the Agency As a party to this Declaration, the Agency is entitled to the following rights:

A The Agency has the right, but not the obligation, to enforce all of the provisions of this Declaration.

B Any amendment to the Declaration shall require the written consent of the Agency.

C This Declaration does not in any way infringe on the right or duties of the City of Culver City to enforce any of the provisions of the City of Culver City Municipal Code including, but not limited to, the abatement of dangerous buildings.

204 Cumulative Remedies The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

205 Failure to Enforce The failure to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

ARTICLE III **GENERAL PROVISIONS**

301 Severability Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in all force and effect.

302 Construction The provisions of this Declaration shall be liberally construed for the purpose of developing and maintaining the Project in accordance with this Declaration and the Agreement. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

303 Amendments This Declaration may be amended only by the written agreement of Developer and the Agency.

304 Notices Any notice permitted or required to be delivered as provided herein from one party to another shall be in writing and may be delivered either personally or by first-class or registered mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United States Mail, postage prepaid. Notices shall be sent to the following addresses:

If to Agency	Culver City Redevelopment Agency Attention: Susan Evans, Assistant Executive Director 9770 Culver Boulevard Culver City, CA 90232-0507
with a copy to	Leibold, McClendon & Mann, P C Attention: Barbara Zeid Leibold, Esq 23422 Mill Creek Drive, Suite 105 Laguna Hills, CA 92653
If to Developer	West Culver Lofts, LLC Attention: Robert C Little, Jr 203 Argonne Avenue, B-145 Long Beach, CA 90803
with a copy to	The Krasnove Law Firm Attention: Edward Krasnove 3838 Carson Street, Suite 210 Torrance, CA 90503

Such addresses may be changed from time to time by notice in writing, which shall be made by certified mail to the other party in accordance with this Section 12. Any Notice shall be deemed received as of the date of delivery.

305 Recordation The Parties shall cause this Declaration to be recorded in the Official Records of Los Angeles County, California.

[Signatures on Next Page]

IN WITNESS WHEREOF, LBHDC and Developer have executed this Declaration as of the date set forth above

**CULVER CITY REDEVELOPMENT
AGENCY**, a public body, corporate and politic

By _____
Its _____

APPROVED AS TO FORM

LEIBOLD, McCLENDON & MANN, P C

Barbara Zeid Leibold, Special Counsel

ATTEST

Agency Secretary

DEVELOPER

WEST CULVER LOFTS, LLC, a Delaware
limited liability company

By **URBAN EQUITY PROPERTIES,
LLC**, an Ohio limited liability company, its
Managing Member

By **URBAN EQUITY PARTNERS, LLC**,
a California limited liability company,
its Manager and sole Member

By _____
Name Robert C Little, Jr
Title Member

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

PARCEL A-12823 W WASHINGTON

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

LOTS 55, ~~56~~ AND 57 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

PARCEL B-12813 W. WASHINGTON

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

LOT 58 AND 59 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

APN 4236-021-008

PARCEL C-12811 W WASHINGTON

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

LOTS 60 AND 61 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 37, PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

APN 4236-021-009

PARCEL D-1203 W WASHINGTON

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

LOTS 62 AND 63 OF TRACT 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

APN 4236-021-010

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____ before me, _____, a Notary Public in and for said County and State, 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(-y/-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 of Notary Public

[SEAL]

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____ before me _____ a Notary Public in and for said
County and State, 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 capacit(-y/-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 of Notary Public

[SEAL]

ATTACHMENT NO 12

ASSIGNMENT OF PLANS, REPORTS AND DATA

[See Attached]

ASSIGNMENT OF PLANS, REPORTS AND DATA

FOR VALUE RECEIVED, WEST CULVER LOFTS, LLC, a Delaware limited liability company ("Borrower"), does hereby assign, pledge, transfer and set over to the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency"), all of its rights, title and interest in and to the following (collectively, the "Plans, Reports and Data") any and all plans, drawings, studies, reports and related documents concerning the Site, and all amendments, modifications, supplements, general conditions and addenda thereto, including, without limitation, Environmental Reports, all architectural and engineering plans, any architect's agreement entered into hereafter ("Architect's Agreement") by and between Borrower and any architect ("Architect") engaged to perform services with respect to the property located in Culver City, California at 12823 West Washington Boulevard, 12813 West Washington Boulevard, 12811 West Washington Boulevard, and 12803-07 West Washington Boulevard (collectively, the "Site") and those certain plans and specifications referred to therein, and all amendments, modifications, supplements, general conditions and addenda thereto (collectively, "Architectural Plans") prepared by Architect for the account of Borrower in connection with the development of certain real property located in the City of Culver City, County of Los Angeles, State of California more particularly described on Exhibit "A" attached hereto. The Plans, Reports and Data, including, without limitation, the Architect's Agreement and the Architectural Plans, are hereby assigned as collateral security for certain indebtedness of Borrower to the Agency evidenced by that certain Agency Promissory Note ("Note") of even date herewith in the principal amount of \$2,400,000 (the "Loan"). The Loan is made pursuant to that certain Disposition and Development Agreement (West Culver Lofts) dated for identification purposes only as of _____, 2006 entered into between Borrower and the Agency (the "Agreement"). All capitalized terms not defined herein shall have the meaning set forth in the Agreement. For purposes hereof, "Environmental Reports" means any "Phase I" and/or "Phase II" investigations of the Property, and all final reports and test results (not including drafts) provided by Developer's environmental consultant.

Upon the occurrence and during the continuance of a default under the Agreement, the Note or any other document evidencing the Loan (collectively, the "Loan Documents"), beyond any applicable notice and cure periods, the Agency shall have the right, but not the obligation at any time, in its own name or in the name of Borrower, or otherwise, to take such lawful action as the Agency may at any time or from time to time reasonably determine to be necessary in order to protect its rights hereunder and under the Loan Documents. Further, in the event Borrower defaults under the Architect's Agreement, Agency may take action to cure such default, including, without limitation, the protection of Borrower's rights thereunder and with respect to the Architectural Plans. The Agency shall not incur any liability if any action taken by the Agency or on its behalf in good faith, pursuant to the foregoing sentence, shall prove to be, in whole or in part inadequate or invalid, and Borrower hereby indemnifies and agrees to hold the Agency harmless from and against any and all loss, claim, demand, cost, liability, damage or expense, including, without limitation, reasonable attorneys' fees and expenses in connection with any such action or actions, provided that such loss, claim, demand, cost, liability, damage or expense was not caused by the negligence or willful misconduct of Agency or its employees,

agents or representatives Borrower agrees to have each architect engaged to perform services in connection with the Site execute a Consent in the form attached hereto

Upon a termination of the Agreement resulting from Borrower's default thereunder, prior to the recording of a Release of Construction Covenants, the Agency may exercise its rights hereunder and take possession of and title to the Plans, Reports and Data Borrower shall deliver possession of and title to the Plans, Reports and Data to the Agency within three (3) business days following the Agency's request

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

Borrower hereby represents and warrants to the Agency that no previous assignment of its interest in the Plans, Reports and Data, including, without limitation, the Architect's Agreement and the Architectural Plans, has been made by Borrower Except for any assignment to a construction lender for the Project, Borrower agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the Plans, Reports and Data, including, without limitation, the Architect's Agreement and the Architectural Plans, so long as this Assignment is in effect Agency agrees that in the event a construction lender for the Project requires an assignment of the rights assigned to Agency herein, Agency will subordinate its rights hereunder to the construction lender

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

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF Borrower has caused this Assignment of Plans, Reports and Data to be executed as of _____, 2006

BORROWER

WEST CULVER LOFTS, LLC, a Delaware limited liability company

By **URBAN EQUITY PROPERTIES, LLC**, an Ohio limited liability company, its Managing Member

By **URBAN EQUITY PARTNERS, LLC**, a California limited liability company, its Manager and sole Member

By _____
Name Robert C Little, Jr
Title Member

CONSENT

The undersigned has prepared the Architectural Plans, and hereby consents to the above Assignment. The undersigned also agrees that in the event of a breach by Borrower of any of the terms and conditions of the Architect's Agreement or any other agreement entered into with the undersigned in connection with the Architectural Plans, that so long as Borrower's interest in the Plans is assigned to the Agency it will give written notice to the Agency of such breach. The Agency shall have sixty (60) days from the receipt of such notice of default to remedy or cure said default, however, nothing herein shall require the Agency to cure said default, but only gives it the option to do so.

The undersigned also agrees that in the event of default by Borrower under any of the documents or instruments entered into in connection with said Note, the undersigned, at the Agency's request, shall continue performance under the Architect's Agreement in accordance with the terms hereof, provided that the undersigned shall be reimbursed in accordance with the Architect's Agreement for all services rendered on the Agency's behalf.

Dated _____

ARCHITECT

By _____

Name _____

Title _____

EXHIBIT "A"

DESCRIPTION OF THE PROPERTY

PARCEL A-12823 W WASHINGTON

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

LOTS 55, 56 AND 57 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

PARCEL B-12813 W. WASHINGTON

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

LOT 58 AND 59 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
APN 4236-021-008

PARCEL C-12811 W WASHINGTON

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

LOTS 60 AND 61 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 37, PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
APN 4236-021-009

PARCEL D-1203 W. WASHINGTON

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

LOTS 62 AND 63 OF TRACT 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
APN 4236-021-010

ATTACHMENT NO 13
INTERCREDITOR AGREEMENT

[See Attached]

INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT ("Agreement"), dated as this ____ day of _____, 2006 is entered into by and between BUILDERS BANK, a _____ banking corporation ("Bank") and CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency"), with the acknowledgment and consent of WEST CULVER LOFTS, LLC, a Delaware limited liability company ("Borrower")

RECITALS

A Borrower intends to construct improvements constituting a twenty-four (24) unit mixed retail/commercial and residential development project with twelve (12) units serving as Live/Work Units and the remaining twelve (12) serving as Residential Units (the "Improvements") located on the real property at 12823, 12813, 12811, and 12803-07 West Washington Boulevard, Culver City, CA (the "Property") The Property and Improvements and the construction thereof are collectively referred to in this Agreement as the "Project"

B Bank is making a loan (the "Bank Loan") to Borrower in an amount not to exceed _____ Dollars (\$ _____ 00) to finance the development and construction of the Project, pursuant to a Construction Loan Agreement dated as of the date hereof among Bank and Borrower (the "Bank Loan Agreement") The Bank Loan is secured by, among other things, that certain Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of the date hereof recorded in the Official Records of Los Angeles County (the "Bank Deed of Trust") and a security agreement dated as of the date hereof (the "Bank Security Agreement") The Bank Deed of Trust, Bank Security Agreement, and any other instruments or documents which are recorded in connection with the Bank Loan shall be referred to collectively as the "Bank Encumbrances" The Bank Encumbrances and any and all notes, loan agreements, and other documents and instruments executed by Borrower in connection with the Bank Loan, as they shall be amended from time to time, shall be collectively referred to as the "Bank Loan Documents"

C Agency is making or has made a loan (the "Agency Loan") to Borrower in the amount of Two Million Four Hundred Thousand Dollars (\$2,400 000) The Agency Loan is secured by, among other things, a Subordinated Deed of Trust, Fixture Filing and Assignment of Rents (the "Agency Deed of Trust"), an Assignment of Plans, Reports and Data (the "Assignment") and a Promissory Note Secured by Deed of Trust (the "Agency Promissory Note") The Agency Deed of Trust, the Assignment and the Agency Promissory Note, and all documents evidencing or securing or executed in connection with the Agency Loan, as they shall be amended from time to time with the Bank's consent (the "Agency Loan Documents"), are at all times to be and remain junior in priority to the Bank Loan Documents

D Bank and Agency are each relying on the financing provided by the other and by Borrower to ensure that sufficient funds are available to complete the construction of the Project

Therefore, Agency and Bank agree as follows

AGREEMENT

1 Recitals The foregoing Recitals are true and correct and are incorporated herein by this reference as agreements of the parties

2 Subordination Agency has subordinated the Agency Loan Documents to the Bank Loan Documents pursuant to a Subordination Agreement dated as of the date hereof. Agency agrees to execute, acknowledge (if required) and deliver to Bank such other and further documents as Bank may reasonably request to effect this subordination. Bank consents to Borrower's encumbrance of the Project by the Agency Loan Documents, including, without limitation the Agency Deed of Trust and Declaration of Covenants, Conditions and Restrictions ("CC&Rs")

3 Disbursement Requests by Borrower Prior to the disbursement of any proceeds of the Bank Loan, Borrower shall simultaneously submit to both Agency and Bank identical copies of a request for disbursement (the "Draw Request"), as well as (i) waivers and lien releases for work or services performed and releases of stop notices and mechanic's liens if applicable, and (ii) any items required by Agency to clear any deficiencies from the previous month's compliance review. Each Draw Request shall be submitted to the Agency for informational purposes only, and not for Agency's approval. Item (ii) shall be referred to herein as the "Compliance Submittal" and should be forwarded to both the Agency and the Bank. The Draw Request shall specify the line item in the cost breakdown attached to the Bank Loan Documents and attached hereto as Exhibit "A", as it may be amended from time to time (the "Cost Breakdown"), for which the requested funds will be used and shall also specify whether the source of such funds is the Agency Loan or the Bank Loan.

4 Disbursement of Bank Loan and Agency Loan Bank will disburse the proceeds of the Bank Loan and other sources held by Bank in accordance with, and subject to the terms and conditions of, the Bank Loan Documents and this Agreement, and Agency will disburse the proceeds of the Agency Loan in accordance with, and subject to the terms and conditions of, the Agency Loan Documents. The provisions of this Agreement shall supersede any conflicting provision of the Bank Loan Documents and the Agency Loan Documents.

5 Retention Notwithstanding the foregoing, Bank (as to the Bank Loan) shall retain ___ percent (___%) of the Bank Loan as more fully set forth in the Bank Loan Agreement (individually or collectively, the "Retention Funds") which funds are intended to be utilized primarily for the payment of hard construction costs as set forth in the Cost Breakdown. Amounts so retained by Bank shall be disbursed in accordance with the Bank Loan Documents and Section 7 below.

6 Funding of Draw Requests Bank shall disburse the proceeds of the Bank Loan in accordance with the Cost Breakdown attached as Exhibit "A" hereto ("Cost Breakdown") as the same may be amended from time to time in accordance with the Agency Loan Documents and the Bank Loan Documents. Bank shall notify Agency and Borrower of approval or disapproval in writing of each Draw Request within ten (10) days after receipt of the Draw Request, using the "Disbursement/Change Order Approval Notice" attached as Exhibit "B" hereto.

7 Change Orders Borrower shall obtain Bank's and Agency's prior written approval of

any construction change order in the individual amount of Twenty Thousand Dollars (\$20,000) or more (or, once the cumulative amount of all Change Orders equals or is greater than Five Percent (5%) of the construction budget approved by the Bank and the Agency in connection with the conveyance of the Property to Developer, all Change Orders, regardless of amount), change in the plans and specifications for the Project or any other item which would require Bank's prior written approval pursuant to the Bank Loan Agreement or Agency's prior written approval pursuant to the Agency Loan Documents (each, a "Change Order" and collectively, "Change Orders") At each Monthly Meeting (as defined below), Agency and Bank shall cooperate in good faith to agree upon proposed Change Orders Agency shall have the right, but not the obligation, to cause a representative to attend each Monthly Meeting If a representative of Agency or Bank attends a Monthly Meeting and fails to approve a Change Order proposed at such meeting, or if Borrower submits a Change Order to Agency or Bank other than at a Monthly Meeting, Agency or Bank, as the case may be, shall have ten (10) days from receipt of the Change Order to provide the other party with Agency's or Bank's, as the case may be, approval or disapproval of the Change Order Approval or disapproval of a Change Order by Agency or Bank shall be made on a Disbursement/Change Order Approval Notice If Agency or Bank has not provided its approval or disapproval within the ten (10) days stated above, the Change Order may be deemed by the other party to be approved by Agency or Bank, as the case may be, for the purposes of this Agreement Any deemed approval as set forth above shall be for the purposes of this Agreement only, and shall not satisfy any other approval requirement contained in the Agency Loan Documents or the Bank Loan Documents If either Agency or Bank, but not both, has provided a written disapproval of a Change Order within the allotted time frame and the Agency and Bank cannot resolve such dispute within two (2) business days of the receipt of the written disapproval, then the dispute resolution mechanism detailed below shall be employed to resolve the dispute with respect to the proposed Change Order

8 Resolution of Change Order Disputes If the Bank and Agency cannot resolve a dispute with respect to the approval or disapproval of all or a portion of a Change Order within the time frames specified above, then such portion of the Change Order shall not be approved until the Change Order has been approved by both Bank and Agency or by a consultant/engineer or construction management firm approved by the Bank and the Agency (the "Acceptable Engineer") The initial Acceptable Engineer shall be _____ If the Acceptable Engineer approves the Change Order (or a portion of a Change Order), then the Change Order (or applicable portion) shall be deemed approved by both the Bank and the Agency and shall be implemented and funded in accordance with the terms of the applicable loan documents If the Acceptable Engineer fails to either approve in writing or disapprove in writing any Change Order within ten (10) business days after the Acceptable Engineer's receipt of such Change Order, together with a complete set of all supporting materials, then such Acceptable Engineer shall, for the purposes of resolving the dispute referred to herein, be replaced with a new consultant/engineer or construction management firm approved by the Bank and the Agency (the "Replacement Engineer") If the Replacement Engineer approves such Change Order (or a portion of such Change Order), then the Change Order (or the applicable portion) shall be deemed approved by the Bank and the Agency and shall be implemented and funded in accordance with the applicable loan documents If the Replacement Engineer fails to either approve in writing or disapprove in writing any Change Order within ten (10) business days after Replacement Engineer's receipt of such Change Order, together with a complete set of all

supporting materials, then such Change Order shall be deemed approved by the Replacement Engineer and the Bank and Agency and shall be implemented and funded in accordance with the applicable loan documents. In considering whether or not to approve a Change Order, the Acceptable Engineer and the Replacement Engineer, as applicable, shall consider Developer's agreement to construct the Project in accordance with the plans submitted to the Agency, permits approved by the City, and the construction budget approved by the Agency. If the Acceptable Engineer or the Replacement Engineer, as applicable, disapproves in writing any portion of any Change Order within ten (10) business days after its receipt of the same, together with a complete set of all supporting materials, then the Bank and Agency shall give notice to the Borrower, within five (5) days of such disapproval, of the items that need to be addressed and the means by which revisions can be made to the Change Order (or disapproved portion) in order to obtain the approval of the same by Bank and/or Agency, as applicable.

a) If the Agency approves (or is deemed to have approved) a portion of any change requested in a Change Order, that portion of the requested change shall be implemented if and to the extent that the Bank has also approved the disbursement and all other conditions to such disbursement have been satisfied (or waived by the Bank).

b) The Bank and the Agency need not select the same Acceptable Engineer each time a Change Order is disapproved by either the Bank or the Agency. The selection of an Acceptable Engineer or a Replacement Engineer by the Bank and the Agency from time to time shall be binding on the Borrower for all purposes.

c) The Borrower shall pay, within ten (10) days after written demand by the Bank or the Agency, all fees, costs, and expenses charged or incurred by each Acceptable Engineer or Replacement Engineer selected by the Bank and the Agency.

9 Special Condition to Disbursement

a) Bank may condition any approval of a Change Order under this Agreement upon Bank's prior receipt, in a form reasonably acceptable to Bank, of a statement from Agency that Agency has no knowledge of any condition, event, act or omission which constitutes (or which, upon notice or the passage of time, would constitute) a breach, violation or default of or under any of the Agency Loan Documents, or that any such breach, violation or default has been unconditionally waived by Agency. At Bank's request, Agency shall use good faith efforts to provide, in writing, within five (5) business days after Bank's written request, such a statement or the facts constituting Agency's cause for withholding such a statement.

b) Agency may condition any under this Agreement upon Agency's prior receipt, in a form reasonably acceptable to Agency, of a statement from Bank that Bank has no knowledge of any condition, event, act or omission which constitutes (or which, upon notice or the passage of time, would constitute) a breach, violation or default of or under any of the Bank Loan Documents, or that any such breach, violation or default has been unconditionally waived by Bank. At Agency's request, Bank shall use good faith efforts to provide, in writing, within five (5) business days after Agency's written request, such a statement or the facts constituting Bank's cause for withholding such a statement.

10 Mutual Inspection Unless mutually waived, Agency and Bank will do the following, until completion of the construction of the Improvements

a) Agency and Bank shall each have the right but not the obligation to inspect the Project independently of the other and solely in accordance with their respective inspection requirements, however, upon request of either Agency or Bank, they will both attempt in good faith to schedule joint inspections

b) The designated construction inspectors acting for Bank and Agency, respectively, will have the right, but not the obligation, to meet at least monthly on a mutually scheduled regularly recurring date (the "Monthly Meeting") Agency and Bank may each have inspected the Project during the period between the previous Monthly Meeting and the current Monthly Meeting There is no intent or obligation, express or implied, that the findings of Agency's inspector will accord with the findings of Bank's inspector, or vice-versa

c) The meetings between the inspectors and any other exchange of inspection or construction information between or among the inspectors, Bank, Agency or any other consultant for Bank or Agency shall be solely for the benefit of Bank and Agency and not for the benefit of Borrower or any third party and shall be solely for information purposes None of the parties hereto shall be entitled to rely, nor will they in fact rely, upon any site visit, inspection, examination or construction information provided by the other party or any of the other party's respective inspectors or other consultants, and neither Borrower nor any third party shall be entitled to rely thereon for any purpose Neither Bank nor Agency is under any duty to visit the Project, or supervise or observe construction or examine any books or records Any site visit, observation or examination by Bank or Agency or their respective inspectors shall be solely for the purpose of protecting the respective security of Bank and Agency Except as expressly provided in this Agreement, neither Bank nor Agency shall be obligated to disclose to Borrower or any other party or person any report or findings made as a result of, or in connection with, any site visit, observation or examination

11 Notices All notices, demands, approvals and other communications which are required to or may be given pursuant to this Agreement shall be in writing and shall be delivered by personal delivery, overnight courier or registered or certified U S mail, with return receipt requested, to the appropriate party at its address as follows

If to Agency Culver City Redevelopment Agency
 Attention Susan Evans, Assistant Executive Director
 9770 Culver Boulevard
 Culver City, CA 90232-0507

with a copy to Leibold, McClendon & Mann, P C
 Attention Barbara Zeid Leibold
 23422 Mill Creek Drive, Suite 105
 Laguna Hills, CA 92653

If to Bank _____

with a copy to _____

If to Borrower West Culver Lofts, LLC
c/o Urban Equity Partners, LLC
Attention Robert C Little, Jr
203 Argonne Avenue, B-145
Long Beach, CA 90803

with a copy to The Krasnove Law Firm
Attention Edward Krasnove
3838 Carson Street, Suite 210
Torrance, CA 90503

12 Any party may change its address for notice from time to time by written notice to all other parties. If any communication is given by mail it will be deemed to be effective for all purposes upon the earlier of (a) three (3) days after deposit in the U S Mail postage prepaid, or (b) actual receipt, as indicated by the return receipt, or if given by personal delivery or by overnight air courier, when delivered.

13 Assignment This Agreement may be assigned by Agency or Bank, respectively, in connection with its assignment of its rights in and to its respective Loan Documents and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14 Integration and Amendment This Agreement supersedes all prior discussions, negotiations, representations and agreements concerning the subject matter hereof and may be amended only by a writing signed by Bank and Agency.

15 Counterparts This Agreement may be signed in counterparts, each of which shall be deemed an original, and all of which taken together, shall constitute one and the same instrument.

16 Intent and Liability The Agency and the Bank each acknowledge that the other is executing this Agreement to facilitate the construction of the Project and each agrees to act in good faith in connection with the administration of the Agency Loan and the Bank Loan, as applicable. However, neither the Agency nor the Bank shall have any liability whatsoever to Borrower hereunder and shall have no liability to each other in connection with this Agreement and the performance of any obligations set forth hereunder unless such party acted in bad faith and in intentional disregard of the rights of the other party.

[SIGNATURE PAGE FOLLOWS]

Bank and Agency have executed this Agreement as of the date first set forth above

BANK

BUILDER S BANK

a _____ banking corporation

By _____
Its _____

AGENCY

CULVER CITY REDEVELOPMENT AGENCY, a
public body, corporate and politic

By _____
Its _____

ATTEST

Agency Secretary

APPROVED AS TO FORM

LEIBOLD, McCLENDON & MANN, P C

Barbara Zeid Leibold, Special Counsel

(Signature page of Intercreditor Agreement)

Borrower's Acknowledgement and Consent

BORROWER

WEST CULVER LOFTS, LLC, a Delaware
limited liability company

By **URBAN EQUITY PROPERTIES, LLC**, an
Ohio limited liability company, its Managing
Member

By **URBAN EQUITY PARTNERS, LLC**, a
California limited liability company, its
Manager and sole Member

Date _____

By _____
Name Robert C Little, Jr
Title Member

(Signature page of Intercreditor Agreement)

EXHIBIT "A"

COST BREAKDOWN

207

EXHIBIT "B"

DISBURSEMENT/CHANGE ORDER APPROVAL NOTICE

TO All Interested Parties

FROM _____

RE Borrower _____
Project Name _____
Property Address _____

This shall serve as the undersigned's notice of (strike one)

- ☐ APPROVAL of Disbursement/Change Order No _____
- ☐ DISAPPROVAL of Disbursement/Change Order No _____ for the following reasons

By _____
Name _____
Title _____
Dated _____

EXHIBIT "C"
Contract Compliance Notice

TO All Interested Parties

FROM Culver City Redevelopment Agency (the "Agency")

Re West Culver Lofts

This shall serve as the Agency's notice in accordance with the INTERCREDITOR AGREEMENT dated as of _____, 200_ between BUILDER'S BANK, a _____ banking corporation ("Bank") and CULVER CITY REDEVELOPMENT AGENCY (the "Agency"), with the acknowledgment and consent of WEST CULVER LOFTS, LLC, a Delaware limited liability company ("Borrower")

___ APPROVAL of the Compliance Package submitted with Change Order Request No
made by Borrower

___ DISAPPROVAL of the Compliance Package submitted with Change Order Request No
_ Made by Borrower for the following reasons

OUTSTANDING DEFICIENCY ITEMS (to be cleared by the next Change Order Request)

Completed By _____
Name _____
Title _____

Dated _____

ATTACHMENT NO 14
SUBORDINATION AGREEMENT

[See Attached]

WHEN RECORDED MAIL TO

Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, California 90232-0507
Attn: Susan Evans, Assistant Executive Director

(Space Above for Recorder's Use Only)

SUBORDINATION AND INTERCREDITOR AGREEMENT

NOTICE THIS SUBORDINATION AGREEMENT RESULTS IN THE ESTATES IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT

THIS SUBORDINATION AND INTERCREDITOR AGREEMENT (this "Agreement") is executed this ____ day of _____, 2006, by WEST CULVER LOFTS, LLC, a Delaware limited liability company ("Borrower"), BUILDERS BANK ("Senior Lender") and CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic ("Junior Lender")

RECITALS

A Senior Lender is the holder of a Deed of Trust Note in the principal amount of \$_____ (the "Senior Note") secured by, among other things, a Deed of Trust, Assignment of Rents and Lessor's Interest in Leases, Security Agreement, Financing Statement and Fixture Filing and recorded in the office of the Los Angeles County Recorder as Instrument No _____ on _____, 2006, an Assignment of Rents and Lessor's Interest in Leases and recorded in the office of the Los Angeles County Recorder as Instrument No _____ on _____, 2006, various assignment documents and UCC-1 Financing Statements of even date herewith and related documents (collectively the "Senior Loan Documents"), executed by Borrower as security for the Senior Note

B Junior Lender is the holder of a Note in the principal amount of \$2,400,000 (the "Junior Note") secured by a Deed of Trust, Fixture Filing and Assignment of Rents dated as of _____ 2006 and recorded in the office of the Los Angeles County Recorder as Instrument No _____ on _____, 2006 and related documents, including, without limitation, the Assignment of Plans, Reports and Data (collectively, the "Junior Loan Documents"), executed by Borrower as security for such Junior Note

C Junior Lender has transferred its interest in certain real property located in Culver City, California at 12823, 12813, 12811, and 12803-07 Washington Boulevard, as more fully described on Exhibit A attached hereto and made a part hereof for all purposes, together with all buildings and improvements located or to be located thereon and other collateral therein described (all hereinafter collectively referred to as the "Mortgaged Property"), to Borrower

D Borrower intends to construct improvements on the Mortgaged Property constituting a twenty-four (24) unit mixed retail/commercial and residential development project with twelve (12) units serving as Live/Work Units and the remaining twelve (12) serving as

Residential Units (the "Improvements") The Mortgaged Property, the Improvements and the construction thereof are collectively referred to in this Agreement as the "**Project** "

E Senior Lender and Junior Lender are each relying on the financing provided by the other and by Borrower to ensure that sufficient funds are available to complete the construction of the Project

F The Junior Loan Documents are subject and inferior to the Senior Loan Documents

NOW THEREFORE, in consideration of the mutual consents contained herein and Senior Lender's approval of the placement of the lien of the Junior Loan Documents on the Mortgaged Property, Senior Lender, Junior Lender and Borrower agree as follows

AGREEMENT

1 The foregoing Recitals are true and correct and are incorporated herein by this reference as agreements of the parties

2 The indebtedness secured by the Junior Loan Documents shall be limited to the sum of the following

(i) The principal amount of the Junior Note in the aggregate amount of \$2,400,000, plus interest

(ii) Advances to protect, perfect, preserve or defend the lien of the Junior Loan Documents, and any other advances consented to by Senior Lender

No other indebtedness of Borrower and no advances, if made, shall be secured by the lien of the Junior Loan Documents, unless consented to in advance in writing by Senior Lender

3 Without the reasonable consent of Junior Lender, the Senior Loan Documents will not be modified (i) to increase the maximum principal amount of the Senior Note by more than five percent (5%) of the original principal amount of the Senior Note (other than advances made pursuant to the Senior Note to protect the liens on the Mortgaged Property including advances for unpaid taxes, insurance premiums or emergency repairs), (ii) to increase the interest rate from the rate included in the Senior Loan Documents, or (iii) to decrease the term of the Senior Loan (except as otherwise set forth in the Senior Loan Documents)

No other indebtedness of Borrower and no advances, if made, shall be secured by the lien of the Senior Loan Documents, unless consented to in advance in writing by Junior Lender, such consent not to be unreasonably withheld For purposes of this Section, a change order approved by Junior Lender pursuant to the Intercreditor Agreement (as hereinafter defined) shall constitute a consent by Junior Lender

4 Senior Lender consents to Borrower's encumbrance of the Project by the Junior Loan Documents, and the Declaration of Covenants, Conditions and Restrictions recorded in the office of the Los Angeles County Recorder as Instrument No _____ on _____, 2006 (the

"CC&Rs") Junior Lender may not amend, modify, consolidate, extend or alter the Junior Loan Documents without the prior written consent of Senior Lender

5 Concurrently herewith, Senior Lender and Junior Lender are entering into that certain Intercreditor Agreement of even date herewith ("**Intercreditor Agreement**"), which governs certain disbursement and other matters as between the Senior Lender and Junior Lender with respect to the Senior Loan Documents and Junior Loan Documents, respectively

6 Junior Lender shall send true copies of all default or acceleration notices, or of notices of the commencement of any enforcement action or proceeding under the Junior Loan Documents, and of all papers served or entered in any such action or proceeding, to Senior Lender in the manner for notices specified in Section 18 below, contemporaneously with sending or serving the same to or on Borrower or entering the same in such action or proceeding, provided, however, the Junior Lender's failure to deliver such a notice to Senior Lender shall not in any manner prevent the Junior Lender from exercising any rights or remedies under the Junior Loan Documents, including, but not limited to, pursuing a judicial or nonjudicial foreclosure upon the Mortgaged Property If a default shall occur beyond applicable grace periods under the Junior Loan Documents, Senior Lender shall have the ability, but not the obligation, to cure such default within applicable cure periods together with an additional ten (10) day period following the expiration of such cure periods to prepay the outstanding amount of the Junior Note If Junior Lender effects a judicial or nonjudicial foreclosure or otherwise acquires the Mortgaged Property, upon the cure of any default under the Senior Loan Documents (if any) and the payment of all of Senior Lender's related fees, costs and expenses, Junior Lender may assume the Senior Loan Documents under the same terms and conditions without acceleration of any amounts outstanding

7 Senior Lender shall send true copies of all default or acceleration notices, or of notices of the commencement of any enforcement action or proceeding under the Senior Loan Documents, and of all papers served or entered in any such action or proceeding, to Junior Lender in the manner for notices specified in Section 18 below, contemporaneously with sending or serving the same to or on Borrower or entering the same in such action or proceeding, provided, however, the Senior Lender's failure to deliver such a notice to Junior Lender shall not in any manner prevent the Senior Lender from exercising any rights or remedies under the Senior Loan Documents, including, but not limited to, pursuing a judicial or nonjudicial foreclosure upon the Mortgaged Property If a default shall occur beyond applicable grace periods under the Senior Loan Documents, Junior Lender shall have the ability, but not the obligation, to cure such default within applicable cure periods If Junior Lender so elects, it shall have an additional ten (10) day period following the expiration of such cure periods to prepay the outstanding amount of the Senior Note

8 Notwithstanding the respective order or priority of recording or the perfection of liens, security interests, mortgages and rights granted to and held by Senior Lender and Junior Lender as collateral security for Borrower's respective obligations to them, the liens, security interests, mortgages and rights in the Mortgaged Property granted to Senior Lender pursuant to the Senior Loan Documents shall be superior and prior to any liens, security interests and rights that Junior Lender has or may acquire in the Mortgaged Property or any other assets of Borrower Senior Lender and Junior Lender desire and intend that Senior Lender shall receive a lien position in all of the Mortgaged Property superior and prior to that of Junior Lender Upon

any payment or distribution of assets of Borrower of any kind or character (including without limitation, of cash, accounts, accounts receivable, real property or personal property of Borrower) relating to the Mortgage resulting from any dissolution or winding up or total or partial liquidation or reorganization of the Borrower (whether in bankruptcy or similar proceedings) or from any other disposition of all or any part of the Mortgaged Property, then and in such event (a) any indebtedness evidenced by the Senior Loan Documents shall first be paid in full, or payment thereof provided for, before any payment is made on account of the Junior Note, and (b) any payment or distribution of assets of Borrower of any kind or character, whether in cash or property, to which Junior Lender would be entitled, except for the provisions of this Section, shall be paid by Borrower or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution directly to Senior Lender to the extent necessary to pay all indebtedness due Senior Lender under the Senior Loan Documents in full before any payment or distribution is made to Junior Lender

9 Should a default under the Senior Loan Documents occur, Senior Lender may proceed, in its sole discretion, against Borrower and/or the Mortgaged Property or any other assets of Borrower or any other collateral, subject to any duties to Junior Lender set forth herein. Junior Lender acknowledges that Senior Lender has valid, perfected and enforceable liens, security interests and rights in the Mortgaged Property which are prior and superior to the liens, security interests and rights of Junior Lender in the Mortgaged Property or any other assets of Borrower. Junior Lender also acknowledges that, except as set forth in the Junior Loan Documents, it does not have now, nor will it take or receive in the future any liens, security interests, mortgages or rights in or to any assets of Borrower or any subsidiary or affiliate of Borrower. Should Borrower default in any obligation or agreement with Senior Lender, as a result of which Senior Lender, in its sole discretion, shall elect to declare such default or commence action against Borrower or the Mortgaged Property, or any other assets of Borrower or any other collateral, Junior Lender shall not take any action to enforce its liens in the Mortgaged Property or any other assets of Borrower or any subsidiary or affiliate of Borrower or their assets (including without limitation, the commencement of any suit or other legal proceeding, any notification of account debtors, attachment, seizure, garnishment, levy or other action against Borrower or the Collateral to Junior Lender) until all of the indebtedness evidenced by the Senior Loan Documents has been paid in full, except as a party to any foreclosure brought by Senior Lender.

Junior Lender assumes all responsibility for keeping itself informed as to the condition (financial or otherwise) of the Borrower, the condition of the Property and all other collateral and other circumstances, and Lender shall have no duty whatsoever to obtain, advise or deliver information or documents to Junior Lender relative to such condition, business, assets and/or operations.

10 Senior Lender agrees that it shall not complete a foreclosure sale of the Mortgaged Property unless and until Junior Lender has first been given forty five (45) days' prior written notice of the default(s) or Event(s) of Default giving rise to Senior Lender's right to complete such foreclosure, and Junior Lender's right to cure such foreclosure, and Junior Lender has failed, within such forty five (45) day period to cure such default(s) or Event(s) of Default. Following a notice from the Senior Lender to the Junior Lender that a default or breach exists under the terms of any of the Senior Loan Documents, Junior Lender shall have the right, but not the obligation, to cure the subject defaults within forty five (45) days after such notice from the

Senior Lender to the Borrower ("**Cure Period**"), provided that the Senior Lender shall have the right to cause to be recorded a notice of default under the Senior Loan Documents during the aforesaid Cure Period and/or obtain a court appointed receiver. If a cure is completed within the Cure Period, the Senior Lender will rescind such notice of default after reimbursement by Junior Lender of all costs of filing said notice including, without limitation, reasonable attorneys' fees, trustee fees and filing fees, or costs of obtaining a receiver including, without limitation, and court costs. If cure is timely effectuated by the Junior Lender as provided above, Senior Lender will accept such cure by Junior Lender with the same force and effect as though such cure had been effectuated by Borrower. Prior to any cure by Junior Lender, Junior Lender may purchase the Mortgaged Property from the Borrower and, upon the cure of any default under the Senior Loan Documents and payment of the fees and cost set forth in this section, assume the Senior Loan Documents under the same terms and conditions without acceleration of any amounts outstanding. The Senior Lender agrees that following the timely cure by Junior Lender of any default or breach under the terms of any of the Senior Loan Documents and payment of the fees and costs set forth in this section the Senior Lender will not cause an acceleration (or will cause a deacceleration) of the indebtedness or other obligations of the Borrower under the Senior Loan Documents by reason of the default or breach which has been cured by Junior Lender, provided, however, nothing herein shall be construed to waive or limit any of the Senior Lender's rights or remedies as to any uncured default or breach under the terms of any of the Senior Loan Documents.

The provisions of the foregoing paragraph are not intended to limit, waive, modify or replace those provisions of law pertaining to notice and cure rights of junior lenders including, without limitation, those set forth in California Civil Code Sections 2924b and 2924c.

11 Subject to the terms and conditions of this Agreement, Junior Lender shall also have the right, by written notice (the "**Purchase Notice**") delivered to Senior Lender by Junior Lender at any time during, but prior to the expiration of, the Cure Period, to purchase from Senior Lender the Senior Loan Documents. If Junior Lender timely exercises the option granted pursuant to the immediately preceding sentence, then, on the date which is fifteen (15) days after the delivery of the Purchase Notice ("**Closing Date**"), Senior Lender shall sell to Junior Lender, without recourse or warranty of any kind, express or implied, and Junior Lender shall purchase, all of Senior Lender's right, title and interest in, to and under the Senior Loan Documents, for an amount equal to the Purchase Price, payable by Junior Lender to Senior Lender on the Closing Date by wire transfer of immediately available funds and lawful monies of the United States of America. The "**Purchase Price**" payable by Junior Lender to Senior Lender shall be an amount equal to (a) the principal amount of all sums outstanding under the Senior Loan Documents, plus (b) all accrued and unpaid interest under the Senior Loan Documents, plus (c) all accrued and unpaid letter of credit fees and other fees payable to Senior Lender under the Senior Loan Documents, plus (d) all real estate taxes and assessments, utility charges, operating costs and other amounts advanced by Senior Lender under the Senior Loan Documents to protect the security afforded by the Senior Loan Documents, plus (e) all out-of-pocket fees, costs and expenses owing by Borrower to Senior Lender under the Senior Loan Documents, plus (f) all out-of-pocket fees, costs, and expenses reasonably incurred by Senior Lender in effectuating the sale of the Senior Loan Documents to the Junior Lender pursuant to this Agreement.

12 With regard to the priority of the Senior Loan Documents, this Agreement shall be the sole and only agreement with regard to the subordination of the lien or charge of the

Junior Loan Documents to the lien or charge of the Senior Loan Documents and shall supersede and cancel any prior agreements as to such subordination

13 In addition to the subordination of the Junior Loan Documents provided for herein, Junior Lender agrees that with respect to any inconsistencies between the obligations of Borrower under the Senior Loan Documents and the obligations under the Junior Loan Documents, including, without limitation, any inconsistency with respect to the collection and payment of any tax and insurance escrows, payment of casualty proceeds or payment of condemnation proceeds, the terms of the Senior Loan Documents shall control

14 Within ten (10) days after request from Senior Lender, Junior Lender shall execute and deliver to Senior Lender an estoppel certificate stating (i) the outstanding principal balance of the Junior Loan and any accrued but unpaid interest thereof, (ii) the date to which interest and principal has been paid, (iii) that the Junior Loan Documents and the Junior Note have not been modified or amended, except as specified therein, and (iv) whether a notice of default has been sent under the Junior Loan Documents or the Junior Note, which default remains uncured

Within ten (10) days after request from Junior Lender, Senior Lender shall execute and deliver to Junior Lender an estoppel certificate stating (i) the outstanding principal balance of the Senior Loan and any accrued but unpaid interest thereof, (ii) the date to which interest and principal has been paid, (iii) that the Senior Loan Documents and the Senior Note have not been modified or amended, except as specified therein, and (iv) whether a notice of default has been sent under the Senior Loan Documents or the Senior Note, which default remains uncured

15 The terms and conditions of this Agreement and the benefits thereof shall automatically run in favor of Senior Lender and its successors in connection with any refinancing of all or any portion of the indebtedness evidenced by the Senior Loan Documents, without the need for any further documentation or agreement To the extent requested by Senior Lender or any successor thereof, Junior Lender shall provide to Senior Lender and such successor an agreement in form and substance reasonably satisfactory to Senior Lender and such successor affirming the terms of this paragraph Failure of Junior Lender to promptly execute and deliver such agreement shall in no way affect the rights granted herein to such successor

16 The provisions of this Agreement shall bind and inure to the benefit of the successors and assigns of the parties hereto Upon payment to Senior Lender or any successor who refinances the debt evidenced by the Senior Loan Documents, or upon payment to Junior Lender of the outstanding indebtedness under the Junior Loan Documents, the restrictions and obligations of this Agreement pertaining to Junior Lender and Senior Lender shall no longer be applicable and this Agreement shall terminate

17 In the event of any conflict between the provisions of this Agreement and any other provisions of the Junior Loan Documents and the Senior Loan Documents, the provisions of this Agreement shall take priority and shall control and apply

18 This Agreement shall be governed by and construed in accordance with the internal laws of the State of California. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect or impair the validity, legality or enforceability of the remainder of this Agreement, and to this end, the provisions of this Agreement are declared to be severable. This Agreement may be executed in counterparts, contain more than one counterpart of the signature page, and be executed by the affixing of the signatures of each of the parties to one or more of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page. This Agreement is intended as the final expression of the agreement between the parties hereto. All prior discussions, negotiations and agreements are of no further force and effect. This Agreement can be modified only in writing executed by all parties. This Agreement shall in all respects be a continuing agreement and shall remain in full force and effect notwithstanding, without limitation, the dissolution of any party hereto.

19 All notices and demands given pursuant to the terms hereof shall be given in writing delivered in person, by commercial courier, or by registered or certified mail, return receipt requested, with all postage and fees fully prepaid. Notices shall be considered delivered upon receipt, as indicated by the return receipt if mailed, except that, upon an attempt to effectuate service of notice as provided herein, if the party being given notice either (a) refuses to accept delivery, or (b) has moved and the most recent address given to receive notice has no current registered forwarding address or a registered forwarding address only to a post office or other box, that party shall be deemed to have received the notice. Notices shall be addressed as appears below for the respective parties.

If to Borrower

West Culver Lofts, LLC
c/o Urban Equity Partners, LLC
Attention Robert C Little, Jr
203 Argonne Avenue, B-145
Long Beach, CA 90803

with a copy to

The Krasnove Law Firm
Attention Edward Krasnove
3838 Carson Street, Suite 210
Torrance, CA 90503

If to Senior Lender

with a copy to

If to Junior Lender

Culver City Redevelopment Agency
Attention Susan Evans, Assistant Executive Director
9770 Culver Boulevard
Culver City, CA 90232-0507

with a copy to

Leibold, McClendon & Mann, P C
Attention Barbara Zeid Leibold

23422 Mill Creek Drive, Suite 105
Laguna Hills, CA 92653

The address(es) for service of notice on either party may be changed by that party serving a notice upon the other of the new address, except that any change of address to a post office box shall not be effective unless a street address is also specified for use in effectuating personal service

20 In the event any legal action is commenced by any party hereto concerning this Agreement or the rights and duties hereunder of any party hereto, whether such action be an action for damages, or for equitable or declaratory relief, the prevailing party in such litigation shall be entitled to, in addition to all other relief as may be granted by the court, reasonable sums as and for attorneys' fees in an amount to be set by the court

21 Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by Borrower the day and year first above written

WEST CULVER LOFTS, LLC, a Delaware
limited liability company

By **URBAN EQUITY PROPERTIES, LLC**, an
Ohio limited liability company, its Managing
Member

By **URBAN EQUITY PARTNERS, LLC**, a
California limited liability company, its
Manager and sole Member

By _____
Name Robert C Little, Jr
Title Member

IN WITNESS WHEREOF, this Agreement has been executed by Junior Lender the day and year first above written

**CULVER CITY REDEVELOPMENT
AGENCY**,
a public body, corporate and politic

By _____
Its _____

ATTEST

Agency Secretary

APPROVED AS TO FORM

LEIBOLD, McCLENDON & MANN, P C

Barbara Zeid Leibold, Special Counsel

IN WITNESS WHEREOF, this Agreement has been executed by Senior Lender the day and year first above written

BUILDERS BANK

By _____
Name _____
Title _____

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO
HEREBY CERTIFY that _____, the _____ of
West Culver Lofts, LLC, a Delaware limited liability company, personally known to me to be the
same person whose name is subscribed to the foregoing instrument as such managing member,
appeared before me this day in person and acknowledged that he signed and delivered the said
instrument as his own free and voluntary act, and as the free and voluntary act of said limited
partnership, for the uses and purposes therein set forth

GIVEN under my hand and notarial seal, this _____ day of _____, 2006

NOTARY PUBLIC

(SEAL)

My commission expires _____

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO
HEREBY CERTIFY that _____, the _____ of Culver
City Redevelopment Agency, a public body, corporate and politic, personally known to me to be
the same person whose name is subscribed to the foregoing instrument as such managing
member, appeared before me this day in person and acknowledged that he signed and delivered
the said instrument as his own free and voluntary act, and as the free and voluntary act of said
limited partnership, for the uses and purposes therein set forth

GIVEN under my hand and notarial seal, this _____ day of _____, 2006

NOTARY PUBLIC

(SEAL)

My commission expires _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO
HEREBY CERTIFY that _____, a _____ of Builders Bank, a _____, personally
known to me to be the same person whose name is subscribed to the foregoing instrument as
such managing member, appeared before me this day in person and acknowledged that he signed
and delivered the said instrument as his own free and voluntary act, and as the free and voluntary
act of said limited partnership, for the uses and purposes therein set forth

GIVEN under my hand and notarial seal, this _____ day of _____, 2006

NOTARY PUBLIC

(SEAL)

My commission expires _____

EXHIBIT A

Legal Description

PARCEL A-12823 W WASHINGTON

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

LOTS 55, 56 AND 57 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

PARCEL B-12813 W WASHINGTON

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

LOT 58 AND 59 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
APN 4236-021-008

PARCEL C-12811 W. WASHINGTON

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

LOTS 60 AND 61 OF TRACT NO 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 37, PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
APN 4236-021-009

PARCEL D-1203 W WASHINGTON

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

LOTS 62 AND 63 OF TRACT 5951, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 77 PAGE 72 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY
APN 4236-021-010

ATTACHMENT NO 5

RESOLUTION NO 2006-A-_____

A RESOLUTION OF THE CULVER CITY REDEVELOPMENT AGENCY APPROVING THAT CERTAIN DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE CULVER CITY REDEVELOPMENT AGENCY AND WEST CULVER LOFTS, LLC

WHEREAS, the Culver City Redevelopment Agency ("Agency") is engaged in activities necessary to execute and implement the Redevelopment Plan for the West Washington area of Component Area No 4 of the Culver City Redevelopment Project ("Redevelopment Project Area"), and

WHEREAS, in order to implement the Redevelopment Plan for the Redevelopment Project Area, the Agency proposes to sell the real property, comprised of four (4) parcels (the "Property") located at 12803 – 12823 West Washington Boulevard known as Assessor's Parcel Numbers 4236-021-007, 4236-021-008, 4236-021-009, and 4236-021-010, pursuant to the terms and provisions of a certain Disposition and Development Agreement ("Agreement") by and between the Agency and West Culver Lofts, LLC ("Developer"), and

WHEREAS, the proposed Agreement contains all the provisions, terms, conditions and obligations required by state and local law, and

WHEREAS, the Agency has prepared, and the City Council has reviewed and considered, a summary report setting forth the cost of the Agreement to the Agency, including the sale of the Property to the Developer, and has made said summary report available for public inspection in accordance with Section 33433 of the California Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq*), and

1 **WHEREAS**, pursuant to provisions of the California Community
2 Redevelopment Law, the Agency and the City Council have noticed and held a duly
3 noticed joint public hearing on the proposed Agreement, and

4 **WHEREAS**, in accordance with the California Environmental Quality Act
5 (California Public Resources Code Section 21000 et seq "CEQA"), the State CEQA
6 Guidelines (Title 14, California Code of Regulations Section 15000 et seq), and
7 procedures adopted by the City and the Agency relating to environmental evaluation of
8 public and private projects, the City Planning Commission adopted a Mitigated Negative
9 Declaration on February 22, 2006 which identifies and analyzes the potential
10 environmental impacts associated with the proposed development, and
11

12 **WHEREAS**, the City Council has considered all terms and conditions of the
13 proposed Agreement, and has determined that the sale of the Property pursuant to the
14 proposed Agreement is in the best interests of the City and in accord with the public
15 purposes and provisions of applicable state and local laws
16

17 **NOW, THEREFORE, THE CULVER CITY REDEVELOPMENT AGENCY**
18 **DOES HEREBY RESOLVE AND DETERMINE AS FOLLOWS**

19 1 The Agency hereby finds and determines that the sale of the Property,
20 pursuant to the Agreement between the Agency and Developer, will assist in the
21 elimination of blight and is necessary to effectuate the purposes of the Redevelopment
22 Plan for the reasons set forth in the summary report
23

24 2 The Agency hereby finds and determines that the consideration to be
25 paid by the Developer in accordance with the terms and conditions of the Agreement is not
26 less than the fair market value of the Property
27
28

1 3 The Agency hereby finds and determines that sale of the Property, in
2 accordance with the terms and provisions of the Agreement, complies with the
3 Implementation Plan adopted for this Redevelopment Project Area pursuant to Section
4 33490 of the California Health and Safety Code

5 4 The Agency hereby finds and determines that the Mitigated Negative
6 Declaration adopted by the Planning Commission on February 22, 2006 satisfies the
7 requirements under CEQA and that no additional environmental analysis is required in
8 connection with the proposed sale and development of the Property
9

10 5 The Agency hereby authorizes the Assistant Executive Director or her
11 designee to execute the Agreement, issue interpretations, waive provisions, enter into
12 amendments on behalf of the Agency, and to sign all documents and instruments
13 necessary to implement and carry out this Agreement on behalf of the Agency in such form
14 as is reasonably acceptable to the Assistant Executive Director
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6 The Agency Secretary shall certify to the passage and adoption of this resolution and the same shall thereupon take effect and be in force

APPROVED AND ADOPTED this ____ day of ____, 2006

Chair, Culver City Redevelopment Agency

ATTEST

Vida Floyd, Secretary
Culver City Redevelopment Agency

APPROVED AS TO FORM

Agency Counsel

RESOLUTION NO 2006-P005

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CULVER CITY, CALIFORNIA, APPROVING SITE PLAN REVIEW, SPR P-2005012 FOR THE CONSTRUCTION OF A TWENTY FOUR (24) CONDOMINIUM UNITS [TWELVE (12) LIVE/WORK AND TWELVE (12) RESIDENTIAL LOFTS] AND APPROVING TENTATIVE TRACT MAP, TTM P-2005014 (TENTATIVE TRACT MAP NO 65473), TO SUBDIVIDE THE PROPERTY INTO CONDOMINIUM UNITS IN THE GENERAL COMMERCIAL (CG), COMMERCIAL SETBACK OVERLAY (CSO) AND REDEVELOPMENT PROJECT AREA OVERLAY (RP) ZONES AT 12801 THROUGH 12823 WASHINGTON BOULEVARD

(Site Plan Review, SPR P-2005012)
and
(Tentative Tract Map No 65473, TTM P-2005014)

WHEREAS, on January 10, 2006, Urban Equity Partners, LLC, as the pending property owner of the site bound by Meier Street, Washington Boulevard, Moore Street and a public alley adjoining the north property line [within the city limits of Los Angeles], filed a complete Site Plan Review application and a Tentative Tract Map application to demolish the subject site and construct a three (3) story 38,067 ± gross square foot (GSF) structure with twenty four (24) condominium units [i.e., twelve (12) live work and twelve (12) residential lofts] with 57 covered parking spaces. The subject site is addressed as 12801 through 12823 Washington Boulevard, being Lots 55 through 63 of Tract No 5951, in the General Commercial (CG), Commercial Setback Overlay (CSO) and Redevelopment Project Area Overlay (RP) Zones, and

WHEREAS, on February 22, 2006, the Planning Commission conducted a duly noticed public hearing on these applications, fully considering the site plan review application, the tentative tract map application, the Mitigated Negative Declaration finding

under the California Environmental Quality Act, the preliminary development plans, the staff report with attachments, and all testimony presented, and

WHEREAS, following conclusion of the public discussion and thorough deliberation of the subject matter, the Planning Commission determined by a vote of 5 to 0 that the project would not result in significant adverse environmental impacts, that a Mitigated Negative Declaration finding was appropriate and that Site Plan Review, SPR P-2005007, should be conditionally approved and Tentative Tract Map No 65473, TTM P-2005014 should be conditionally approved and recommended to the City Council for approval as set forth herein below

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF CULVER CITY, CALIFORNIA, RESOLVES AS FOLLOWS

SECTION 1 Pursuant to the foregoing recitations and the provisions of Culver City Municipal Code (CCMC) Title 17, Section 17 540 020, Findings and Decision, required findings for a site plan review, and CCMC Title 15, Section 15 10 265, required findings for a tentative tract map and subject to the Conditions of Approval herein, the following findings are hereby made

Site Plan Review, SPR P-2005012

- A. ***The general layout of the project, including orientation and location of buildings, open space, vehicular and pedestrian access and circulation, parking and loading facilities, building setbacks and heights, and other improvements on the site, is consistent with the purpose and intent of this Chapter, the requirements of the zoning district in which the site is located, and with all applicable development standards and design guidelines***

The project is designed to harmonize with existing conforming and potential new land uses in the area. The layout and design of the project shall provide the appropriate setbacks required by the General Commercial (CG) Zone, especially since the majority of the structure provides the zero setback originally contemplated along the Commercial Setback Overlay (CSO) Zone frontage along Washington Boulevard. The

1 massing of the structure and the parking within the structure shall be built at or below
2 the Zoning Code height limit All setback areas shall be landscaped where available
3 and extensive landscaping and decorative hardscaping used throughout the site shall
4 further enhance the overall aesthetics of the project site Mechanical and storage
5 facilities shall be screened through a combination of decorative concrete walls and
6 landscaping The site design, with its landscaping and required conditions of
7 approval, shall provide a safe and desirable environment for users of the site while
8 minimizing impacts to surrounding areas As outlined in the preliminary development
9 plans, the onsite and offsite circulation patterns along Meier Street and Moore Street
10 and the improvements provide for ingress and egress patterns along these
11 surrounding streets shall not result in negative impacts The surface parking lots are
12 also designed to provide ample parking for the uses on the site thus not affecting
13 adjacent areas

14
15 **B The architectural design of the structure(s) and their materials and colors are
16 compatible with the scale and character of surrounding development and other
17 improvements on the site and are consistent with the purpose and intent of this
18 Chapter, the requirements of the zoning district in which the site is located, and
19 with all applicable development standards and design guidelines**

20 The project's design is compatible with all zoning code architectural standards for
21 residential and live/work units, and with the character of adjacent conforming
22 developments The proposed exterior façade of the building will include a mixture of
23 primary materials [i.e., stucco, glass and metal] and colors as well as provide a
24 variation in building setbacks and heights while insuring the required four (4) sided
25 architectural treatment These features, combined with the modulated building
26 design, provides for a building massing harmonious with the surrounding
27 neighborhood The proposed architecture will then complement the surrounding
28 commercial buildings along Washington Boulevard whose exterior finishes are
29 compatible to the proposed facade The combination of building materials will provide
contrast to the site while providing a design that is in keeping with the surrounding
retail, office and residential uses The development will be three (3) levels and will be
comparable to existing buildings and business developments Proper screening of
mechanical equipment and on-site lighting will be designed to complement the site's
architectural design while ensuring they do not obtrude onto adjacent properties
Overall, the architectural design of the project ensures the harmonious appearance of
the site and surrounding buildings and is consistent with the development standards
for the General Commercial (CG) Zone

30
31 **C The landscaping, including the location, type, size, color, texture, and coverage
32 of plant materials, provisions for irrigation, and protection of landscape
33 elements has been designed to create visual relief, complement
34 structures, and provide an attractive environment and is consistent with the
35 purpose and intent of this Chapter, the requirements of the zoning district in
36 which the site is located, and with all applicable development standards and
37 design guidelines**

1 The project's proposed landscaping is compatible with all applicable zoning code
2 regulations, it will complement the residential and live/work nature of the building and
3 parking area, insure visual relief for adjacent properties and public right-of-way, soften
4 the massing of the building, soften/screen the proposed parking area, and will provide
5 an attractive, enjoyable environment for both the future residents and visitors of the
6 building and the general public. This will be achieved through a combination of on-site
7 trees and landscaping along with City required street trees. The proposed landscape
8 plan shall also enhance and soften the exterior view of the site. Decorative hardscape
9 shall be provided within the entry area and elsewhere along the exterior of the new
10 building. Overall, the landscaping is designed to conform to City standards, conserve
11 energy, and reduce heat-gain from paved areas. Accent planting, signage and lighting
12 will also be installed and shall enhance both the pedestrian pathway servicing the site
13 as well as the building exterior along all three (3) street frontages and the alley along
14 the northerly edge of the site.

15 **D The design and layout of the proposed project will not interfere with the use and**
16 **enjoyment of neighboring existing or future development, will not result in**
17 **vehicular or pedestrian hazards, and will be in the best interest of the public**
18 **health, safety, and general welfare**

19 The proposed project is in the best interest of the public health, safety and general
20 welfare. The proposed residential and live/work project is consistent with the General
21 Plan General Corridor land use designation that encourages such live/work
22 commercial/residential opportunities. The project is also consistent with several
23 General Plan Land Use objectives and policies, especially within the Western [Culver-
24 West and McLaughlin] Sub-Area. It facilitates Objective 24 ["Protect and enhance
25 residential and business uses within the Western Sub-Area"] and Policy 24 B ["
26 Strengthen the commercial character of West Washington Boulevard west of the San
27 Diego Freeway (I-405) by ensuring that any proposed residential development be
28 designed in such a manner to complement the vitality of a commercial corridor"].
29 The project is also in conformance with the CG, CSO and RP zone applicable CCMC
development standards. This project is anticipated to encourage new business
opportunities and expand the City's economic base. Such business opportunities add
to the economic vitality that serves the community and protects the quality of life. The
new project is also intended to continue to increase business revenues in the City,
thereby improving the economic status of the City and contributing to the reversal of
sale tax leakage, thereby also contributing to the improvement of this part of Culver
City. With City approval of the Site Plan Review and Tentative Tract Map applications,
the project shall be consistent with the objectives of the General Plan and in
conformity with the Culver City Municipal Code including the Zoning Code.

30 **E The existing or proposed public facilities necessary to accommodate the**
31 **proposed project (e.g., fire protection devices, parkways, public utilities,**
32 **sewers, sidewalks, storm drains, street lights, traffic control devices, and the**
33 **width and pavement of adjoining streets and alleys) will be available to serve**
34 **the subject site**

1 The existing and proposed public service facilities necessary to accommodate the
2 project such as the width and pavement along Meier Street, Washington Boulevard,
3 Moore Street and the adjoining public alley, the new driveways along Meier Street and
4 Moore Street, public improvements [i.e., sewers, storm drains, sidewalks, street lights,
5 street trees], fire protection devices, and public utilities currently are provided for or
6 shall be adequately provided for as part of the conditions of approval set forth herein
7 during the plan check and construction portion of the project and shall be confirmed by
8 the City departments that reviewed the project during the interdepartmental review
9 and building permit process

10 **F The proposed project is consistent with the General Plan and any applicable**
11 **specific plan**

12 The proposed project is consistent with the "General Corridor" General Plan Land Use
13 Element designation in that its design and massing can be characterized as a medium
14 scaled commercial use (as called for in the General Plan) Its proposed street level
15 retail uses are anticipated to encourage a pedestrian friendly environment By
16 bringing in new retail type related uses, the project will be consistent with objectives of
17 the General Plan Land Use Element that calls for encouragement of commercial uses
18 along commercial designated corridors The new design with its vertical and
19 horizontal design elements, building materials, balcony design is intended to improve
20 the visual quality and pedestrian environment of the immediate area Accordingly, the
21 project site will revitalize the character and economy of the subject site By providing
22 new live/work and residential uses, the project will foster business and residential
23 growth in the area and potentially increase City revenues through new business
24 establishments that will serve the local and regional community These project
25 findings are also consistent with the Redevelopment Plan for Component Project Area
26 No 4

27 Tentative Tract Map No 65473, TTM P-2005014

28 **A The proposed map is consistent with the General Plan**

29 The proposed tentative tract map is consistent with the General Plan Land Use and
Housing Elements in that the proposed twenty four (24) condominium units shall
provide new residential and live/work opportunities within a small-scale development
on an underdeveloped lot

B The design of the proposed subdivision is consistent with the General Plan

The design of the proposed subdivision is consistent with the General Plan Land Use
Element in that the proposed live/work development is consistent with the objectives
of the General Plan General Corridor land use designation that encourages live/work
opportunities

1 **C The site is physically suitable for the type of development.**

2 The site is physically suitable for the proposed live/work development in that the
3 project complies with all zoning standards. The proposed structure has met all
4 applicable setback, height and parking requirements

5 **D The site is physically suitable for the proposed density of development.**

6 The site is physically suitable for the proposed twenty four (24) live/work unit density of
7 the project, in that the CG, CSO and RP zones permit the proposed residential density
8 and all applicable setback, height and parking requirements shall be met

9 **E The design of the subdivision is not likely to cause substantial environmental
10 damage or substantially and avoidably injure fish or wildlife or their habitat.**

11 The proposed tentative tract map subdivision and the onsite and offsite improvements
12 shall not cause any known environmental damage and shall not damage any fish
13 and/or wildlife habitats because such fish and/or wildlife habitats do not exist on or
14 near the site

15 **F The design of the subdivision is not likely to cause serious public health
16 problems**

17 The proposed tentative tract map subdivision and the onsite and offsite improvements
18 shall not cause any known serious public health problems because all applicable
19 zoning code development standards will have been met, and the applicant is required
20 to meet all of the conditions of approval that the reviewing agencies of the City, such
21 as Fire, Planning, Building and Safety, and Engineering have recommended for the
22 project

23 **G The design of the subdivision will not conflict with easements, acquired by the
24 public at large, for access through or use of, property within the proposed
25 subdivision**

26 The proposed tentative tract map subdivision and the onsite and offsite improvements
27 shall not conflict with any existing and/or proposed easements

28
29
SECTION 2 Pursuant to the foregoing recitations and findings, the Planning
Commission of the City of Culver City, California, hereby approves Site Plan Review, SPR
P-2005012, and approves and recommends to the City Council for approval Tentative Tract
Map No 65473, TTM P-2005014, subject to the following conditions

Site Plan Review, SPR P-2005012

Planning Division and General

- 1 Said conditions shall become due no later than prior to the issuance of any new construction building permit unless specifically scheduled for another due date
- 2 Said conditions shall be referenced on the cover sheet of the final working drawings and repeated in full at the beginning portion of the final working drawings
- 3 The applicant shall not construct any improvements within the adjoining City of Los Angeles public alley bordering the site without first obtaining the necessary written approval(s) from the City of Los Angeles, as may be required by the Planning Manager
- 4 The final working drawings shall conform to the preliminary development plans and materials board [i.e., colors, textures and finishes] prepared for this project and filed dated "Received February 13, 2006", as approved by the Planning Commission and as noted below and during the building permit review process. The Planning Manager may approve minor modifications to the project siting, design, landscaping treatment, and materials, provided such adjustments do not result in a significant change to the architectural design and/or site plan of the project as a whole. The minor modifications may include, but not be limited to, the reconfiguration of the new building footprint so long as the GSF of the project is not materially increased and the adjoining pedestrian and vehicle access and landscape design are approved by the Planning Manager and City Engineer. All minor modifications considered for approval shall not be in conflict with any specifically approved or required development or improvement feature, nor be in conflict with any other condition of approval or Culver City Municipal Code (CCMC) requirement
- 5 All mitigation measures as identified in the Mitigated Negative Declaration adopted for this project shall be completed as specified in this resolution herein
- 6 All applicable development standards and requirements in Planning Commission Resolution No. 92-P001, "Revised Comprehensive Standard Conditions of Approval for Site Plan Reviews and Other Discretionary Planning and Zoning Applications", as identified below, shall be met. These standards, as well as other conditions required in this approval, shall be reflected on the plans submitted for building plan check
- 7 In addition to the screening requirements for on-site parking areas including loading areas, refuse storage / trash compactor facilities, and Fire Department connections, the following items shall be screened from surrounding and nearby public and private properties in a manner consistent with City standards and suitable to the subject development as approved by the Planning Manager. In general, the height of any required screening device shall be no lower on any side than the height of the highest feature requiring screening and

1 A All exteriors of the proposed building shall be free of all unaesthetically treated,
2 exposed elements (i e , plumbing pipes, electrical conduits, downspouts and
3 National Pollution Discharge Elimination System (NPDES) elements) which
4 shall be placed within the exterior walls Where exposed wall-mounted features
5 or equipment may be necessary (i e , ventilators and utility meters), recessed
6 wall mounted cabinets or other similar devices shall be constructed within the
7 wall, whenever possible, to accommodate such features and equipment so that
8 they are flush with and do not project out from the main exterior wall plane
9 With or without recesses, the exposed portions of such features or equipment
10 shall be of a color to blend, not contrast, with the adjoining finished building
11 color, subject to the approval of the Planning Manager,

12 B All roof-mounted mechanical equipment, duct vents and the like shall not
13 project above the horizontal plane of the building's lowest primary opaque
14 architectural feature(s) (i e , parapet walls, penthouse structures or screening
15 walls), and

16 C All ground-mounted equipment (i e , transformers and air conditioners) shall be
17 located within the building or in underground vaults if the equipment is located
18 within a street facing setback, or it shall be screened with walls and/or
19 landscaping if not located within a street facing setback Ground-mounted
20 equipment shall not be located in the landscaped areas fronting any public
21 right-of-way

22 8 During all phases of construction and once the development becomes operational, all
23 graffiti upon the premise shall be removed within forty-eight (48) hours after its
24 application

25 9 All construction and permanent equipment shall be modified so as to insure the
26 following noise standards

27 A Equipped with mufflers and sound control devices (i e , intake silencers and
28 noise shrouds) no less effective than those provided on the original equipment
29 and no equipment shall be operated without an exhaust muffler,

30 B Properly maintained to minimize noise emissions,

31 C If serviced at a location onsite, the vehicle(s) shall be setback from any street
32 so as to maintain the greatest distance from the public right-of-way,

33 D Noise impacts from stationary sources (i e , mechanical equipment, ventilators
34 and air conditioning units) shall be minimized by proper selection of equipment
35 and the installation of acoustical shielding as determined necessary by the
36 Planning Manager and the Building Official in order that compliance with the
37 CCMC Noise Regulations and Standards is achieved, and

1 E Stationary source equipment (i.e., compressors) shall be located so as to
2 maintain the greatest distance from the public right-of-way

3 10 All exterior lighting shall be developed pursuant to CCMC Title 17 – Chapter 17 300
4 General Property Development and Use Standards

5 11 All parking areas shall be developed pursuant to CCMC Title 17 - Chapter 17 320, Off-
6 Street Parking and Loading. Additionally, all parking driveways shall be provided with
7 automatic loop detectors for exiting vehicles to open the security gates from within the
8 parking areas. Said gates shall remain in an open position between the hours of 7 00
9 AM and 7 00 PM seven (7) days a week.

10 12 All signs shall be shall be designed and installed pursuant to CCMC Title 17 - Chapter
11 17 330 Signs

12 13 All planted areas shall be landscaped and irrigated pursuant to CCMC Title 17 –
13 Chapter 17 310 Landscaping. After issuance of the building permit, three (3) sets of
14 detailed landscaping and irrigation plans separate from the final working drawings
15 shall be submitted to the Planning Division for review and approval

16 14 The project and its operations shall comply with all applicable local, special district or
17 authority, county and federal statutes, codes, standards, and regulations including, but
18 not limited to, Building and Safety Division, Fire Department, Planning Division, and
19 Public Works Department code requirements and it shall comply with all applicable
20 comments and code requirements as determined during the City's building permit
21 review process

22 15 The applicant shall use reasonable best efforts to actively advertise or post all
23 opportunities for employment, contract services and purchasing of materials to Culver
24 City-based businesses and residents. Reasonable best efforts shall include, but not
25 be limited to, advertising on various internet sites. The applicant shall use reasonable
26 best efforts to solicit and utilize economical and qualified services from Culver City-
27 based employees and businesses. The applicant shall also require the construction
28 contractor(s) and subcontractors related to the project to advertise all construction
29 opportunities to Culver City-based businesses and residents. This condition shall not
be construed so as to require the applicant to conduct business with, or purchase
from, Culver City-based employees and businesses

16 The City reserves the right to periodically inspect the project site without prior
notification to ensure continuing compliance with all conditions of approval

17 The Site Plan Review shall expire if new construction building permits have not been
issued and work has not commenced within one (1) year after the date the entitlement
becomes effective [i.e., the date of City Council approval of the tentative tract map],
unless prior to the expiration date of the site plan review a written extension request
with fee is submitted by the applicant and the Planning Manager, Planning

Commission, or City Council grants said extension. The effective date of the entitlement shall be considered to be the latest date of either the Redevelopment Agency and/or City Council approval of the project's preliminary development plans and/or subdivision map. The Site Plan Review shall become null and void if the subject plans are not approved by the Redevelopment Agency and/or City Council.

18 The applicant and contractors shall use all reasonable cost effective efforts to reuse and recycle construction and demolition debris, to use environmentally friendly materials and to provide energy efficient buildings, equipment and systems.

19 The public notification sign(s) installed in accordance with the CCMC public notification requirements for this review process shall be removed within ten (10) days of the end of the appeal period or the final decision of the City Council / Redevelopment Agency, whichever applies.

20 The name and telephone number of a contact person for the applicant, contractor and the City shall be posted onsite and remain on display during construction.

21 The electrical transformer serving the site shall be located fully below grade. If permitted above grade, it shall be within a landscaped planter. If permitted with a screening wall, it shall be screened by landscape materials planted around the perimeter of the transformer so as to screen the transformer at planting installation.

Prior to the issuance of any demolition, grading, excavation and/or building permit, the applicant shall

22 Unless otherwise provided for in any agreement between the applicant and the Culver City Redevelopment Agency, agree and indemnify, defend and hold harmless the City, the Redevelopment Agency, each of their elected and appointed officials, officers, employees, agents, contractors and consultants from and against any and all claims, lawsuits, judgments, liability, injury or damage which may result from third party challenges to the City's and/or Agency's approval of the applicant's project in a manner to the satisfaction of the City Attorney. The applicant shall add the City and Agency as additional insured's on their general liability insurance policies, and

23 Provide the construction contractor(s) and each subcontractor related to the project a copy of the final project conditions of approval. The applicant and the City agree that these conditions shall be enforceable through all legal and equitable actions and any remedies, including the imposition of fines against each and every person who conducts any activity on behalf of the applicant on or near the project site. The applicant and general construction contractor are ultimately responsible for all actions or omissions of a subcontractor.

24 Demolish all existing site improvements in accordance with applicable City regulations. The Planning Manager may delete all demolition related conditions listed herein if at

the time the applicant assumes ownership of the property, demolition of the site has been completed to the satisfaction of the City

25 Provide the Planning Manager with written proof of ownership of all the parcels within the subject site. If said ownership has not transferred to the applicant at the time of issuance of the grading permit, the Planning Manager may permit the issuance to the applicant of a grading only permit if the property owner provides written authorization to the applicant to be issued said grading permit.

26 Submit all documents, plans and fees, receive written approval and complete the required appeal period as outlined in the CCMC for

A An Administrative Use Permit (AUP) per CCMC Section 17 320 035 C 1 b ii so as to permit the use of tandem parking, and

B An Administrative Modification (AM) per CCMC Section 17 550 000 A so as to provide 57 parking spaces onsite as opposed to the minimum requirement of 59

27 Execute, file and pay for the recordation of a covenant in favor of the City to be recorded with the Los Angeles County Recorder regarding the land use restrictions as outlined in CCMC Section 17 400 060 – Live / Work Development Standards

28 The applicant shall submit an exterior lighting plan to the Planning Manager for review and approval. This plan shall include decorative or accent lighting for the exterior of the site as well as for the interior of the parking structure and other areas throughout the site.

29 Pursuant to CCMC Title 15, Section 15 10 755, parkland dedication and/or payment of an in-lieu parkland fee shall be required.

30 All onsite and offsite landscaping and irrigation shall be completed to the satisfaction of the City.

Prior to the issuance of any Certificate of Occupancy (CO)

31 The applicant shall execute, file and pay for the recordation of a covenant in favor of the City to be recorded with the Los Angeles County Recorder that sets forth the applicant's obligations as outlined in the City's Art In Public Places Ordinance. Should the applicant decide to pay the in-lieu fee for the cultural resources / public art requirement at the time of the issuance of the building permit, the covenant requirement shall not be required.

32 The applicant shall submit a security plan, including on-site security, to the Police Department for review and approval.

33 Submit to the Planning Manager written confirmation from the City of Los Angeles Department of Public Works that all improvements required by the City of Los Angeles to the adjoining public alley and public streets right of way improvements have been completed to the satisfaction of the City of Los Angeles

34 The declaration of covenants, conditions and restrictions (CC&R's), the homeowners' association bylaws and, if applicable, the condominium plan (Condo Plan) shall be submitted to the City Attorney and approved. Additionally, the applicant shall record, concurrently with the recordation of the final map, the City approved CC&R's and, if applicable, the Condo Plan

35 The applicant shall submit a parking plan to the Planning Manager for review and approval that designates assigned parking spaces for residents and visitors

Fire Prevention Division

36 All work shall be in accordance with the 2001 California building, fire, mechanical and electric codes

37 Comply with National Fire Protection Association (NFPA) Standards as required in the CA Fire Code

38 The building shall have fire sprinklers as follows

A Residential units shall be as required by NFPA 13-R,

B Office suites shall be as required by NFPA 13, and

C Both may share the same fire service

39 The "double-detector check valve" (backflow preventor) for the fire sprinkler system(s) shall be provided in accordance with the requirements of the City of Los Angeles Department of Water and Power (water service) and the Los Angeles County Health Department. Location of the double-detector check valve shall be approved by the Fire Marshal and Planning Manager. All equipment shall be screened in accordance with the standards and requirements listed in Planning Commission Resolution No 92-P001, Comprehensive Site Development Standards and Conditions for Site Plan Reviews and Other Discretionary Planning and Zoning Applications. A separate permit from the Fire Department shall be required along with prior plan review and approval for fire sprinklers as required by the Fire Prevention Division

40 Location of the Fire Department fire sprinkler connection (FDC) shall be approved by the Fire Marshal. Each FDC shall be within thirty feet (30' - 0') to fifty feet (50' - 0") of a fire hydrant. A new fire hydrant may be required to meet this requirement. The applicant shall contact the Engineering Division for permits and placement of fire hydrants to maximize on-street parking

- 1 41 A fire flow requirement of a minimum 2,625 gallons per minute from two (2) to three
2 (3) adjacent fire hydrants shall be required as determined by the Fire Marshal Any
3 and all upgrades to surrounding water main(s) to meet the minimum required fire flow
4 shall be at the sole cost of the applicant
- 5 42 All addresses shall be viewable from the public right-of-way
- 6 43 Provide fire sprinkler monitoring per NFPA 72 / Chapter 4 Fire monitoring system
7 shall be separate from the security system This offsite reporting system shall require
8 a minimum of two (2) dedicated telephone lines
- 9 44 Trash area(s) within five feet (5' - 0") of any building shall be protected by fire
10 sprinkler(s)
- 11 45 All exterior fascias, walls, tops of walls and parapet surfaces shall be constructed to
12 support the weight of fire fighters, suppression equipment, and ladders for fire fighting
13 operations All proposed construction of these areas shall be submitted to the Fire
14 Marshal for approval
- 15 46 All building parapets exceeding five feet and zero inches (5' - 0") in height shall
16 require the installation of a catwalk system The catwalk shall be capable of
17 supporting firefighter(s) and equipment weighing a minimum of five hundred (500)
18 pounds Said catwalk shall measure a minimum width of four feet and zero inches (4'
19 -0") and shall be placed a minimum of three feet and zero inches (3' - 0") below the
20 top of the parapet
- 21 47 Knox Box and/or Knox key switches shall be provided Motorized access gates shall
22 have a Knox key switch as required by the Fire Department
- 23 48 Provide fire extinguishers of a size, location and type as approved by Fire Marshal
- 24 49 Provide access for emergency fire and medical personnel upon smooth concrete
25 surfaces between the street and main entrance for each building paved to allow the
26 rolling of a medical gurney as determined by the Fire Marshal
- 27 50 The final plan check drawings shall include all Fire Department notes under the
28 heading "F D Notes" The Fire Prevention Division shall determine the contents of
29 those notes
- 51 The parking structure shall meet the "open parking structure" definition of the CBC
and be provided with fire sprinklers throughout
- 52 For all live/work units, all exterior doors shall have key sets and handles
- 53 The fire sprinkler system shall require a five (5) year test certificate upon completion of
construction

54 The minimum density of the fire sprinkler system shall be "Ordinary Group 1 Hazard at 0 15 gallons per minute per square foot over 1,500 square feet

55 The applicant shall submit to the Fire Marshal for review and approval a plan outlining all onsite curbing along any driveway and aisleway which shall be painted "red" and stenciled with white letters stating "No Parking - Fire Lane - Tow Away" and posted with signs regarding such restrictions as may be required by the Fire Marshal

Prior to the issuance of any Certificate of Occupancy (CO)

56 The applicant shall complete and submit to the Fire Marshal for approval

A A plan addressing "Hazardous Materials" on the site, and

B A site pre-fire plan

Building and Safety Division

57 All walls, columns, ceilings, etc as part of the parking structure shall be one hundred percent (100%) non-combustible construction, two (2) hour rated The ceiling of the ground floor / floor structure of the 2nd floor shall also be one hundred percent (100%) non-combustible, reinforced concrete construction

58 The onsite parking areas shall be 1 hr rated construction

59 The elevator shaft shall be one hundred percent (100%) non-combustible, two (2) hour rated

60 The trash room shall be one hundred percent (100%) non-combustible, two (2) hour rated

61 The stair shafts, stair tread and riser shall be one hundred percent (100%) non-combustible, one (1) hour rated construction

62 Each live-work / residential unit shall be two (2) hour rated to any adjacent unit

63 All exit ways shall be one (1) hour rated if the clear width at the walking surface is less than ten feet (10' - 0") in width

64 All areas of the building shall be fully fire sprinklered

65 Any unit area on the third floor or above which exceeds five hundred (500) gross square feet (GSF) shall have two (2) separate means of egress remotely located

66 Any room which could be used for sleeping purposes as defined by the Building Official shall have an emergency means of egress directly to a street or public way A

1 courtyard or walkway may be considered a public way, at the discretion of the Building
2 Official

3 67 Any required landscaping including street trees shall be supplied with irrigation water
4 from the permanent site irrigation system unless street tree irrigation is not required by
5 the City Engineer

6 68 A complete and thorough geotechnical engineering investigation shall be submitted
7 with the building permit application drawings. The structure shall be designed per the
8 recommendations of the geotechnical report

9 69 A minimum sound transmission class rating of 75 shall be provided from unit to unit, or
10 as may be reasonably approved by the Building Official

11 70 All utility services and devices shall be underground or enclosed

12 71 Each unit shall have separate metering for all utilities

13 72 Complete building code review shall be performed at the time of building permit
14 application

15 73 Separate permits shall be required for electrical, plumbing, and mechanical work

16 74 The filing of the building permit shall include at a minimum six (6) full sets of full size
17 architectural drawings and two (2) full sets of full size structural drawings and
18 structural specifications, energy calculations, geotechnical report and civil drawings.
19 Two (2) full sets of full size landscaping and irrigation drawings shall be separately
20 filed with the Planning Division at the time of building permit submission. City staff
21 shall review the plans and return them with all applicable corrections. Said plans may
22 be scheduled for review and discussion at a Project Review Committee (PRC)
23 meeting which shall be attended by the applicant and applicable representatives. If
24 required, said plan shall be subject to revision, resubmission and re-review by the
25 PRC. Additional review time may be required

26 75 Handicapped accessibility to current code requirements shall be required at all new
27 construction areas of the project site

28 76 All handicapped parking spaces shall meet current code requirements including, but
29 not limited to, the total number, type (i.e., standard or van accessible), signage at
driveway entrances and at each handicapped parking space, location, handicapped
pathway, handicapped ramp locations and all other handicapped parking
specifications

77 All construction equipment shall be properly tuned and maintained in accordance with
manufacturer's specifications

- 78 General contractors shall maintain and operate construction equipment so as to minimize exhaust emissions. During construction, trucks and vehicles in loading and unloading queues shall be kept with their engines off, when not in use, to reduce vehicle emissions. Construction emissions shall be phased and scheduled to avoid emissions peaks and discontinued during second-stage smog alerts.
- 79 To the extent feasible, the applicant shall use electricity from power poles rather than temporary diesel-powered or gasoline-powered generators.
- 80 Building materials, architectural coatings and cleaning solvents shall comply with all applicable South Coast Air Quality Management District (SCAQMD) rules and regulations.
- 81 A wind speed measuring device shall be installed and maintained in a calibrated state onsite and all grading operations shall be immediately terminated if wind speeds exceed twenty five miles per hour (25 mph).
- 82 The applicant shall install a dust fabric to any fencing erected along the project perimeter.
- 83 The applicant shall ensure efficient parking management during construction so as not to impact surrounding properties. Construction workers shall park on site or at other locations approved by the City. No parking on surrounding residential neighborhood streets shall be allowed.
- 84 The following shall be implemented to reduce construction-related traffic congestion:
- A Construction parking shall be configured to minimize traffic interferences,
 - B Flag person(s) with radio communication shall be provided to guide the traffic in a safe and proper manner if and when necessary,
 - C Obstruction of through-traffic lanes shall be minimized,
 - D Rideshare incentives shall be provided, and
 - E Transit incentives for construction personnel shall be provided.
- 85 The applicant shall use:
- A Double-paned windows spectrally selective with low-emissivity (low-e) coating to reduce thermal loss and reduce energy demand for temperature control purposes, and
 - B Light-colored roof materials to deflect heat and reduce energy demand for building cooling purposes.

86 The project shall be designed and operated to conserve energy and shall comply with all applicable utility standards and regulations required by Southern California Edison (electrical service), Southern California Gas Company (natural gas service), City of Los Angeles Department of Water and Power (water service) and/or any other appropriate agencies to adequately serve the project site

87 The applicant shall, during the plan check review process, coordinate a project kick off meeting to be held in City Hall including, but not limited to, the Building Official, the Planning Division Case Manager, all involved City inspectors, all special inspectors, the general contractor's on-site field superintendent(s), and all major trade superintendents

88 Submit to the Building Official a written special inspection program that shall include, but not be limited to, proposed special inspections, the names and qualifications of all proposed special inspectors and the stages of inspection. Special inspectors shall be employed by the applicant, the architect, the engineer(s) or the applicant's agent and neither by the general contractor nor any subcontractor

Prior to the issuance of any Certificate of Occupancy (CO)

89 The Building Official shall insure all applicable onsite and offsite improvements and conditions of approval have been completed pertaining to the CO. The completed improvements and conditions required for issuance of any CO shall be determined by the Building Official, Fire Marshal, Planning Manager and City Engineer following the applicant's filing for such CO

Prior to the issuance of a Final Certificate of Occupancy (FCO) for the entire project

90 The Building Official shall insure all applicable onsite and offsite improvements and conditions of approval have been completed pertaining to the FCO. The completed improvements and conditions required for issuance of any FCO shall be determined by the Building Official, Fire Marshal, Planning Manager and City Engineer following the applicant's filing for such FCO and shall include, but not be limited to, the following

A Provide the City with five (5) full size sets of as-built plans that shall include at a minimum the site plan, grading and utility plan, landscape and irrigation plan, floor plan for each level of the project, parking structure plan, roof plan with all mechanical equipment identified as to purpose and source and all off-site improvements, and

B The as-built plans shall be filed with the following City departments / divisions

1) Building and Safety Division,

2) Fire Prevention Division,

- 3) Planning Division,
- 4) Police Department, and
- 5) Public Works Department

Engineering Division

- 91 Estimated plan check fees shall be submitted at first plan check
- 92 The existing sidewalk along the project's frontage with Washington Boulevard, Meier Street, and Moore Street shall be removed and reconstructed with street trees to the satisfaction of the City Engineer Washington Boulevard shall have a full width sidewalk
- 93 The existing curb and gutter along the project's frontage with Washington Boulevard, Meier Street and Moore Street shall be removed and reconstructed to the satisfaction of the City Engineer
- 94 The asphalt paving along the project's frontage on Meier Street and Moore Street shall be removed and reconstructed to a depth of two inches to the satisfaction of the City Engineer This reconstruction shall be from the curb line to the center line of the street
- 95 Those portions of the street paving along the project's frontage on Washington Boulevard that are in disrepair and are out of line as determined by the Engineering Division shall be removed and reconstructed to the satisfaction of the City Engineer
- 96 The public alley along the project's northerly boundary shall be removed and reconstructed This work shall include, at a minimum, the grinding and repaving of two inches of asphalt paving, removal and reconstruction of the concrete gutter, and removal and reconstruction of the alley approaches, including the curb returns, at Meier Street and Moore Street This alley is within the jurisdiction of the City of Los Angeles All requirements of the City of Los Angeles, including plan review, plan approval, and permitting shall be met Prior to construction, a copy of the approved alley plan shall be submitted to the Engineering Division to verify that the requirements of this condition have been satisfied
- 97 Street trees shall be required along all streets fronting this project A landscape plan for parkway landscaping, to include planting of additional street trees with tree wells, and irrigation within the public right-of-way shall be submitted for review and approval by the City Engineer The applicant shall maintain the parkway area to the satisfaction of the Public Works Department
- 98 The existing driveway along the project's Washington Boulevard frontage shall be closed and replaced with new standard curb and sidewalk

- 1 99 The existing street lights along the property frontage with Washington Boulevard shall
2 be upgraded to low voltage power. This work shall include, but not be limited to, the
3 replacement of the light fixtures and ballasts, installation of new pull boxes, and the
4 installation of new conduit and wiring.
- 5 100 The existing handicap ramps on Washington Boulevard, at the intersection with Meier
6 Street and Moore Street, shall be reconstructed to the satisfaction of the City
7 Engineer.
- 8 101 Street signage and striping shall be installed along the project's Meier Street and
9 Moore Street frontage to the satisfaction of the City Engineer. This work shall include,
10 but not be limited to, stop signs, stop bars, cross walk striping, red curb painting and
11 parking prohibition signage. All striping shall be thermoplastic.
- 12 102 The proposed drive approaches along Meier Street and Moore Street serving the site
13 shall be handicap accessible and be designed as a "Type A" commercial driveway per
14 the American Public Works Association (APWA) Standard Plan 110-1.
- 15 103 Parking meters and designated parking spaces with painted "T's" along the project's
16 Washington Boulevard frontage shall be reconfigured to the satisfaction of the City
17 Engineer. Where feasible, existing parking meters may be used as approved by the
18 City Engineer.
- 19 104 Drainage devices, concrete curb and gutter, sidewalk and drive approach, roadway
20 pavement shall be designed to the latest edition of the APWA Standard Plans. Roof
21 drainage shall extend through the street curb or to an onsite drainage inlet. All onsite
22 drainage inlets shall convey pretreated storm water underground through the street
23 curb.
- 24 105 The applicant shall provide a geotechnical report from a State licensed geotechnical
25 engineer reporting on the suitability of the onsite soils to support the proposed
26 construction and shall include a liquefaction analysis. The report shall also identify
27 any special considerations necessary to satisfy California Building Code requirements.
- 28 106 The applicant shall be responsible for the expense to repair or replace any damage to
29 the public right-of-way caused by the construction of the proposed project. Such
repair or replacement shall be completed to the satisfaction of the City Engineer.
- 107 Dirt hauling and construction material deliveries or removal are prohibited during the
morning (7 00 AM to 9 00 AM) and afternoon (4 00 PM to 6 00 PM) peak traffic
periods.
- 108 During construction, dust shall be controlled by regular watering and as directed by the
Public Works Inspector.

- 109 All staging and storage of construction equipment and materials, including the construction dumpster, shall be on-site only and screened from public view, unless otherwise permitted by the City Engineer and Planning Manager. The applicant shall obtain written permission from adjacent property owners for any construction staging occurring on non-residential adjacent property. Such activity shall be prohibited on any residential adjacent property.
- 110 The construction contractor shall advise the Public Works Inspector of the construction schedule and shall meet with the inspector prior to commencement of work.
- 111 All parking areas shall be designed in accordance with City Council Resolution No. 87-R100, Parking Design and Layout Guidelines, and City Council Resolution CS-6486, Adopted Standards and Specifications for Off-Street Parking Areas. Onsite Parking Areas including driveways and access ways shall be designed as defined in CCMC Chapter 17 320, et seq., based upon the use(s) involved and laid out, designed and double striped in conformance with said CCMC Chapter.
- 112 Prior to commencement of any new construction within the public right-of-way, the applicant shall apply for a street use permit. A traffic control plan may also be required.
- 113 Culver City haul routes and schedules as noted by the Engineering Division shall be used by all construction vehicles. The contractor shall provide a haul route map that shall be approved by the City Engineer before the beginning of any construction-related activity.
- 114 Parking garage entries shall be designed, to the satisfaction of the City Engineer, to allow smooth and efficient entry of vehicles from the adjoining streets into the garage.
- 115 Concurrent with the submittal of the site improvement plan, a Local Storm Water Pollution Prevention Plan (LSWPPP) and Standard Urban Storm Water Mitigation Plan (SUSMP) shall be submitted for review and approval by the City Engineer as outlined in CCMC Chapter 5 05. The LSWPPP and SUSMP shall be developed and implemented in accordance with the requirements of the Los Angeles County Municipal Stormwater NPDES Permit No. CAS614001 (Order No. 01-182). The LSWPPP shall include Best Management Practices (BMPs) that effectively prohibit the entry of pollutants from the construction site into the public street or storm drain system. The SUSMP shall provide BMPs that adequately address the pollutants generated during the post-construction stage. The site improvement plans shall note that the contractor shall comply with the "California Stormwater Best Management Practice Handbooks".

Prior to the issuance of any demolition, grading, excavation and/or building permit, the applicant shall

1 116 Prior to the commencement of any excavation, the applicant shall install a temporary
2 construction fence surrounding the site. Specifications of the height and fence
material shall be submitted to the City Engineer for approval prior to installation.

3 117 Concurrent with the submittal of the Site Improvement Plan, the Local Storm Water
4 Pollution Prevention Plan (LSWPPP) and the Standard Urban Storm Water Mitigation
5 Plan (SUSMP) shall be submitted for review and approval by the City Engineer. Prior
6 to the start of design of these plans, the applicant's civil engineer shall meet with the
City's Stormwater Program Manager.

7 118 Upon completion of rough grading, the geotechnical and civil engineers shall submit
8 certifications and final reports in accordance with Appendix Chapter 33 of the
9 California Building Code. Said certifications and reports shall be submitted to the
Engineering Division for review and approval.

10 119 This project shall be subject to the City's Sewer Facility Charge and all fees shall be
11 paid in full based upon the total gross square footage and proposed use(s) of the
project.

12 Prior to the issuance of any Certificate of Occupancy (CO).

13
14 120 The applicant shall submit a plan to the City Engineer regarding the repair or
15 replacement of any damage to the public right-of-way that results from the
16 construction of the proposed project. Such repair or replacement is to be completed
to the satisfaction of the City Engineer. The applicant shall be responsible for all
expenses.

17 121 Complete all of the conditions of approval, including final tract map recordation with
18 the County Recorder of Los Angeles County and payment of all fees to the County
19 and City pertaining to the tentative tract map, prior to the issuance of any certificate of
20 occupancy for any condominium unit.

21 **Sanitation Division**

22 122 Per CCMC Section 5 01 010, Municipal Service Exclusion, the Sanitation Division has
23 the exclusive franchise for all solid and recyclable waste material handling within the
City limits.

24 123 The applicant shall submit to the Sanitation Manager for review and approval a refuse
25 disposal / recycling plan for all portions of the site addressing the design, location and
26 type of trash collection and recycling systems to be used, including onsite compaction
of all trash and the recycling procedures of all tenants. Said plan may also include the
27 installation of a compactor and several three (3) cubic-yard dumpsters for co-mingled
28 recycling at locations as may be approved by the Sanitation Manager. To centralize
29 recycling collection, the dumpsters may be exchanged for customized roll-off
container(s). All necessary support elements including, but not limited to, ground

1 mounted guide railings and fire suppression systems as may be required by the Fire
2 Marshal, shall be included on the plan as well as the upgrade of all existing to remain
3 trash enclosures to current standards

4 **Redevelopment**

5 Prior to the issuance of any demolition, grading, excavation and/or building permit, the
6 applicant shall

7 124 The applicant shall have executed a Disposition and Development Agreement (DDA)
8 with the Culver City Redevelopment Agency

9 Tentative Tract Map No 65473, TTM P-2005014

10 **Engineering Division and General**

11 125 Tentative tract map shall expire within three (3) years after the date it becomes
12 effective unless the applicant submits an extension request in writing to the Planning
13 Manager and is granted said extension by the Planning Manager or the Planning
14 Commission or the City Council

15 126 A copy of the first plan check package as submitted to the Los Angeles County
16 Department of Public Work shall also be submitted concurrently to the Culver City
17 Engineering Division for review

18 127 All required boundary monuments shall be installed prior to the recording of the final
19 map At a minimum, spike and washers shall be set on the centerlines of Moore and
20 Meier Streets at its intersection with the easterly and westerly prolongation of the
21 northerly property line and on the centerline of Washington Boulevard with its
22 intersection with the centerlines of Moore and Meier Streets Each monument shall be
23 "tied" to at least three (3) points, with lead and tags, and centerline tie notes filed with
24 the Engineering Division

25 128 If required, an Improvement Bond and Agreement shall be filed with the City prior to
26 the recording of the map for those improvements awaiting completion and approved
27 by the City Engineer to be bonded The bond shall include, but not be limited to, labor
28 and material and be based on estimated construction costs as provided by the City

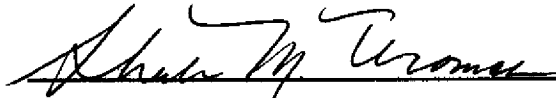
29 129 The final map shall

A Be prepared by a surveyor or civil engineer licensed in the State of California

B Conform to the tentative map conditionally approved by the Planning
Commission on February 22, 2006

- 1 C Include a project boundary tied to at least one (1) City global positioning
2 satellite (GPS) monument
3
4 D Be recorded prior to the issuance of any Certificate of Occupancy for any
5 residential air space unit
6
7 E Dedicate two (2) corner cut-offs for street purposes at the Washington
8 Boulevard / Meier Street and Washington Boulevard / Moore Street corners of
9 the site to the satisfaction of the City Engineer
10
11 F Be submitted to the Los Angeles County Department of Public Works for review,
12 approval and recordation All applicable documents and fees shall be paid for
13 by the applicant
14
15 G Be filed with the Engineering Division in digital and mylar formats prior to final
16 acceptance by the City
17
18

19 APPROVED and ADOPTED this 22nd day of February 2006
20

21 
22

23 SHEILA THOMAS, CHAIRPERSON
24 PLANNING COMMISSION
25 CITY OF CULVER CITY, CALIFORNIA
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29

Attested by

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23 Yvonne Hunt
24 Administrative Secretary
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JM/abn

ATTACHMENT 8

City of Culver City, California Planning Commission Agenda Item Report

Meeting Date, February 22, 2006		Item Number	PH-1
AGENDA ITEM: Site Plan Review, SPR P-2005012, and Tentative Tract Map No 65473, TTM P-2005014, to Permit the Demolition of the Site and Construction of Twenty Four (24) Condominium Units [i.e. Twelve (12) Live/Work and Twelve (12) Residential Lofts] at 12801 - 12823 Washington Boulevard in the General Commercial (CG), Commercial Setback Overlay (CSO) and Redevelopment Project Area Overlay (RP) Zones			
Contact Person/Dept.: Joseph Montoya, AICP, Associate Planner		Phone Number (310) 253-5736	
Public Hearing	☒ [X]	Action Item	☐ []
Attachments ☒ [X]			
Public Notification: Notices were mailed on January 31, 2006, to all property owners and occupants within a 300 foot radius of the site extended to end of all applicable city blocks, courtesy notices were mailed on January 31, 2006, to other persons with interest to the project, as well as to the City of Los Angeles Public Works Department, City of Los Angeles Planning Department, Culver City Chamber of Commerce, Culver City Homeowner Association and Neighborhood Groups, and emailed to the Master Notification List on February 1, 2006. The site was also posted with the required public notification signs as of February 2, 2006.			
Planning Approval: Thomas Gorham, Planning Manager, February 13, 2006			

RECOMMENDATION

That the Planning Commission

- 1 Adopt a Mitigated Negative Declaration based on the Initial Study (Attachment No 4) finding that the project will not have a significant adverse impact on the environment provided certain mitigations are implemented,
- 2 Approve Site Plan Review, SPR P-2005012, to permit the construction of twenty four (24) condominium units [i.e. twelve (12) live/work units and twelve (12) residential loft units] in a two (2) to three (3) story configuration with 57 onsite parking spaces and subject to the Conditions of Approval as stated in Draft Resolution No 2006-P005 (Attachment No 5), and
- 3 Approve, and recommend approval to the City Council, Tentative Tract Map No 65473, TTM P-2005014, to permit the subdivision of the site for twenty four (24) condominium units subject to the Conditions of Approval as stated in Draft Resolution No 2006-P005 (Attachment No 5)

City of Culver City, California
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PROCEDURES

- 1 Chair seeks motion to receive and file affidavit of mailing and posting of notices,
- 2 Chair calls on staff for a brief staff report and Commission poses questions to staff as desired,
- 3 Chair opens the public hearing, providing the applicant the first opportunity to speak, followed by the general public,
- 4 Chair seeks a motion to close the public hearing after all testimony has been presented, and
- 5 Commission thoroughly discusses the matter and arrives at its decision

BACKGROUND

General

Please refer to Project Summary (Attachment No 1), Locality Map (Attachment No 2) and Aerial Photograph (Attachment No 3)

Applicable Regulations

In accordance with Culver City Municipal Code (CCMC) Section 17 540 010, Applicability, this project requires Planning Commission approval of a SPR since it exceeds the five thousand (5,000) GSF threshold of new construction. Additionally, in accordance with CCMC Title 15, Subdivisions, this project also requires Planning Commission approval and recommendation to the City Council for approval of a TTM since the project proposes to subdivide the nine (9) lots on the site for condominium purposes.

If the TTM is approved by the City Council, then prior to issuance of any building permit the applicant shall be required to apply for and obtain approval of an administrative use permit (AUP) per CCMC Section 17 320 035 C b ii for the tandem parking component of the project, and an administrative modification (AM) per CCMC Section 17 550 010 to provide 57 parking spaces as opposed to the 59 required by the CCMC [i e , a shortage of two (2) parking spaces]

Existing Conditions

The project site is located on the north side of Washington Boulevard and is bound by Meier Street to the west, Moore Street to the east and a public alley to the north located within the City of Los Angeles. The site, measuring 24,043 square feet of gross land area, is relatively flat. A former 16-unit motel has been

City of Culver City California
Planning Commission Agenda Item Report

demolished while the balance of the site is developed with an eight (8) unit apartment building and three (3) commercial businesses [i.e., store bar and restaurant] Surface parking is available at the rear of the site facing the adjoining public alley At this time, the Culver City Redevelopment Agency is the property owner of the entire site Surrounding land uses consist of multi-family dwelling units to the north (across the public alley) within the City of Los Angeles, and commercial buildings to the east (across Meier Street) south (across Washington Boulevard) and west (across Moore Street)

Project Description

As outlined in the preliminary development plans (Attachment No 6), the tentative tract map (Attachment No 7) and the proposed materials board (Attachment No 8 / to be on display at the meeting) the existing occupied buildings on the balance of the block are anticipated to vacate the site in the near future after which the site will be demolished and conveyed to applicant / prospective property owner, Urban Equity Partners LLC A corner radius dedication shall be required at each of the corners along Washington Boulevard, thereby resulting in a net lot area of 23,947 square feet Upon this site the applicant intends to develop a twenty four (24) unit condominium project consisting of twelve (12) live/work units and twelve (12) residential loft units in a two (2) to three (3) story building configuration with building heights between 22' - 0" and 30' - 6" The building area is estimated to total 38,067 gross square feet (GSF) A total of 57 parking spaces [of which 28 are intended to be in a tandem configuration] are to be provided within a enclosed first floor parking area at the rear of the site with access via either Meier Street or Moore Street The live/work units are proposed to be located facing onto Washington Boulevard while the residential loft units are to be located along the rear of the site atop the covered parking area

The project also includes, but is not limited to, improvements both offsite [i.e., new curb, gutter, sidewalk, street trees and a reconstructed public alley] and onsite [i.e. landscaping, parking, trash enclosure, open space and two (2) driveway locations]

City of Culver City, California
Planning Commission Agenda Item Report

ANAYLSIS

Architectural Compatibility

The proposed architectural design of the project includes a mixture of materials and textures [i.e., wood, glass, metal and stucco] as well as a combination of colors. Along the façade of the proposed building, the project proposes a modulated building pattern with varying setback and materials. There is also the potential that the project may include some form of public artwork as part of the final building configuration. This proposed architectural theme combined with the potential addition of other elements [i.e., railings, overhead canopies at entryways] is intended to introduce a pedestrian oriented theme within the surrounding neighborhood commercial uses. This proposal will provide an aesthetically pleasing view of the project to both the surrounding residential and commercial uses. It is staff's opinion the proposed architecture will complement, and not contrast or clash, with the surrounding commercial and office uses and structures [whose primary building materials are compatible with the proposed project].

Area Compatibility

The proposed project is dominated by the demolition of all existing site improvements, resulting in the creation of a new focal point within the neighborhood and adjoining street corridors. The project also has the potential of creating an anchor point along this portion of the commercial corridor to stimulate other reinvestment projects within an area in need of such vitalization. The design of the new building facade is compatible with the other commercial and residential properties within the surrounding area. Additionally, the two (2) to three (3) story height of the new building will be compatible with the existing surrounding buildings, thereby creating a compatible building massing block within the area.

The project as designed is compatible with the General Commercial (CG), Commercial Setback Overlay (CSO) and Redevelopment Project Area Overlay (RP) development standards such as height and setback requirements. The minor setbacks along the three (3) street frontages provides some landscape relief while achieving the intent of the zero (0' - 0") setback desired by the CSO Zone. Staff acknowledges the need for some landscape relief for this combined commercial / residential project and supports the concept of a limited landscape setback while providing a near zero (0' - 0") setback for the majority of the building street facing setback. In order to support the success of the project, a number of curbside parking spaces along the Washington Boulevard frontage of the project will be retained so as to provide additional parking in excess of the 57

**City of Culver City, California
Planning Commission Agenda Item Report**

parking spaces provided onsite. The building setback will further contribute to the success of the live/work nature of the project by creating an inviting building image that generates potential pedestrian customers. Therefore, staff is of the opinion the building setbacks are in conformance with the CSO Zone and that imposing a complete zero setback requirement onto the project would be impractical and infeasible given the unique size of the parcel and the minor amount of setback area being provided.

The General Plan, Redevelopment Plan, and Zoning designations for the majority of the surrounding parcels along the Washington Boulevard corridor are for commercial use. The property to the north, located within the City of Los Angeles, is designated for residential uses. Staff is of the opinion that based on the proposed building configuration, and the approval of the conditions of approval as recommended, the proposed project will be consistent with all applicable planning designations and no portion of the proposed project will impact any sensitive receptors.

Congestion Management

Based on the proposed project design and size, no special conditions so as to lessen vehicle congestion and encourage trip reduction during both the construction and permanent occupancy phases of the project is required.

Construction

The review of the preliminary development plans by appropriate City staff identified various recommended conditions of approval intended to address all potential short term disruptions due to the construction of the project. Therefore, in cooperation with the Public Works Department and the Building Safety Division, all applicable construction related conditions of approval are recommended including, but not limited to, the CCMC permitted hours of construction, traffic safety measures and the provision of construction staff related parking.

Landscaping

The proposed site plan includes new landscape planters through the site, including a major landscaped planter area at the center of the site. Additionally, the preliminary development plans indicate a number of new onsite trees and offsite street trees. All other standard landscaping requirements [i.e., landscaped parking area perimeter, plant of new trees both onsite and in street tree locations where feasible] are listed as recommended conditions of approval.

City of Culver City, California
Planning Commission Agenda Item Report

Noise

The project site is located in an existing commercial corridor bound by one (1) primary arterial [Washington Boulevard], two (2) local streets [Meier Street and Moore Street] and a public alley. Taking into account these "ambient" traffic noise factors, recognizing all activity of the proposed project shall occur within the enclosed building and the application of the recommended conditions of approval, staff has determined no new noise impacts shall be created as a result of the project. Notwithstanding the above, staff recognizes that construction activity may create short term noise impacts. Accordingly, the recommended conditions of approval also include conditions that will insure the project abides by not only the regulations pertaining to the start and end of construction, but also to the use of equipment during construction hours.

Parking

As outlined in the tabulation listed in the Project Summary (Attachment No. 1), the proposed project intends to provide 57 parking spaces within two (2) adjoining - but not interconnected - covered parking areas. Based on the applicant's site plan, no additional parking spaces can be provided for without the loss of building gross floor area which would result in an economic hardship to the applicant. Based on CCMC Section 17.550.010, the Administrative Modification (AM) process notes the Planning Manager may approve up to a maximum ten percent (10.0%) "decrease in the minimum number of parking spaces." Accordingly, the applicant intends to apply for such an application following the review and approval of the SPR and TTM.

As to the remaining 57 parking spaces provided onsite, the plan meets all of the applicable CCMC requirements as to the type [i.e., standard, loading, guest, handicapped and tandem] and parking layout dimensions. Based on CCMC Section 17.320.035 C b ii, "Within non-residential districts, tandem parking may be provided for required parking spaces where authorized through an Administrative Use Permit (AUP)." Accordingly, the applicant intends to apply for such an application following the review and approval of the SPR and TTM.

After reviewing both the parking layout and the redevelopment goals of the project, staff is of the opinion that the required findings for both the Administrative Modification (AM) and the Administrative Use Permit (AUP) parking related issues can be made and that the plan will not result in any parking related impacts. Therefore, staff recommends approval of the site plan subject to the recommended conditions of approval that require the filing and processing of the referenced AM and AUP applications.

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Signage

As outlined in the recommended conditions of approval, the applicant shall be required to apply and gain approval of a Master Sign Program (MSP) prior to the installation of any new sign. The applicant intends to submit a MSP that not only establishes a signage program reflective of the unique site and architecture of the building but that includes a reasonable request in number, type and locations of signage taking into account the three (3) surrounding public streets and the residential component of both the live/work and residential lofts.

As recommended, the MSP [which is subject to the review and approval of the Planning Manager] shall address all signs along the exterior of the building and throughout the site. The MSP shall include data on all new signage including, but not limited to, wall, temporary, seasonal, grand opening, directional, public informational.

Traffic

As outlined in the Project Summary and Environment Determination sections of this report, staff reviewed the proposed project using the Planning Commission recommended / City Council approved criteria for determining if a project requires a traffic impact study. Based on the referenced criteria, the City's Traffic Engineer determined that the proposed project will not exceed the " net increase threshold of fifty (50) vehicle trips total entering and exiting the development during any one (1) hour period of any day ". Of special note is that the proposed project is eliminating all primary use of the adjoining public alley, and separates number of parking spaces taking access via any one side street with only twenty seven (27) spaces via Meier Street and thirty (30) spaces via Moore Street. Based on the criteria and the proposed ingress / egress patterns to / from the parking areas, no further traffic related analysis was required of the proposed project.

Art In Public Places Program

The applicant is proposing to satisfy the requirements of the Art In Public Places ordinance during the building permit plan check process. It is anticipated that by that time applicant will have completed a more detailed study of opportunities to enhance various physical elements along the exterior and interior public areas of the project. Potential examples include, but are not limited to, incorporation of water - seating - sculpture - pavement elements within the proposed entry way and landscaped courtyard as well as other components of the architectural facade of the new building [i.e., railings, canopies].

City of Culver City, California
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Planning Division staff has held preliminary discussion with the applicant regarding the desire to provide public art onsite as opposed to simply paying the fee. Once the applicant makes a final decision, the preliminary plans will be processed, including review by the Cultural Affairs Commission if necessary.

Tentative Tract Map

The State Subdivision Map Act and CCMC Chapter 15.10, regulate the subdivision of land. Among numerous objectives, the tentative tract map process allows the City to review the proposed condominium subdivision to ensure all necessary improvements and requirements are provided. The Public Works Department has reviewed the proposed condominium subdivision and found it to be in compliance with State and local regulations.

LEGAL STANDARDS FOR DECISION / PROJECT FINDINGS

CCMC Title 17, Zoning, Chapter 17.540.020 list the findings required to be made by the Planning Commission before a Site Plan Review application can be approved. Additionally, CCMC Title 15, Section 15.10.265, list the finding required to be made by the Planning Commission before a Tentative Tract Map application can be approved. The Planning Commission can approve, approve with conditions, or disapprove either application based on their applicable findings. Staff believes the findings for Site Plan Review, SPR P-2004012, and Tentative Tract Map No. 65473, TTM P-2005014, can be made as outlined in proposed Resolution of Approval No. 2006-P005 (Attachment No. 5).

ENVIRONMENTAL DETERMINATION

Pursuant to the California Environmental Quality Act (CEQA) guidelines, an Initial Study was completed on January 31, 2006 (Attachment No. 4). Based on the review of the proposed preliminary development plans and tentative tract map, the Initial Study analysis, and City procedures, the Planning Division determined that a traffic study would not be required. The Initial Study was filed with the Los Angeles County Clerk and posted at the Planning Division public counter. To date, no comments have been received.

Furthermore, although the proposed project could have a significant effect on the environment, there will not be a significant effect because the recommended conditions of approval address all reasonable concerns identified by the City and it is anticipated the Planning Commission will impose on the project the recommended conditions of approval as presented in the draft resolution, especially

City of Culver City, California
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those related to construction activity and noise. Therefore, a Mitigated Negative Declaration finding has been prepared and is recommended for approval by the Planning Commission.

COMMENTS RECEIVED

Except for a letter from the City of Los Angeles Department of Public Works regarding the recommended dedication for alley widening and the reconstruction of the adjoining public alley [which dedication has since been rescinded in favor of the applicant being responsible to improve the entire alley], one (1) telephone inquiry from the public was received regarding the height of the proposed project. No other comments or correspondence have been received on this project.

FISCAL IMPACT

This project is anticipated to result in an increase in the property valuation of the site, and there will continue to be some amount of sales tax generated via the various business licenses anticipated to be required from the site. Therefore, the conditional approval of the project will further insure the continued – and potential increase – in tax revenue from the site.

ALTERNATIVE OPTIONS

The following alternative options may be considered by the Planning Commission:

1. Adopt a Mitigated Negative Declaration finding and approve the SPR and TTM applications with the recommended conditions of approval if the applications are deemed to meet the required findings,
2. Adopt a Mitigated Negative Declaration finding and approve the SPR and TTM applications with additional or different conditions of approval, if deemed necessary to meet the required findings and mitigate any new project impacts identified at the meeting, or
3. Disapprove the Mitigated Negative Declaration finding application and disapprove the SPR and TTM applications if they do not meet the required findings.

City of Culver City, California
Planning Commission Agenda Item Report

ATTACHMENTS

- 1 Project Summary
- 2 Locality Map
- 3 Aerial Photograph
- 4 Initial Study / Mitigated Negative Declaration
- 5 Draft Planning Commission Resolution No 2006-P005
- 6 Preliminary Development Plans – ["Received February 13, 2006"]
- 7 Tentative Tract Map No 65473 – ["Received February 13, 2006"]
- 8 Materials Board [to be on display at the meeting]

PROJECT SUMMARY

As Of February 15, 2006 / Joseph Montoya, AICP, Associate Planner

APPROPRIATE AGENCIES AND DEPARTMENTS

West Culver Lofts

Site Plan Review, SPR P-2005012, and Tentative Tract Map No 65473, TTM P-2005014

12801 – 12823 Washington Boulevard
Los Angeles, California 90066Atlas Sheet No 2 Block bound by Meier Street,
Washington Boulevard, Moore Street and a public
alley [located within the City of Los Angeles]Parcel 1 12803 Washington Boulevard,
Parcel 2 12805 Washington Boulevard,
Parcel 3 12807 Washington Boulevard,
Parcel 4 12811 Washington Boulevard,
Parcel 5 12813 Washington Boulevard,
Parcel 6 12815 Washington Boulevard,
Parcel 7 12821 Washington Boulevard, and
Parcel 8 12823 Washington BoulevardRobert Little
Urban Equity Partners LLC
203 Argonne Avenue / B-145
Long Beach, California 90803
(562) 716-4378

and

Michael Hong, Architect
Michael Hong + Associates
29 Peppertree Lane
Rolling Hills Estates, California 90274
(310) 528-6257

- | | |
|--|--|
| ☒ Administrative Use Permit [i.e., tandem parking] | ☐ Tentative Parcel Map |
| ☐ Conditional Use Permit | ☒ Tentative Tract Map |
| ☐ Administrative Site Plan Review | ☐ Lot Line Adjustment |
| ☒ Site Plan Review | ☐ Zoning Code Amendment - Text |
| ☐ Administrative Variance | ☐ Zoning Code Amendment - Map |
| ☐ Variance | ☐ General Plan Amendment - Text |
| ☒ Master Sign Program [Pending] | ☐ General Plan Amendment - Map |
| ☐ Certificate of Appropriateness | ☐ Planned Unit Development |
| ☐ Certificate of Exemption | ☐ Specific Plan [see note above] |
| ☐ DOBI | ☒ Other Administrative Modification (AM) [i.e., 57 v 59 parking spaces], Address Master Plan Covenant [i.e., live/work public art, and tandem parking] |

- | | |
|---|--|
| ☒ Administrative [AM/AUP] | ☒ Redevelopment Agency [SP/TTM] |
| ☒ Planning Commission [SPR/TTM] | ☒ Other PRC [SPR/TTM], Cultural Affairs Commission |
| ☒ City Council [TTM] | [Public Art] |

CEQA Determination January 31, 2006	☐ Categorical Exemption Class _____ ☐ Negative Declaration or ☒ Mitigated Negative Declaration [Lead Agency PC] ☐ Environmental Impact Report, Type _____
CEQA Noticing January 31, 2006	☐ Notice of Exemption (w/in 5 days of decision) ☒ Notice of Intent to Adopt (21 days prior to decision) ☒ Notice of Determination (w/in 5 days of decision) ☒ Fish & Game Certificate of Fee Exemption (w/in 5 days of decision) ☐ Notice of Preparation ☐ Notice of Availability ☐ Notice of Completeness

PROJECT SUMMARY

Mailing Date January 31 2006	☒ Property Owners ☒ Occupants ☒ Adjacent Property Owners & Occupants	☐ w/in 300 foot radius ☒ w/in 300 foot radius / Extended ☐ Other NA
Posting Date February 2 2006	☒ Onsite ☐ Offsite	☐ Other NA
Publication Date NA	☐ Culver City News	☐ Other NA
Courtesy Date February 1, 2006	☒ City Council ☒ Commissions ☒ Master Notification List ☐ Culver City Website ☐ Cable Crawler	☐ Press Release ☒ HOA /Neighborhood Groups ☐ Culver City Organizations ☒ Other City of Los Angeles Plann Department and City of Los Angeles Put Works Department

General Plan General Corridor	Zoning General Commercial (CG)
Redevelopment Plan Component Area No 4 / General Corridor	Overlay Zone/District Commercial Setback Overlay (CSO) and Redevelopment Project Area Overlay (RP)
Legal Description Lots 55 - 63 of Tract 5951	Existing Land Use Vacant parcel (formerly a 16 u motel (15 rentals and 1 manager), 8 apartment unit retail, bar and restaurant

☒ New Development Impact \$TBD ☒ In Lieu Parkland \$TBD	☒ School District \$TBD ☒ Art \$TBD	☒ Plan Check \$TBD ☒ Sewer \$TBD
--	--	---

Conceptual plans received October 7, 2004 Review completed on October 22, 2004 Second conceptual plans received November 19, 2004 Review completed December 1, 2004 PRC review on December 2004 On December 15, 2004, Planning Manager confirmed no compact parking shall be permitted on the project Subsequent plans submitted and reviewed on February 17 2005, October 1, 2005, and December 2005 Application deemed complete January 10 2006 PRC review completed January 12 2006

TBD during building permit process based on project valuation

Project Description

The project consist of demolition of all parcels along the 24,043 square foot [0.55 acre] site / block face, a site plan review application for the construction of a three (3) story 38,067 ± gross square foot (GSF) building with twenty four (24) condominium units [i.e., twelve (12) live/work and twelve (12) residential lofts] provided with 57 covered parking spaces on the first floor The project includes, but is not limited to, improvements both offsite [i.e., new curb, gutter, sidewalk, street trees and a reconstructed public alley] and onsite [i.e., landscaping, parking, trash enclosure, open space and two (2) driveway locations The re-subdivision of the nine (9) lots will result in a one (1) lot subdivision for condominium purposes (25 lots) Additionally, other administrative applications shall include an administrative use permit for tandem parking, an administrative modification to provide 57 vs 59 parking spaces, a master sign program, an address master plan and a covenant(s) for the live/work component tandem parking and public art which shall be address prior to the filing of any building permit

PROJECT SUMMARY

ADJACENT ZONING AND LAND USES

<u>Location</u>	<u>Zoning</u>	<u>Land Use</u>
North [across alley in City of Los Angeles]	Multiple-family residential	Multiple-family residential
East [across Meier Street]	General Commercial (CG)	Retail
South [across Washington Boulevard]	General Commercial (CG)	Retail
West [across Moore Street]	General Commercial (CG)	Retail

<u>Project Data</u>	<u>Existing</u>	<u>Proposed</u>	<u>Required</u>
Land Area			
Existing Site [Gross]	24,043 SF	24,043 SF	NA
Corner Radius Dedications	- NA	- 96 SF (A)	- 96 SF
Revised Total [Net]	NA	23,947 SF	NA
Lot Coverage [1st Floor]			
Building Footprint	NA	7,270 SF	NA
Parking / Hardscape	NA	14,797 SF	NA
Landscaping	+ NA	+ 1,880 SF	+ 1,955 SF
Total	NA	23,947 SF	NA
Private Space	NA	3,068 SF	3 068 SF

Gross Floor Area			
1st Floor	NA	7,270 GSF	NA
2nd Floor	NA	16,761 GSF	NA
3rd Floor	+ NA	+ 14,036 GSF	+ NA
Total	NA	38,067 GSF	NA

Parking			
Standard	NA	25	55
Standard Guest / Loading	NA	1	1
Standard Handicapped	NA	2	2
Standard Handicapped Van Accessible	NA	1	1
Standard Tandem Unblocked	NA	14 (B)	NA
Standard Tandem Blocked	+ NA	+ 14 (B)	+ NA
Total	NA	57 (C)	59

(A) = Corner radius dedication may vary from 96 SF [i.e. a radius cut measuring 48 SF each] or 210 SF [i.e., a diagonal cut measuring 105 SF each]

(B) = Requires approval of an Administrative Use Permit (AUP) for tandem parking

(C) = Requires approval of an Administrative Modification (AM) for 57 vs 59 parking spaces

Building Height [excludes 3' - 0" parapet]			
2-Story portion [facing Washington Bl.]	NA	22' - 0"	56' - 0"
3-Story portion [facing alley]	NA	30' - 6"	56' - 0"

Building Setbacks			
Street[facing Washington Boulevard]	NA	0' - 6" to 1' - 6"	0' - 0"
Street[facing Moore Street / East]	NA	2 - 0" to 3' - 0"	0' - 0"
Street[facing Meier Street / West]	NA	2 - 0" to 3' - 0"	0' - 0"
Rear [facing alley in City of Los Angeles]	NA	10' - 8" plus 60° slope	10' - 0" plus 60° slope

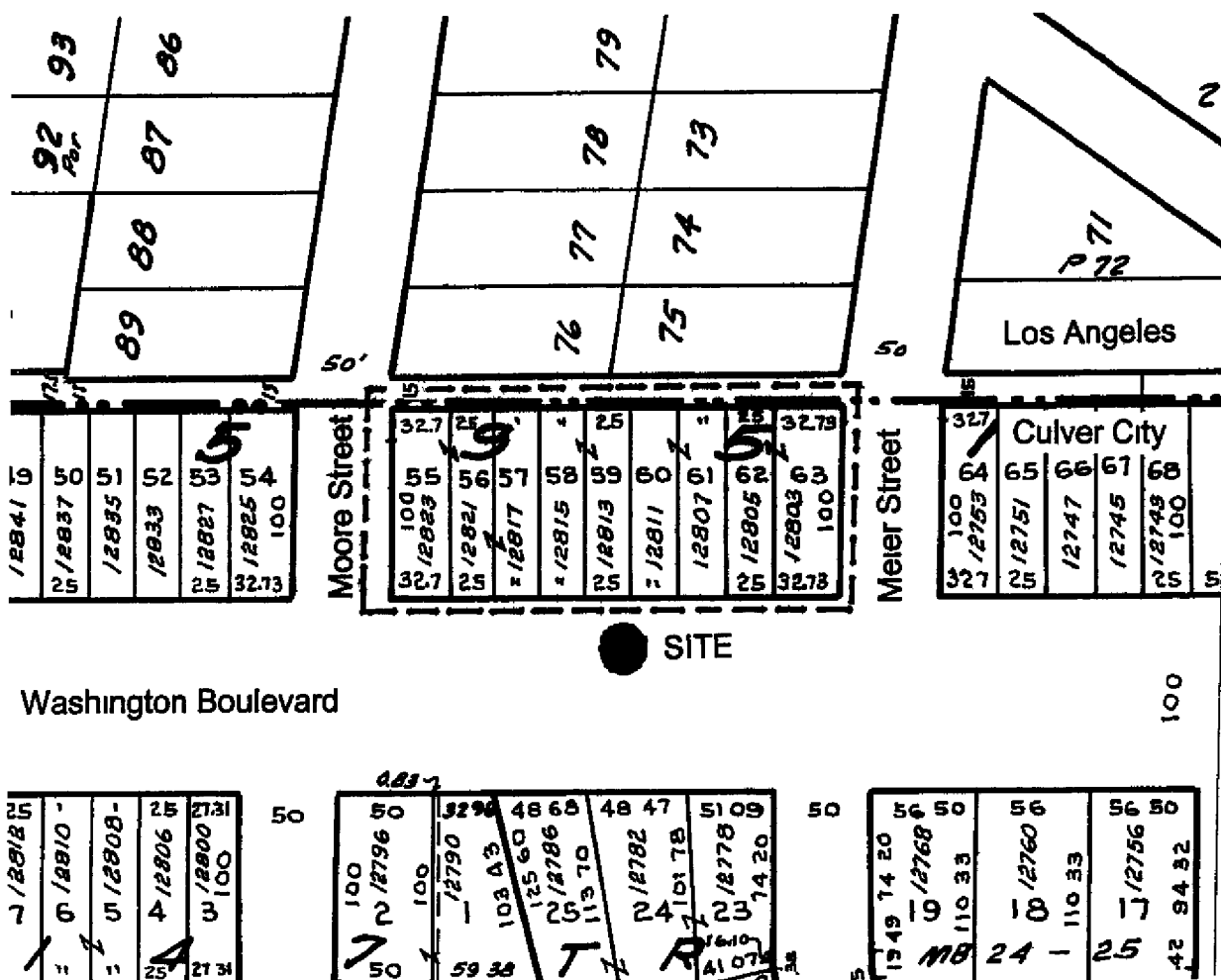
Unit Size			
Live/Work / 2 Bedroom = 12 units	NA	1,282 to 1,499 SF	700 SF
Residential / 1 Bedroom = 4 units	NA	900 SF	700 SF
Residential / 2 Bedroom = 8 units	NA	1,103 to 1,368 SF	900 SF
Total 24 units	NA	NA	NA

PROJECT SUMMARY

Other

- | | | |
|---|------------------------------------|--|
| 1 | Design & Physical Development Plan | Designated as "Primary Retail" |
| 2 | Historic | NA |
| 3 | Public Utilities | |
| | A Cable | Comcast, |
| | B Electricity | Southern California Edison, |
| | C Natural Gas | Southern California Gas Company, |
| | D Telephone | Verizon, |
| | E Trash | City of Culver City Sanitation Department, |
| | F Water | City of Los Angeles Department of Water and Power, and |
| | G Zip Code | Los Angeles, 90066 |

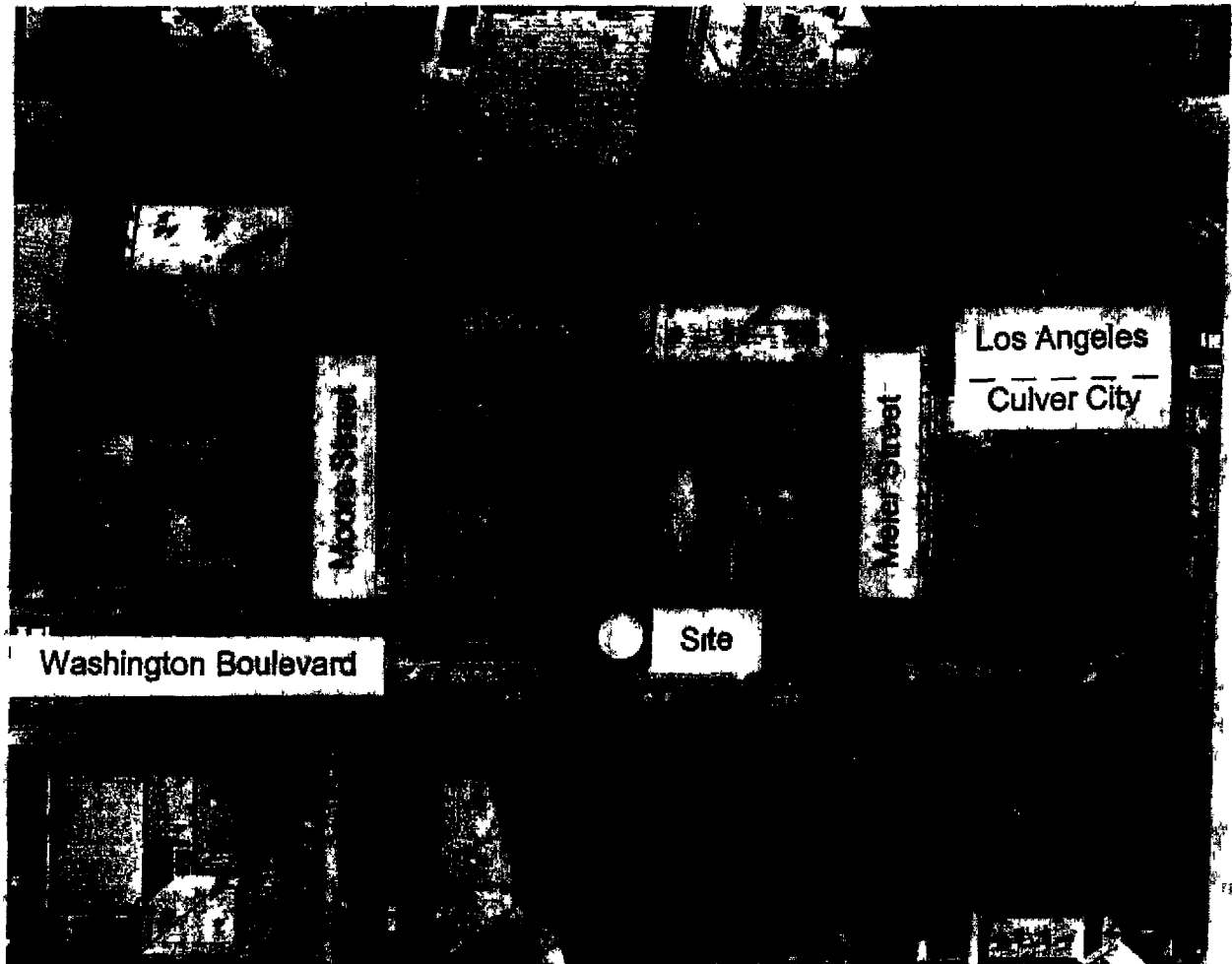
JM/abn



LOCALITY

Site Plan Review, SPR P-2005012 / Tentative Tract Map No 65473, TTM P-2005014
West Culver Lofts
12803 through 12823 Washington Boulevard N

Department Of Community Development
Planning Division January 31, 2006



AERIAL

Site Plan Review, SPR P-2005012 / Tentative Tract Map No 65473, TTM P-2005014
West Culver Lofts
12801 through 12823 Washington Boulevard

Department Of Community Development
Planning Division January 31, 2006

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Culver CITY

(310) 253-5710
FAX (310) 253 5721

PLANNING DIVISION
9770 CULVER BOULEVARD CULVER CITY CALIFORNIA 90232 0507

Attachment No 4

INITIAL STUDY

As Of January 31, 2006

ENVIRONMENTAL CHECKLIST FORM AND ENVIRONMENTAL DETERMINATION

Project Title	West Culver Lofts Site Plan Review, SP P-2005012, and Tentative Tract Map No 65473, TTM P- 2005014		
Lead Agency Name & Address	Robert Little, Partner Urban Equity Partners [as proposed property owner] 203 Argonne Avenue / B-145 Long Beach, California 90803 (562) 716-4378 and Michael Hong, Architect Michael Hong + Associates 29 Peppertree Lane Rolling Hills Estates, California 90274 (310) 528-6257		
Contact Person & Phone No	Joseph Montoya, AICP, Associate Planner (310) 253-5736		
Project Location/Address	Parcel 1 12803 Washington Boulevard, Parcel 2 12805 Washington Boulevard, Parcel 3 12807 Washington Boulevard, Parcel 4 12811 Washington Boulevard, Parcel 5 12813 Washington Boulevard, Parcel 6 12815 Washington Boulevard, Parcel 7 12821 Washington Boulevard and Parcel 8 12823 Washington Boulevard		
Nearest Cross Street	Block bound by Meier Street, Washington Boulevard, Moore Street and a public alley [located within the City of Los Angeles]	APN	4236-021-7 through 4236- 021-010
Project Sponsor's Name & Address	City of Culver City Redevelopment Agency 9770 Culver Boulevard Culver City, California (310) 253-5760		
General Plan Designation	General Corridor	Zoning	General Commercial (CG)
Redevelopment Project Area	Component Area No 4 / General Corridor		
Overlay Zone/Special District	Commercial Setback Overlay (CSO) and Redevelopment Project Area Overlay (RP) Zones		

Project Description and Requested Action

The project consist of demolition of all parcels upon the 24,043 square foot [0.55 acre] site / block face and the construction of 24 condominium units [i.e., twelve (12) live/work and twelve (12) residential lofts] provided with 57 covered parking spaces, re-subdivision of the nine lots into a one lot subdivision for condominium purposes (25 lots), and public art component. Additionally other administrative applications shall include an administrative use permit for tandem parking, an administrative modification to provide 57 vs 59 parking space, a master sign program, an address master plan and a covenant for live/work and public art.

Existing Conditions of the Project Site

The site is currently developed with a now-demolished 16 unit motel (15 rentals and 1 manager) and the remaining 8 apartment units (4 units in 2 building each), a retail market, a bar and a restaurant, all with surface parking along the rear of the property with access from the adjoining public alley.

Surrounding Land Uses and Setting

North Multifamily residential [within the City of Los Angeles],
East Retail shopping center,
South Retail, and
West Retail

Other public agencies whose approval is required

Culver City [i.e., Planning Commission, City Council, Redevelopment Agency and Cultural Affairs Commission]

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project involving at least one impact that is a 'Potentially Significant Impact' as indicated by the checklist on the following pages

- | | |
|--|--|
| ☒ Aesthetics | ☐ Mineral Resources |
| ☐ Agriculture Resources | ☒ Noise |
| ☒ Air Quality | ☒ Population / Housing |
| ☐ Biological Resources | ☐ Public Services |
| ☐ Cultural Resources | ☒ Recreation |
| ☐ Geology / Soils | ☒ Transportation / Traffic |
| ☐ Hazards & Hazardous Materials | ☐ Utilities / Service Systems |
| ☐ Hydrology / Water Quality | ☒ Mandatory Findings of Significance |
| ☐ Land Use / Planning | |

ENVIRONMENTAL DETERMINATION

On the basis of this initial evaluation

- ☐ I find that the proposed project **COULD NOT** have a significant effect on the environment and a **NEGATIVE DECLARATION** will be prepared
- ☒ I find that although the proposed project could have a significant effect on the environment there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. **MITIGATED NEGATIVE DECLARATION** will be prepared
- ☐ I find that the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required

West Culver Lofts

Site Plan Review, SP P-2005012, and Tentative Tract Map No 65472, TTM P-2005014

12801 - 12823 Washington Boulevard

January 31, 2006

☐ I find that the proposed project **MAY** have a 'potentially significant impact' or 'potentially significant unless mitigated' impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required but it must analyze only the effects that remain to be addressed.

☐ I find that although the proposed project could have a significant effect on the environment because all potentially significant effects (a) have been analyzed adequately in an earlier **EIR** or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier **EIR** or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

FISH AND GAME FEE (AB 3158)

☒ I find that the proposed project **WILL NOT** have an impact on fish or wildlife resources or habitat upon which fish and wildlife depend. I find that the proposed project **IS EXEMPT** from the Fish and Game fee. A 'Certificate of Fee Exemption' will be prepared for this project.

☐ I find that the proposed project **IS NOT EXEMPT** from the Fish and Game fee.

Joseph Montoya
Signature

January 31, 2006

Date

Joseph Montoya, AICP

Associate Planner

Printed Name

Title

EVALUATION OF ENVIRONMENTAL IMPACTS	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
I. AESTHETICS				
a) Have a substantial adverse effect on a scenic vista?	☐	☐	☐	☒
b) Substantially damage scenic resources including but not limited to trees rock outcroppings and historic buildings within a state scenic highway?	☐	☐	☐	☒
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	☐	☐	☒	☐
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☐	☒	☐
II. AGRICULTURE RESOURCES				

West Culver Lofts

Site Plan Review, SP P-2005012, and Tentative Tract Map No 65472, TTM P-2005014

12801 - 12823 Washington Boulevard

January 31, 2006

EVALUATION OF ENVIRONMENTAL IMPACTS	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency to non agricultural use?	☐	☐	☐	☒
b) Conflict with existing zoning for agricultural use or a Williamson Act contract?	☐	☐	☐	☒
c) Involve other changes in the existing environment which due to their location or nature could result in conversion of Farmland, to non-agricultural use?	☐	☐	☐	☒

III. AIR QUALITY

a) Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☒	☐
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☒	☐
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	☐	☐	☒	☐
d) Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	☒	☐
e) Create objectionable odors affecting a substantial number of people?	☐	☐	☒	☐

IV. BIOLOGICAL RESOURCES

a) Have a substantial adverse effect either directly or through habitat modifications on any species identified as a candidate sensitive, or special status species in local or regional plans, policies or regulations, or by the California Department of Fish and Game or US Fish and Wildlife Service?	☐	☐	☐	☒
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans policies regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	☐	☐	☐	☒

EVALUATION OF ENVIRONMENTAL IMPACTS	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to marsh, vernal pool, coastal etc.) through direct removal, filling, hydrological interruption, or other means?	☐	☐	☐	☒
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☒
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	☒
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	☐	☐	☐	☒
V. CULTURAL RESOURCES				
a) Cause a substantial adverse change in the significance of a historical resource as defined in 15064.5?	☐	☐	☐	☒
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to 15064.5?	☐	☐	☐	☒
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☐	☒
d) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☐	☒
VI. GEOLOGY AND SEISMICITY				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving				
i) Rupture of a known earthquake fault as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42	☐	☐	☐	☒

EVALUATION OF ENVIRONMENTAL IMPACTS	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
ii) Strong seismic ground shaking?	☐	☐	☐	☒
iii) Seismic-related ground failure, including liquefaction?	☐	☐	☐	☒
iv) Landslides?	☐	☐	☐	☒
b) Result in substantial soil erosion or the loss of topsoil?	☐	☐	☐	☒
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	☐	☐	☐	☒
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	☐	☐	☐	☒
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	☐	☐	☐	☒
VII. HAZARDS AND HAZARDOUS MATERIALS				
a) Create a significant hazard to the public or the environment through the routine transport use, or disposal of hazardous materials?	☐	☐	☒	☐
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☐	☒
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances or waste within one-quarter mile of an existing or proposed school??	☐	☐	☐	☒
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and as a result, would it create a significant hazard to the public or the environment?	☐	☐	☐	☒
e) For a project located within an airport land use plan or, where such a plan has not been adopted within two miles of a public airport or public use airport would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
f) For a project within the vicinity of a private airstrip would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒

EVALUATION OF ENVIRONMENTAL IMPACTS	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
h) Expose people or structures to a significant risk of loss injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒

VIII. FLOOD HAZARD

a) Violate any water quality standards or waste discharge requirements?	☐	☐	☐	☒
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	☐	☐	☐	☒
c) Substantially alter the existing drainage pattern of the site or area including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off site?	☐	☐	☐	☒
d) Substantially alter the existing drainage pattern of the site or area including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	☐	☐	☐	☒
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	☐	☐	☒
f) Otherwise substantially degrade water quality?	☐	☐	☐	☒
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	☒
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	☐	☐	☐	☒
i) Expose people or structures to a significant risk of loss, injury or death involving flooding including flooding as a result of the failure of a levee or dam?	☐	☐	☒	☐
j) Inundation by seiche tsunami or mudflow?	☐	☐	☐	☒

IX. LAND USE AND PLANNING

a) Physically divide an established community?	☐	☐	☐	☒
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EVALUATION OF ENVIRONMENTAL IMPACTS	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Conflict with any applicable land use plan policy or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☐	☒
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	☐	☐	☐	☒
X. MINERAL RESOURCES				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	☐	☐	☐	☒
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan specific plan or other land use plan?	☐	☐	☐	☒
XI. NOISE				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance or applicable standards of other agencies?	☐	☐	☐	☒
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	☐	☒
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☒
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☒	☐
e) For a project located within an airport land use plan or, where such a plan has not been adopted within two miles of a public airport or public use airport would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒
XII. POPULATION AND HOUSING				
a) Induce substantial population growth in an area either directly (for example by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☒	☐

EVALUATION OF ENVIRONMENTAL IMPACTS	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒
XIII. PUBLIC SERVICES				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services				
Fire protection?	☐	☐	☐	☒
Police protection?	☐	☐	☐	☒
Schools?	☐	☐	☐	☒
Parks?	☐	☐	☐	☒
Other public facilities?	☐	☐	☐	☒
XIV. RECREATION				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☒	☐
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	☐	☐	☐	☒
XV. TRANSPORTATION/TRAFFIC				
a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e. result in a substantial increase in either the number of vehicle trips the volume to capacity ratio on roads or congestion at intersections)?	☐	☐	☐	☒
b) Exceed either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?	☐	☐	☐	☒
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	☐	☐	☐	☒
d) Substantially increase hazards due to a design feature (e.g. sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	☐	☐	☐	☒
e) Result in inadequate emergency access?	☐	☐	☐	☒
f) Result in inadequate parking capacity?	☐	☐	☒	☐

EVALUATION OF ENVIRONMENTAL IMPACTS	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
g) Conflict with adopted policies, plans or programs supporting alternative transportation (e.g. bus turnouts, bicycle racks)?	☐	☐	☐	☒
XVI. UTILITIES AND SERVICE SYSTEMS				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	☐	☒
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities the construction of which could cause significant environmental effects?	☐	☐	☐	☒
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☐	☒
d) Have sufficient water supplies available to serve the project from existing entitlements and resources or are new or expanded entitlements needed?	☐	☐	☐	☒
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☐	☒
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☐	☒
g) Comply with federal, state, and local statutes and regulations related to solid waste?	☐	☐	☐	☒
XVII. MANDATORY FINDINGS OF SIGNIFICANCE				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	☐	☐	☐	☒
b) Does the project have impacts that are individually limited but cumulatively considerable? (Cumulatively considerable means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	☐	☐	☒	☐

EVALUATION OF ENVIRONMENTAL IMPACTS	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Does the project have environmental effects which will cause substantial adverse effects on human beings either directly or indirectly?	☐	☐	☒	☐

XVIII EARLIER ANALYSES

No prior environmental documentation was used as part of this analysis

XIX DISCUSSION

Discussion of Initial Study Checklist responses

I. AESTHETICS

a) through c) No Impact There are no scenic vistas or resources in the vicinity of the project site which is located within a fully developed urbanized area. No significant adverse impacts relative to scenic vistas or resources shall occur because of the proposed project.

d) Less Than Significant Impact Development of the site shall create a new source of light and glare. However, the development shall conform to all applicable City zoning standards and design guidelines that include the requirement that all lighting be directed onsite and not project offsite not cause a nuisance onto the adjacent public rights-of-way and private properties. With implementation of the reference standards and guidelines, the impact shall be less than significant. The amount of lighting emanating from the site shall be in accordance with the Culver City Municipal Code (CCMC).

Mitigation Measure(s) None required since the project shall complete an architectural review process approved by the Planning Commission and Redevelopment Agency so as to insure all applicable standards are adhered to and the project is within an urban environment and not within any known scenic vista or resource, and the project shall not degrade any site nor create adverse light or glare.

II. AGRICULTURAL RESOURCES

a) through c) No Impact The project is not located on land identified, utilized or zoned for agricultural use.

Mitigation Measure(s) None required since the project is within an urban environment exclusive of any farmland, agricultural use, Williamson Act contract site nor conversion site.

III. AIR QUALITY

- a) through e) Less Than Significant Impact Development of the site shall contribute to both the project and cumulative levels of pollutant emissions over existing non-attainment conditions during both the construction and operational periods of the project. However, the project shall be required to comply with the Southern California Air Quality Management District's (SCAQMD) "Rule 403" which outlines specific control actions to be implemented during construction activities to suppress fugitive dust. Accordingly, air quality impacts resulting from the project construction are estimated to be below the threshold of significance, and the project's operations have been factored into the SCAQMD's regional air quality models. Therefore, quality impacts due to construction shall be less than significant and the cumulative air quality impact shall also be less than significant. Although the entire South Coast Air Basin [including Culver City] do not currently meet the National Ambient Air Quality Standards, implementation of all applicable standards shall contribute to an improved project air quality performance. This is further supported by the project consistency with the Culver City General Plan and Zoning Code.

Mitigation Measure(s) None required since the project shall not impact any air quality plan or standard nor shall it result in any cumulatively considerable criteria pollutant net increase.

IV. BIOLOGICAL RESOURCES

- a) through f) No Impact The project site is located within an urbanized area surrounded by existing disturbed land which has been developed. Information on existing biological resources conditions of the project site submitted by the applicant and verified by the City indicates no identified biological resources as identified by the California Department of Fish and Game, the United States Fish and Wildlife Service or any federally protected wetlands as defined by the Clean Water Act.

Mitigation Measure(s) None required since the project shall not impact any species or habitat subject to any applicable local, regional, state or federal agency.

V. CULTURAL RESOURCES

- a) through d) No Impact The project site is located in an urbanized area surrounded by existing disturbed land which has been developed. Information on existing cultural resources as submitted by the applicant and verified by the City indicates no identified cultural resources exist on the site and no significant adverse impact relative to cultural resources are associated with the project. There are also no identifiable archaeological, paleontological or human remain resources associated with this project.

Mitigation Measure(s) None required since the project shall not impact any species or habitat subject to any applicable local, regional, state or federal agency.

VI. GEOLOGY AND SOILS

- a) through e) No Impact The project site is located in an urbanized area surrounded by existing disturbed land which has been developed. The buildings shall be constructed to meet all applicable requirements of the Uniform Building Code (UBC) as well as local and state seismic standards.

Mitigation Measure(s) None required since the project shall not create any adverse impact relating to geological, seismic, landslide, soil or other elements.

VII. HAZARDOUS AND HAZARDOUS MATERIALS

a) Less Than Significant Impact Development of the site is not anticipated to result in hazardous materials to be emitted or utilized. Any potential use of hazardous materials shall require the prior review and approval by the Fire Department in compliance with all applicable codes. Any and all asbestos materials shall be / have been removed in accordance with applicable standards.

b) through h) No Impact. Information on hazards and hazardous materials as submitted by the applicant and verified by the City indicates no identified environmental hazards shall be utilized on the project site. Adverse impacts relative to health hazards are expected to be less than significant. Any potential future use of hazardous materials shall be required to obtain the necessary approval from the Fire Department in compliance with applicable fire code regulations.

Mitigation Measure(s) None required since the project shall not create any hazards to the public or to the natural environment either by construction or location and the project is not within an airport or airstruck area.

VII. EROSION CONTROL AND SEDIMENTATION

a) through h) and j) No Impact. Grading and building plans shall be reviewed and approved by the City Building and Safety Division and the Engineering Division to assure all onsite and offsite drainage shall not create any significant impacts to drainage facilities nor to groundwater quality or quantity. An erosion control plan shall be required by the City Engineer to ensure compliance with the Los Angeles County Stormwater Quality Management Program and the applicable National Pollution Discharge Elimination System (NPDES) permit(s). The erosion control plan shall include the design and placement of recommended Best Management Practices (BMP's) to effectively prohibit the entry of pollutants from the construction site into the public street storm drain system. Additionally, the construction contractor shall be required to comply with all applicable standards listed in the "California Storm Water Best Management Practice Handbook".

i) Less Than Significant. The project site is located within the Mullholland Dam, Silverlake Dam and Stoneman Canyon Dam Inundation Zones as well as Special Flood Hazard Area Zone B. The dams are managed by regional public agencies that are responsible for maintenance of such facilities. Should any of the dams fail, the project site might be exposed to significant loss and/or damage. However, no such notice regarding eminent dam failure or flooding has been presented nor is on file.

Mitigation Measure(s) None required since the project shall not create any water related impacts or violation of standards to water quality via discharge, supply, drainage pattern runoff, flood hazard area exposure or mudflow related impacts.

IX. LAND USE AND PLANNING

a) through c) No Impact. The proposed project is consistent with the General Plan Land Use Element "General Corridor" designation as well as the "General Corridor (CG)", "Commercial Setback Overlay (CSO)" and "Redevelopment Project Area Overlay (RP)" zoning district designations of the site. Review and approval of the project application shall deem the project consistent with these designations. All future uses shall be subject to separate review and approval to insure continued consistency with all applicable land use and planning designations.

Mitigation Measure(s) None required since the project is consistent with applicable land use and planning designations and shall not divide any part of the city, is consistent with all applicable plans and is not in conflict with any adopted habitat conservation plan.

- a) through b) No Impact Information on material resources as submitted by the applicant and verified by the indicates no identified mineral resource as part of the project site

Mitigation Measure(s) None required since the project is not within any known mineral resource area does not include any mineral resource recovery site

X1. NOISE

- a) through c) and e) through f) No Impact The site is located within an urbanized area and surrounded by public streets and alleys of these items contribute to the existing noise levels. However, the proposed project development standards are consistent with the General Plan Noise Element goals policies and objectives. Accordingly, the proposed project is not expected to generate significant noise levels and all grading and construction activities shall be conducted during appropriate hours as permitted by the CCM. Additionally both applicant and City contact information shall be posted on the project site to direct persons wishing to report noise construction activity and/or nuisance ordinance complaints

- d) Less Than Significant There may be temporary increases in noise levels during the construction of the project. However all grading and construction activities shall be conducted during appropriate hours permitted by the CCMC. Additionally, both applicant and City contact information shall be posted on the project site to direct persons wishing to report noise, construction activity and/or nuisance ordinance complaints

Mitigation Measure(s) None required since the project shall not generate ambient noise or vibration levels in excess of established standards, and the project is not within an airport or airstrip area

X2. AIR QUALITY

- a) Less Than Significant Since the project is residential in nature there may be a less than significant impact due to the commercial nature of the Washington Boulevard frontage. However all applicable development standards shall be required of the project so as to insure that the housing population is not negatively impacted by the surrounding commercial uses and activities

- b) through c) No Impact The proposed live/work nature of the project within an urbanized area is not anticipated to create any impacts with the proposed housing or population as a result of this project. No adverse impacts to population or housing are associated with the project.

Mitigation Measure(s) None required since the project is not anticipated to generate any substantial direct or indirect population growth in the area

X3. PUBLIC SERVICES

- a) No Impact The proposed project shall comply with all applicable building fire water public works and public utility services rules and regulations. Impact to fire protection services are expected to be less than significant. No impacts to schools are expected from this project. Maintenance of city public and private services associated with the project is expected to result in no significant adverse impacts

Mitigation Measure(s) None required since the project does not involve the construction of any governmental facility nor shall the project alter or demand the construction of governmental facilities ratios, response times or other public service characteristics.

X4. OTHER

a) Less Than Significant Although the project may generate some usage of recreational facilities in the area, the applicant shall be required to pay the required in-lieu parkland fee prior to occupancy. This payment, and the anticipated recreational facility usage, is not expected to create any measurable demand on recreational facilities in the area.

b) No Impact The proposed project is not anticipated to create any adverse impacts on recreational facilities.

Mitigation Measure(s) None required since the project is not anticipated to increase the use of an existing or proposed recreational facility in the area nor are any recreational facilities proposed to be constructed as part of this project.

a) through e) and g) No Impact The proposed project has been reviewed by the City's Traffic Engineering Manager and based on City Council approved criteria, a traffic study was deemed not required. Based on the proposed site plan, no impacts are anticipated following the construction of specific street improvements and on-site project. Furthermore, the project conditions of approval are also intended to address the vehicle impacts during construction.

f) Less Than Significant The proposed project's site plan, circulation and parking plan is anticipated to meet all required CCMC standards. However, the applicant is requesting approval to provide 57 parking spaces [as opposed to the 59 required by the CCMC] and to provide tandem parking. Accordingly, as permitted in the CCMC, the applicant shall be required to apply for an administrative modification so as to provide 57 parking spaces. The required CCMC findings for such an administrative modification application have been deemed by the Planning Division to exist. Furthermore, the applicant shall also be required to apply for an administrative use permit so as to make use of tandem parking. The required CCMC findings for an administrative use permit for the use of tandem parking have been deemed by the Planning Division to also exist. Based on the pending conditions of approval for both applications as outlined in the CCMC, it is anticipated the project will not result in any impacts.

Mitigation Measure(s) The filing and approval of such applications are anticipated to provide the required conditions of approval to address any potential impacts that may be generated by the provision of 57 parking spaces and/or the use of tandem parking.

XVI. UTILITIES AND SERVICE SYSTEMS

a) through g) No Impact The proposed project shall be provided with all standard public utility services. No significant adverse impacts to utilities are expected from the project.

Mitigation Measure(s) None required since the project is not anticipated to increase the use of any existing or proposed utility or service system in the area since wastewater levels are not anticipated to exceed existing levels and all other utility services shall comply with all applicable local, regional, state and federal regulations.

XVII. MAJOR ADVERSE EFFECTS OF SIGNIFICANCE

West Culver Lofts

Site Plan Review, SP P-2005012, and Tentative Tract Map No 65472, TTM P-2005014

12801 – 12823 Washington Boulevard

January 31, 2006

- a) and c) No Impact The proposed project shall not have significant impacts to any plant or animal wildlife species or cause substantial cumulative impacts
- b) Less Than Significant Impact The proposed project may cause environmental effects which could result in substantial adverse effects on human beings – both directly and indirectly. These adverse effects if addressed, could result in an overall degradation of the public safety and urban environment surrounding the site – indirectly impacting the community. Certain mitigation measures [i.e. development and performance standards] shall reduce this impact to less than significant.
- Mitigation Measure(s) Although the project is not anticipated to directly or indirectly create individual or cumulative impacts that would degrade the human, animal or plant environment, habitat or community, mitigation measures via project conditions of approval shall be recommended as part of the approval process addressing the following primary areas of concern:
- Drainage controls
 - Exterior lighting
 - Handicapped parking and pathways,
 - Landscaped setbacks
 - Parking, and
 - Trash enclosure

References Utilized

- A Draft Preliminary Development Plans, and
- B Planning Division case file and records

JM/abn

Attachment No 5

RESOLUTION NO 2006-P005

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CULVER CITY, CALIFORNIA, APPROVING SITE PLAN REVIEW, SPR P-2005012 FOR THE CONSTRUCTION OF A TWENTY FOUR (24) CONDOMINIUM UNITS [TWELVE (12) LIVE/WORK AND TWELVE (12) RESIDENTIAL LOFTS] AND APPROVING TENTATIVE TRACT MAP, TTM P-2005014 (TENTATIVE TRACT MAP NO 65473), TO SUBDIVIDE THE PROPERTY INTO CONDOMINIUM UNITS IN THE GENERAL COMMERCIAL (CG), COMMERCIAL SETBACK OVERLAY (CSO) AND REDEVELOPMENT PROJECT AREA OVERLAY (RP) ZONES AT 12801 THROUGH 12823 WASHINGTON BOULEVARD

(Site Plan Review, SPR P-2005012)
and
(Tentative Tract Map No 65473, TTM P-2005014)

WHEREAS, on January 10, 2006, Urban Equity Partners, LLC, as the pending property owner of the site bound by Meier Street, Washington Boulevard, Moore Street and a public alley adjoining the north property line [within the city limits of Los Angeles], filed a complete Site Plan Review application and a Tentative Tract Map application to demolish the subject site and construct a three (3) story 38,067 $\pm$ gross square foot (GSF) structure with twenty four (24) condominium units [i.e., twelve (12) live work and twelve (12) residential lofts] with 57 covered parking spaces. The subject site is addressed as 12801 through 12823 Washington Boulevard, being Lots 55 through 63 of Tract No 5951, in the General Commercial (CG), Commercial Setback Overlay (CSO) and Redevelopment Project Area Overlay (RP) Zones, and

WHEREAS, on February 22, 2006, the Planning Commission conducted a duly noticed public hearing on these applications, fully considering the site plan review application, the tentative tract map application, the Mitigated Negative Declaration finding

1 under the California Environmental Quality Act, the preliminary development plans, the staff
2 report with attachments, and all testimony presented, and

3 WHEREAS, following conclusion of the public discussion and thorough deliberation of
4 the subject matter, the Planning Commission determined by a vote of ____ to ____ that the
5 project would not result in significant adverse environmental impacts, that a Mitigated
6 Negative Declaration finding was appropriate and that Site Plan Review, SPR P-2005007,
7 should be conditionally approved and Tentative Tract Map No 65473, TTM P-2005014
8 should be conditionally approved and recommended to the City Council for approval as set
9 forth herein below
10
11

12 NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF CULVER
13 CITY, CALIFORNIA, RESOLVES AS FOLLOWS

14 SECTION 1 Pursuant to the foregoing recitations and the provisions of Culver City
15 Municipal Code (CCMC) Title 17, Section 17 540 020, Findings and Decision, required
16 findings for a site plan review, and CCMC Title 15, Section 15 10 265, required findings for a
17 tentative tract map and subject to the Conditions of Approval herein, the following findings
18 are hereby made
19

20 Site Plan Review, SPR P-2005012

21 **A The general layout of the project, including orientation and location of buildings,**
22 **open space, vehicular and pedestrian access and circulation, parking and**
23 **loading facilities, building setbacks and heights, and other improvements on the**
24 **site, is consistent with the purpose and intent of this Chapter, the requirements**
25 **of the zoning district in which the site is located, and with all applicable**
development standards and design guidelines

26 The project is designed to harmonize with existing conforming and potential new land
27 uses in the area The layout and design of the project shall provide the appropriate
28 setbacks required by the General Commercial (CG) Zone, especially since the
29 majority of the structure provides the zero setback originally contemplated along the
Commercial Setback Overlay (CSO) Zone frontage along Washington Boulevard The

1 massing of the structure and the parking within the structure shall be built at or below
2 the Zoning Code height limit. All setback areas shall be landscaped where available
3 and extensive landscaping and decorative hardscaping used throughout the site shall
4 further enhance the overall aesthetics of the project site. Mechanical and storage
5 facilities shall be screened through a combination of decorative concrete walls and
6 landscaping. The site design, with its landscaping and required conditions of
7 approval, shall provide a safe and desirable environment for users of the site while
8 minimizing impacts to surrounding areas. As outlined in the preliminary development
9 plans, the onsite and offsite circulation patterns along Meier Street and Moore Street
10 and the improvements provide for ingress and egress patterns along these
11 surrounding streets shall not result in negative impacts. The surface parking lots are
12 also designed to provide ample parking for the uses on the site thus not affecting
13 adjacent areas.

14 **B The architectural design of the structure(s) and their materials and colors are
15 compatible with the scale and character of surrounding development and other
16 improvements on the site and are consistent with the purpose and intent of this
17 Chapter, the requirements of the zoning district in which the site is located, and
18 with all applicable development standards and design guidelines**

19 The project's design is compatible with all zoning code architectural standards for
20 residential and live/work units, and with the character of adjacent conforming
21 developments. The proposed exterior façade of the building will include a mixture of
22 primary materials [i.e., stucco, glass and metal] and colors as well as provide a
23 variation in building setbacks and heights while insuring the required four (4) sided
24 architectural treatment. These features, combined with the modulated building
25 design, provides for a building massing harmonious with the surrounding
26 neighborhood. The proposed architecture will then complement the surrounding
27 commercial buildings along Washington Boulevard whose exterior finishes are
28 compatible to the proposed facade. The combination of building materials will provide
29 contrast to the site while providing a design that is in keeping with the surrounding
30 retail, office and residential uses. The development will be three (3) levels and will be
31 comparable to existing buildings and business developments. Proper screening of
32 mechanical equipment and on-site lighting will be designed to complement the site's
33 architectural design while ensuring they do not obtrude onto adjacent properties.
34 Overall, the architectural design of the project ensures the harmonious appearance of
35 the site and surrounding buildings and is consistent with the development standards
36 for the General Commercial (CG) Zone.

37 **C The landscaping, including the location, type, size, color, texture, and coverage
38 of plant materials, provisions for irrigation, and protection of landscape
39 elements has been designed to create visual relief, complement
40 structures, and provide an attractive environment and is consistent with the
41 purpose and intent of this Chapter, the requirements of the zoning district in
42 which the site is located, and with all applicable development standards and
43 design guidelines**

1 The project's proposed landscaping is compatible with all applicable zoning code
2 regulations, it will complement the residential and live/work nature of the building and
3 parking area, insure visual relief for adjacent properties and public right-of-way, soften
4 the massing of the building, soften/screen the proposed parking area, and will provide
5 an attractive, enjoyable environment for both the future residents and visitors of the
6 building and the general public. This will be achieved through a combination of on-site
7 trees and landscaping along with City required street trees. The proposed landscape
8 plan shall also enhance and soften the exterior view of the site. Decorative hardscape
9 shall be provided within the entry area and elsewhere along the exterior of the new
10 building. Overall, the landscaping is designed to conform to City standards, conserve
11 energy, and reduce heat-gain from paved areas. Accent planting, signage and lighting
12 will also be installed and shall enhance both the pedestrian pathway servicing the site
13 as well as the building exterior along all three (3) street frontages and the alley along
14 the northerly edge of the site.

15 **D The design and layout of the proposed project will not interfere with the use and**
16 **enjoyment of neighboring existing or future development, will not result in**
17 **vehicular or pedestrian hazards, and will be in the best interest of the public**
18 **health, safety, and general welfare**

19 The proposed project is in the best interest of the public health, safety and general
20 welfare. The proposed residential and live/work project is consistent with the General
21 Plan General Corridor land use designation that encourages such live/work
22 commercial/residential opportunities. The project is also consistent with several
23 General Plan Land Use objectives and policies, especially within the Western [Culver-
24 West and McLaughlin] Sub-Area. It facilitates Objective 24 ["Protect and enhance
25 residential and business uses within the Western Sub-Area"] and Policy 24 B ["
26 Strengthen the commercial character of West Washington Boulevard west of the San
27 Diego Freeway (I-405) by ensuring that any proposed residential development be
28 designed in such a manner to complement the vitality of a commercial corridor."]
29 The project is also in conformance with the CG, CSO and RP zone applicable CCMC
development standards. This project is anticipated to encourage new business
opportunities and expand the City's economic base. Such business opportunities add
to the economic vitality that serves the community and protects the quality of life. The
new project is also intended to continue to increase business revenues in the City,
thereby improving the economic status of the City and contributing to the reversal of
sale tax leakage, thereby also contributing to the improvement of this part of Culver
City. With City approval of the Site Plan Review and Tentative Tract Map applications,
the project shall be consistent with the objectives of the General Plan and in
conformity with the Culver City Municipal Code including the Zoning Code.

30 **E The existing or proposed public facilities necessary to accommodate the**
31 **proposed project (e.g., fire protection devices, parkways, public utilities,**
32 **sewers, sidewalks, storm drains, street lights, traffic control devices, and the**
33 **width and pavement of adjoining streets and alleys) will be available to serve**

1 ***the subject site***

2 The existing and proposed public service facilities necessary to accommodate the
3 project such as the width and pavement along Meier Street, Washington Boulevard,
4 Moore Street and the adjoining public alley, the new driveways along Meier Street and
5 Moore Street, public improvements [i e , sewers, storm drains, sidewalks, street lights,
6 street trees], fire protection devices, and public utilities currently are provided for or
7 shall be adequately provided for as part of the conditions of approval set forth herein
8 during the plan check and construction portion of the project and shall be confirmed by
9 the City departments that reviewed the project during the interdepartmental review
10 and building permit process

11 ***F The proposed project is consistent with the General Plan and any applicable***
12 ***specific plan***

13 The proposed project is consistent with the "General Corridor" General Plan Land Use
14 Element designation in that its design and massing can be characterized as a medium
15 scaled commercial use (as called for in the General Plan) Its proposed street level
16 retail uses are anticipated to encourage a pedestrian friendly environment By
17 bringing in new retail type related uses, the project will be consistent with objectives of
18 the General Plan Land Use Element that calls for encouragement of commercial uses
19 along commercial designated corridors The new design with its vertical and
20 horizontal design elements, building materials, balcony design is intended to improve
21 the visual quality and pedestrian environment of the immediate area Accordingly, the
22 project site will revitalize the character and economy of the subject site By providing
23 new live/work and residential uses, the project will foster business and residential
24 growth in the area and potentially increase City revenues through new business
25 establishments that will serve the local and regional community These project
26 findings are also consistent with the Redevelopment Plan for Component Project Area
27 No 4

28 Tentative Tract Map No. 65473, TTM P-2005014

29 ***A The proposed map is consistent with the General Plan***

 The proposed tentative tract map is consistent with the General Plan Land Use and
 Housing Elements in that the proposed twenty four (24) condominium units shall
 provide new residential and live/work opportunities within a small-scale development
 on an underdeveloped lot

B The design of the proposed subdivision is consistent with the General Plan

 The design of the proposed subdivision is consistent with the General Plan Land Use
 Element in that the proposed live/work development is consistent with the objectives
 of the General Plan General Corridor land use designation that encourages live/work
 opportunities

1 **C. The site is physically suitable for the type of development.**

2 The site is physically suitable for the proposed live/work development in that the
3 project complies with all zoning standards. The proposed structure has met all
4 applicable setback, height and parking requirements.

5 **D. The site is physically suitable for the proposed density of development.**

6 The site is physically suitable for the proposed twenty four (24) live/work unit density of
7 the project, in that the CG, CSO and RP zones permit the proposed residential density
8 and all applicable setback, height and parking requirements shall be met.

9 **E. The design of the subdivision is not likely to cause substantial environmental
10 damage or substantially and avoidably injure fish or wildlife or their habitat.**

11 The proposed tentative tract map subdivision and the onsite and offsite improvements
12 shall not cause any known environmental damage and shall not damage any fish
13 and/or wildlife habitats because such fish and/or wildlife habitats do not exist on or
14 near the site.

15 **F. The design of the subdivision is not likely to cause serious public health
16 problems.**

17 The proposed tentative tract map subdivision and the onsite and offsite improvements
18 shall not cause any known serious public health problems because all applicable
19 zoning code development standards will have been met, and the applicant is required
20 to meet all of the conditions of approval that the reviewing agencies of the City, such
21 as Fire, Planning, Building and Safety, and Engineering have recommended for the
22 project.

23 **G. The design of the subdivision will not conflict with easements, acquired by the
24 public at large, for access through or use of, property within the proposed
25 subdivision.**

26 The proposed tentative tract map subdivision and the onsite and offsite improvements
27 shall not conflict with any existing and/or proposed easements.

28 SECTION 2 Pursuant to the foregoing recitations and findings, the Planning
29 Commission of the City of Culver City, California, hereby approves Site Plan Review, SPR
P-2005012, and approves and recommends to the City Council for approval Tentative Tract
Map No. 65473, TTM P-2005014, subject to the following conditions.

Site Plan Review, SPR P-2005012

Planning Division and General

- 1 Said conditions shall become due no later than prior to the issuance of any new construction building permit unless specifically scheduled for another due date
- 2 Said conditions shall be referenced on the cover sheet of the final working drawings and repeated in full at the beginning portion of the final working drawings
- 3 The applicant shall not construct any improvements within the adjoining City of Los Angeles public alley bordering the site without first obtaining the necessary written approval(s) from the City of Los Angeles, as may be required by the Planning Manager
- 4 The final working drawings shall conform to the preliminary development plans and materials board [i.e., colors, textures and finishes] prepared for this project and filed dated "Received February 13, 2006", as approved by the Planning Commission and as noted below and during the building permit review process. The Planning Manager may approve minor modifications to the project siting, design, landscaping treatment, and materials, provided such adjustments do not result in a significant change to the architectural design and/or site plan of the project as a whole. The minor modifications may include, but not be limited to, the reconfiguration of the new building footprint so long as the GSF of the project is not materially increased and the adjoining pedestrian and vehicle access and landscape design are approved by the Planning Manager and City Engineer. All minor modifications considered for approval shall not be in conflict with any specifically approved or required development or improvement feature, nor be in conflict with any other condition of approval or Culver City Municipal Code (CCMC) requirement
- 5 All mitigation measures as identified in the Mitigated Negative Declaration adopted for this project shall be completed as specified in this resolution herein
- 6 All applicable development standards and requirements in Planning Commission Resolution No. 92-P001, "Revised Comprehensive Standard Conditions of Approval for Site Plan Reviews and Other Discretionary Planning and Zoning Applications", as identified below, shall be met. These standards, as well as other conditions required in this approval, shall be reflected on the plans submitted for building plan check
- 7 In addition to the screening requirements for onsite parking areas including loading areas, refuse storage / trash compactor facilities, and Fire Department connections, the following items shall be screened from surrounding and nearby public and private properties in a manner consistent with City standards and suitable to the subject development as approved by the Planning Manager. In general, the height of any

required screening device shall be no lower on any side than the height of the highest feature requiring screening and

A All exteriors of the proposed building shall be free of all unaesthetically treated, exposed elements (i.e., plumbing pipes, electrical conduits, downspouts and National Pollution Discharge Elimination System (NPDES) elements) which shall be placed within the exterior walls. Where exposed wall-mounted features or equipment may be necessary (i.e., ventilators and utility meters), recessed wall mounted cabinets or other similar devices shall be constructed within the wall, whenever possible, to accommodate such features and equipment so that they are flush with and do not project out from the main exterior wall plane. With or without recesses, the exposed portions of such features or equipment shall be of a color to blend, not contrast, with the adjoining finished building color, subject to the approval of the Planning Manager;

B All roof-mounted mechanical equipment, duct vents and the like shall not project above the horizontal plane of the building's lowest primary opaque architectural feature(s) (i.e., parapet walls, penthouse structures or screening walls), and

C All ground-mounted equipment (i.e., transformers and air conditioners) shall be located within the building or in underground vaults if the equipment is located within a street facing setback, or it shall be screened with walls and/or landscaping if not located within a street facing setback. Ground-mounted equipment shall not be located in the landscaped areas fronting any public right-of-way.

8 During all phases of construction and once the development becomes operational, all graffiti upon the premise shall be removed within forty-eight (48) hours after its application.

9 All construction and permanent equipment shall be modified so as to insure the following noise standards:

A Equipped with mufflers and sound control devices (i.e., intake silencers and noise shrouds) no less effective than those provided on the original equipment and no equipment shall be operated without an exhaust muffler,

B Properly maintained to minimize noise emissions,

C If serviced at a location onsite, the vehicle(s) shall be setback from any street so as to maintain the greatest distance from the public right-of-way,

D Noise impacts from stationary sources (i.e., mechanical equipment, ventilators and air conditioning units) shall be minimized by proper selection of equipment and the installation of acoustical shielding as determined necessary by the

Planning Manager and the Building Official in order that compliance with the CCMC Noise Regulations and Standards is achieved, and

E Stationary source equipment (i.e., compressors) shall be located so as to maintain the greatest distance from the public right-of-way

10 All exterior lighting shall be developed pursuant to CCMC Title 17 – Chapter 17 300 General Property Development and Use Standards

11 All parking areas shall be developed pursuant to CCMC Title 17 - Chapter 17 320, Off-Street Parking and Loading. Additionally, all parking driveways shall be provided with automatic loop detectors for exiting vehicles to open the security gates from within the parking areas. Said gates shall remain in an open position between the hours of 7 00 AM and 7 00 PM seven (7) days a week

12 All signs shall be designed and installed pursuant to CCMC Title 17 - Chapter 17 330 Signs

13 All planted areas shall be landscaped and irrigated pursuant to CCMC Title 17 – Chapter 17 310 Landscaping. After issuance of the building permit, three (3) sets of detailed landscaping and irrigation plans separate from the final working drawings shall be submitted to the Planning Division for review and approval

14 The project and its operations shall comply with all applicable local, special district or authority, county and federal statutes, codes, standards, and regulations including, but not limited to, Building and Safety Division, Fire Department, Planning Division, and Public Works Department code requirements and it shall comply with all applicable comments and code requirements as determined during the City's building permit review process

15 The applicant shall use reasonable best efforts to actively advertise or post all opportunities for employment, contract services and purchasing of materials to Culver City-based businesses and residents. Reasonable best efforts shall include, but not be limited to, advertising on various internet sites. The applicant shall use reasonable best efforts to solicit and utilize economical and qualified services from Culver City-based employees and businesses. The applicant shall also require the construction contractor(s) and subcontractors related to the project to advertise all construction opportunities to Culver City-based businesses and residents. This condition shall not be construed so as to require the applicant to conduct business with, or purchase from, Culver City-based employees and businesses

16 The City reserves the right to periodically inspect the project site without prior notification to ensure continuing compliance with all conditions of approval

17 The Site Plan Review shall expire if new construction building permits have not been issued and work has not commenced within one (1) year after the date the entitlement

1 becomes effective [i.e., the date of City Council approval of the tentative tract map],
2 unless prior to the expiration date of the site plan review a written extension request
3 with fee is submitted by the applicant and the Planning Manager, Planning
4 Commission, or City Council grants said extension. The effective date of the
5 entitlement shall be considered to be the latest date of either the Redevelopment
6 Agency and/or City Council approval of the project's preliminary development plans
7 and/or subdivision map. The Site Plan Review shall become null and void if the
8 subject plans are not approved by the Redevelopment Agency and/or City Council.

6 18 The applicant and contractors shall use all reasonable cost effective efforts to reuse
7 and recycle construction and demolition debris, to use environmentally friendly
8 materials and to provide energy efficient buildings, equipment and systems.

9 19 The public notification sign(s) installed in accordance with the CCMC public
10 notification requirements for this review process shall be removed within ten (10) days
11 of the end of the appeal period or the final decision of the City Council /
12 Redevelopment Agency, whichever applies.

13 20 The name and telephone number of a contact person for the applicant, contractor and
14 the City shall be posted onsite and remain on display during construction.

15 21 The electrical transformer serving the site shall be located fully below grade. If
16 permitted above grade, it shall be within a landscaped planter. If permitted with a
17 screening wall, it shall be screened by landscape materials planted around the
18 perimeter of the transformer so as to screen the transformer at planting installation.

19 Prior to the issuance of any demolition, grading, excavation and/or building permit, the
20 applicant shall.

21 22 Unless otherwise provided for in any agreement between the applicant and the Culver
22 City Redevelopment Agency, agree and indemnify, defend and hold harmless the City,
23 the Redevelopment Agency, each of their elected and appointed officials, officers,
24 employees, agents, contractors and consultants from and against any and all claims,
25 lawsuits, judgments, liability, injury or damage which may result from third party
26 challenges to the City's and/or Agency's approval of the applicant's project in a
27 manner to the satisfaction of the City Attorney. The applicant shall add the City and
28 Agency as additional insured's on their general liability insurance policies, and

29 23 Provide the construction contractor(s) and each subcontractor related to the project a
copy of the final project conditions of approval. The applicant and the City agree that
these conditions shall be enforceable through all legal and equitable actions and any
remedies, including the imposition of fines against each and every person who
conducts any activity on behalf of the applicant on or near the project site. The
applicant and general construction contractor are ultimately responsible for all actions
or omissions of a subcontractor.

- 1 24 Demolish all existing site improvements in accordance with applicable City
2 regulations. The Planning Manager may delete all demolition related conditions listed
3 herein if at the time the applicant assumes ownership of the property, demolition of
4 the site has been completed to the satisfaction of the City.
- 5 25 Provide the Planning Manager with written proof of ownership of all the parcels within
6 the subject site. If said ownership has not transferred to the applicant at the time of
7 issuance of the grading permit, the Planning Manager may permit the issuance to the
8 applicant of a grading only permit if the property owner provides written authorization
9 to the applicant to be issued said grading permit.
- 10 26 Submit all documents, plans and fees, receive written approval and complete the
11 required appeal period as outlined in the CCMC for
- 12 A An Administrative Use Permit (AUP) per CCMC Section 17 320 035 C 1 b ii so
13 as to permit the use of tandem parking, and
- 14 B An Administrative Modification (AM) per CCMC Section 17 550 000 A so as to
15 provide 57 parking spaces onsite as opposed to the minimum requirement of
16 59
- 17 27 Execute, file and pay for the recordation of a covenant in favor of the City to be
18 recorded with the Los Angeles County Recorder regarding the land use restrictions
19 as outlined in CCMC Section 17 400 060 – Live / Work Development Standards
- 20 28 The applicant shall submit an exterior lighting plan to the Planning Manager for
21 review and approval. This plan shall include decorative or accent lighting for the
22 exterior of the site as well as for the interior of the parking structure and other areas
23 throughout the site.
- 24 29 Pursuant to CCMC Title 15, Section 15 10 755, parkland dedication and/or payment
25 of an in-lieu parkland fee shall be required.
- 26 30 All onsite and offsite landscaping and irrigation shall be completed to the satisfaction
27 of the City.

28 Prior to the issuance of any Temporary Certificate of Occupancy (TCO)

- 29 31 The applicant shall execute, file and pay for the recordation of a covenant in favor of
the City to be recorded with the Los Angeles County Recorder that sets forth the
applicant's obligations as outlined in the City's Art In Public Places Ordinance. Should
the applicant decide to pay the in-lieu fee for the cultural resources / public art
requirement at the time of the issuance of the building permit, the covenant
requirement shall not be required.

32 The applicant shall submit a security plan, including on-site security, to the Police Department for review and approval

33 Submit to the Planning Manager written confirmation from the City of Los Angeles Department of Public Works that all improvements required by the City of Los Angeles to the adjoining public alley and public streets right of way improvements have been completed to the satisfaction of the City of Los Angeles

34 All covenants, conditions and restrictions (CC&R's) and the homeowners' association bylaws shall be submitted to the City Attorney and approved. Additionally, the applicant shall record, concurrent with the recordation of the final map, a declaration of the City approved CC&R's

35 The applicant shall submit a parking plan to the Planning Manager for review and approval that designates assigned parking spaces for residents and visitors

Fire Prevention Division

36 All work shall be in accordance with the 2001 California building, fire, mechanical and electric codes

37 Comply with National Fire Protection Association (NFPA) Standards as required in the CA Fire Code

38 The building shall have fire sprinklers as follows

A Residential units shall be as required by NFPA 13-R,

B Office suites shall be as required by NFPA 13, and

C Both may share the same fire service

39 The 'double-detector check valve' (backflow preventor) for the fire sprinkler system(s) shall be provided in accordance with the requirements of the City of Los Angeles Department of Water and Power (water service) and the Los Angeles County Health Department. Location of the double-detector check valve shall be approved by the Fire Marshal and Planning Manager. All equipment shall be screened in accordance with the standards and requirements listed in Planning Commission Resolution No 92-P001, Comprehensive Site Development Standards and Conditions for Site Plan Reviews and Other Discretionary Planning and Zoning Applications. A separate permit from the Fire Department shall be required along with prior plan review and approval for fire sprinklers as required by the Fire Prevention Division

40 Location of the Fire Department fire sprinkler connection (FDC) shall be approved by the Fire Marshal. Each FDC shall be within thirty feet (30' - 0") to fifty feet (50' - 0") of a fire hydrant. A new fire hydrant may be required to meet this requirement. The

- 1 applicant shall contact the Engineering Division for permits and placement of fire
2 hydrants to maximize on-street parking
- 3 41 A fire flow requirement of a minimum 2,625 gallons per minute from two (2) to three
4 (3) adjacent fire hydrants shall be required as determined by the Fire Marshal Any
5 and all upgrades to surrounding water main(s) to meet the minimum required fire flow
6 shall be at the sole cost of the applicant
- 7 42 All addresses shall be viewable from the public right-of-way
- 8 43 Provide fire sprinkler monitoring per NFPA 72 / Chapter 4 Fire monitoring system
9 shall be separate from the security system This offsite reporting system shall require
10 a minimum of two (2) dedicated telephone lines
- 11 44 Trash area(s) within five feet (5' - 0") of any building shall be protected by fire
12 sprinkler(s)
- 13 45 All exterior fascias, walls, tops of walls and parapet surfaces shall be constructed to
14 support the weight of fire fighters, suppression equipment, and ladders for fire fighting
15 operations All proposed construction of these areas shall be submitted to the Fire
16 Marshal for approval
- 17 46 All building parapets exceeding five feet and zero inches (5' - 0") in height shall
18 require the installation of a catwalk system The catwalk shall be capable of
19 supporting firefighter(s) and equipment weighing a minimum of five hundred (500)
20 pounds Said catwalk shall measure a minimum width of four feet and zero inches (4'
21 -0") and shall be placed a minimum of three feet and zero inches (3' - 0") below the
22 top of the parapet
- 23 47 Knox Box and/or Knox key switches shall be provided Motorized access gates shall
24 have a Knox key switch as required by the Fire Department
- 25 48 Provide fire extinguishers of a size, location and type as approved by Fire Marshal
- 26 49 Provide access for emergency fire and medical personnel upon smooth concrete
27 surfaces between the street and main entrance for each building paved to allow the
28 rolling of a medical gurney as determined by the Fire Marshal
- 29 50 The final plan check drawings shall include all Fire Department notes under the
heading "F D Notes" The Fire Prevention Division shall determine the contents of
those notes
- 51 The parking structure shall meet the "open parking structure" definition of the CBC
and be provided with fire sprinklers throughout
- 52 For all live/work units, all exterior doors shall have key sets and handles

1 53 The fire sprinkler system shall require a five (5) year test certificate upon completion of
2 construction

3 54 The minimum density of the fire sprinkler system shall be "Ordinary Group 1 Hazard"
4 at 0.15 gallons per minute per square foot over 1,500 square feet

5 55 The applicant shall submit to the Fire Marshal for review and approval a plan outlining
6 all onsite curbing along any driveway and aisleway which shall be painted "red" and
7 stenciled with white letters stating "No Parking - Fire Lane - Tow Away" and posted
with signs regarding such restrictions as may be required by the Fire Marshal

8 Prior to the issuance of any Temporary Certificate of Occupancy (TCO)

9 56 The applicant shall complete and submit to the Fire Marshal for approval

10 A A plan addressing "Hazardous Materials" on the site, and

11 B A site pre-fire plan
12

13 **Building and Safety Division**

14 57 All walls, columns, ceilings, etc. as part of the parking structure shall be one hundred
15 percent (100%) non-combustible construction, two (2) hour rated. The ceiling of the
16 ground floor / floor structure of the 2nd floor shall also be one hundred percent (100%)
non-combustible, reinforced concrete construction

17 58 The onsite parking areas shall be 1 hr. rated construction

18 59 The elevator shaft shall be one hundred percent (100%) non-combustible, two (2)
19 hour rated

20 60 The trash room shall be one hundred percent (100%) non-combustible, two (2) hour
21 rated

22 61 The stair shafts, stair tread and riser shall be one hundred percent (100%) non-
23 combustibles, one (1) hour rated construction

24 62 Each live-work / residential unit shall be two (2) hour rated to any adjacent unit

25 63 All exit ways shall be one (1) hour rated if the clear width at the walking surface is less
26 than ten feet (10' - 0") in width

27 64 All areas of the building shall be fully fire sprinklered
28
29

- 1 65 Any unit area on the third floor or above which exceeds five hundred (500) gross
2 square feet (GSF) shall have two (2) separate means of egress remotely located
- 3 66 Any room which could be used for sleeping purposes as defined by the Building
4 Official shall have an emergency means of egress directly to a street or public way. A
5 courtyard or walkway may be considered a public way, at the discretion of the Building
6 Official
- 7 67 Any required landscaping including street trees shall be supplied with irrigation water
8 from the permanent site irrigation system unless street tree irrigation is not required by
9 the City Engineer
- 10 68 A complete and thorough geotechnical engineering investigation shall be submitted
11 with the building permit application drawings. The structure shall be designed per the
12 recommendations of the geotechnical report
- 13 69 A minimum sound transmission class rating of 75 shall be provided from unit to unit
- 14 70 All utility services and devices shall be underground or enclosed
- 15 71 Each unit shall have separate metering for all utilities
- 16 72 Complete building code review shall be performed at the time of building permit
17 application
- 18 73 Separate permits shall be required for electrical, plumbing, and mechanical work
- 19 74 The filing of the building permit shall include at a minimum six (6) full sets of full size
20 architectural drawings and two (2) full sets of full size structural drawings and
21 structural specifications, energy calculations, geotechnical report and civil drawings.
22 Two (2) full sets of full size landscaping and irrigation drawings shall be separately
23 filed with the Planning Division at the time of building permit submission. City staff
24 shall review the plans and return them with all applicable corrections. Said plans may
25 be scheduled for review and discussion at a Project Review Committee (PRC)
26 meeting which shall be attended by the applicant and applicable representatives. If
27 required, said plan shall be subject to revision, resubmission and re-review by the
28 PRC. Additional review time may be required
- 29 75 Handicapped accessibility to current code requirements shall be required at all new
construction areas of the project site
- 76 All handicapped parking spaces shall meet current code requirements including, but
not limited to, the total number, type (i.e., standard or van accessible), signage at
driveway entrances and at each handicapped parking space, location, handicapped
pathway, handicapped ramp locations and all other handicapped parking
specifications

- 1 77 All construction equipment shall be properly tuned and maintained in accordance with
2 manufacturer's specifications
- 3 78 General contractors shall maintain and operate construction equipment so as to
4 minimize exhaust emissions. During construction, trucks and vehicles in loading and
5 unloading queues shall be kept with their engines off, when not in use, to reduce
6 vehicle emissions. Construction emissions shall be phased and scheduled to avoid
7 emissions peaks and discontinued during second-stage smog alerts
- 8 79 To the extent feasible, the applicant shall use electricity from power poles rather than
9 temporary diesel-powered or gasoline-powered generators
- 10 80 Building materials, architectural coatings and cleaning solvents shall comply with all
11 applicable South Coast Air Quality Management District (SCAQMD) rules and
12 regulations
- 13 81 A wind speed measuring device shall be installed and maintained in a calibrated state
14 onsite and all grading operations shall be immediately terminated if wind speeds
15 exceed twenty five miles per hour (25 mph)
- 16 82 The applicant shall install a dust fabric to any fencing erected along the project
17 perimeter
- 18 83 The applicant shall ensure efficient parking management during construction so as not
19 to impact surrounding properties. Construction workers shall park on site or at other
20 locations approved by the City. No parking on surrounding residential neighborhood
21 streets shall be allowed
- 22 84 The following shall be implemented to reduce construction-related traffic congestion
- 23 A Construction parking shall be configured to minimize traffic interferences,
- 24 B Flag person(s) with radio communication shall be provided to guide the traffic in
25 a safe and proper manner if and when necessary,
- 26 C Obstruction of through-traffic lanes shall be minimized,
- 27 D Rideshare incentives shall be provided, and
- 28 E Transit incentives for construction personnel shall be provided
- 29 85 The applicant shall use

1 A Double-paned windows spectrally selective with low-emissivity (low-e) coating
2 to reduce thermal loss and reduce energy demand for temperature control
3 purposes, and

4 B Light-colored roof materials to deflect heat and reduce energy demand for
5 building cooling purposes

6 86 The project shall be designed and operated to conserve energy and shall comply with
7 all applicable utility standards and regulations required by Southern California Edison
8 (electrical service), Southern California Gas Company (natural gas service), City of
9 Los Angeles Department of Water and Power (water service) and/or any other
10 appropriate agencies to adequately serve the project site

11 87 Coordinate a project kick off meeting to be held in City Hall including, but not limited
12 to, the Building Official, the Planning Division Case Manager, all involved City
13 inspectors, all special inspectors, the general contractor's on-site field
14 superintendent(s), and all major trade superintendents

15 88 Submit to the Building Official a written special inspection program that shall include,
16 but not be limited to, proposed special inspections, the names and qualifications of all
17 proposed special inspectors and the stages of inspection. Special inspectors shall be
18 employed by the applicant, the architect, the engineer(s) or the applicant's agent and
19 neither by the general contractor nor any subcontractor

20 Prior to the issuance of any Temporary Certificate of Occupancy (TCO).

21 89 The Building Official shall insure all applicable onsite and offsite improvements and
22 conditions of approval have been completed pertaining to the TCO. The completed
23 improvements and conditions required for issuance of any TCO shall be determined
24 by the Building Official, Fire Marshal, Planning Manager and City Engineer following
25 the applicant's filing for such TCO

26 Prior to the issuance of any Final Certificate of Occupancy (FCO).

27 90 The Building Official shall insure all applicable onsite and offsite improvements and
28 conditions of approval have been completed pertaining to the FCO. The completed
29 improvements and conditions required for issuance of any FCO shall be determined by
30 the Building Official, Fire Marshal, Planning Manager and City Engineer following the
31 applicant's filing for such FCO and shall include, but not be limited to, the following

32 A Provide the City with five (5) full size sets of as-built plans that shall include at a
33 minimum the site plan, grading and utility plan, landscape and irrigation plan,
34 floor plan for each level of the project, parking structure plan, roof plan with all
35 mechanical equipment identified as to purpose and source and all off-site
36 improvements, and

1 B The as-built plans shall be filed with the following City departments / divisions

2 1) Building and Safety Division,

3 2) Fire Prevention Division,

4 3) Planning Division,

5 4) Police Department, and

6 5) Public Works Department

7
8 **Engineering Division**

9 91 Estimated plan check fees shall be submitted at first plan check

10 92 The existing sidewalk along the project's frontage with Washington Boulevard, Meier
11 Street, and Moore Street shall be removed and reconstructed with street trees to the
12 satisfaction of the City Engineer Washington Boulevard shall have a full width
13 sidewalk

14 93 The existing curb and gutter along the project's frontage with Washington Boulevard,
15 Meier Street and Moore Street shall be removed and reconstructed to the satisfaction
16 of the City Engineer

17 94 The asphalt paving along the project's frontage on Meier Street and Moore Street shall
18 be removed and reconstructed to a depth of two inches to the satisfaction of the City
19 Engineer This reconstruction shall be from the curb line to the center line of the
20 street

21 95 Those portions of the street paving along the project's frontage on Washington
22 Boulevard that are in disrepair and are out of line as determined by the Engineering
23 Division shall be removed and reconstructed to the satisfaction of the City Engineer

24 96 The public alley along the project's northerly boundary shall be removed and
25 reconstructed This work shall include, at a minimum, the grinding and repaving of
26 two inches of asphalt paving, removal and reconstruction of the concrete gutter, and
27 removal and reconstruction of the alley approaches, including the curb returns, at
28 Meier Street and Moore Street This alley is within the jurisdiction of the City of Los
29 Angeles All requirements of the City of Los Angeles, including plan review, plan
 approval, and permitting shall be met Prior to construction, a copy of the approved
 alley plan shall be submitted to the Engineering Division to verify that the requirements
 of this condition have been satisfied

97 97 Street trees shall be required along all streets fronting this project A landscape plan
 for parkway landscaping, to include planting of additional street trees with tree wells,

- 1 and irrigation within the public right-of-way shall be submitted for review and approval
2 by the City Engineer. The applicant shall maintain the parkway area to the satisfaction
3 of the Public Works Department
- 4 98 The existing driveway along the project's Washington Boulevard frontage shall be
5 closed and replaced with new standard curb and sidewalk
- 6 99 The existing street lights along the property frontage with Washington Boulevard shall
7 be upgraded to low voltage power. This work shall include, but not be limited to, the
8 replacement of the light fixtures and ballasts, installation of new pull boxes, and the
9 installation of new conduit and wiring
- 10 100 The existing handicap ramps on Washington Boulevard, at the intersection with Meier
11 Street and Moore Street, shall be reconstructed to the satisfaction of the City
12 Engineer
- 13 101 Street signage and striping shall be installed along the project's Meier Street and
14 Moore Street frontage to the satisfaction of the City Engineer. This work shall include,
15 but not be limited to, stop signs, stop bars, cross walk striping, red curb painting and
16 parking prohibition signage. All striping shall be thermoplastic
- 17 102 The proposed drive approaches along Meier Street and Moore Street serving the site
18 shall be handicap accessible and be designed as a "Type A" commercial driveway per
19 the American Public Works Association (APWA) Standard Plan 110-1
- 20 103 Parking meters and designated parking spaces with painted "T's" along the project's
21 Washington Boulevard frontage shall be reconfigured to the satisfaction of the City
22 Engineer. Where feasible, existing parking meters may be used as approved by the
23 City Engineer
- 24 104 Drainage devices, concrete curb and gutter, sidewalk, and drive approach, roadway
25 pavement shall be designed to the latest edition of the APWA Standard Plans. Roof
26 drainage shall extend through the street curb or to an onsite drainage inlet. All onsite
27 drainage inlets shall convey pretreated storm water underground through the street
28 curb
- 29 105 The applicant shall provide a geotechnical report from a State licensed geotechnical
engineer reporting on the suitability of the onsite soils to support the proposed
construction and shall include a liquefaction analysis. The report shall also identify
any special considerations necessary to satisfy California Building Code requirements
- 106 The applicant shall be responsible for the expense to repair or replace any damage to
the public right-of-way caused by the construction of the proposed project. Such
repair or replacement shall be completed to the satisfaction of the City Engineer

- 1 107 Dirt hauling and construction material deliveries or removal are prohibited during the
2 morning (7 00 AM to 9 00 AM) and afternoon (4 00 PM to 6 00 PM) peak traffic
3 periods
- 4 108 During construction, dust shall be controlled by regular watering and as directed by the
5 Public Works Inspector
- 6 109 All staging and storage of construction equipment and materials, including the
7 construction dumpster, shall be on-site only and screened from public view, unless
8 otherwise permitted by the City Engineer and Planning Manager. The applicant shall
9 obtain written permission from adjacent property owners for any construction staging
10 occurring on non-residential adjacent property. Such activity shall be prohibited on
11 any residential adjacent property
- 12 110 The construction contractor shall advise the Public Works Inspector of the
13 construction schedule and shall meet with the inspector prior to commencement of
14 work
- 15 111 All parking areas shall be designed in accordance with City Council Resolution No 87-
16 R100, Parking Design and Layout Guidelines, and City Council Resolution CS-6486,
17 Adopted Standards and Specifications for Off-Street Parking Areas. Onsite Parking
18 Areas including driveways and access ways shall be designed as defined in CCMC
19 Section 37-2, Section 37-89, et seq, based upon the use(s) involved and laid out,
20 designed and double striped in conformance with CCMC Section 37-90
- 21 112 Prior to commencement of any new construction within the public right-of-way, the
22 applicant shall apply for a street use permit. A traffic control plan may also be
23 required
- 24 113 Culver City haul routes and schedules as noted by the Engineering Division shall be
25 used by all construction vehicles. The contractor shall provide a haul route map that
26 shall be approved by the City Engineer before the beginning of any construction-
27 related activity
- 28 114 Parking garage entries shall be designed, to the satisfaction of the City Engineer, to
29 allow smooth and efficient entry of vehicles from the adjoining streets into the garage
- 115 Concurrent with the submittal of the site improvement plan, a Local Storm Water
Pollution Prevention Plan (LSWPPP) and Standard Urban Storm Water Mitigation
Plan (SUSMP) shall be submitted for review and approval by the City Engineer as
outlined in CCMC Chapter 5 05. The LSWPPP and SUSMP shall be developed and
implemented in accordance with the requirements of the Los Angeles County
Municipal Stormwater NPDES Permit No CAS614001 (Order No 01-182). The
LSWPPP shall include Best Management Practices (BMPs) that effectively prohibit
the entry of pollutants from the construction site into the public street or storm drain
system. The SUSMP shall provide BMPs that adequately address the pollutants

generated during the post-construction stage. The site improvement plans shall note that the contractor shall comply with the "California Stormwater Best Management Practice Handbooks"

Prior to the issuance of any demolition, grading, excavation and/or building permit, the applicant shall

116 Prior to the commencement of any excavation, the applicant shall install a temporary construction fence surrounding the site. Specifications of the height and fence material shall be submitted to the City Engineer for approval prior to installation.

117 Concurrent with the submittal of the Site Improvement Plan, the Local Storm Water Pollution Prevention Plan (LSWPPP) and the Standard Urban Storm Water Mitigation Plan (SUSMP) shall be submitted for review and approval by the City Engineer. Prior to the start of design of these plans, the applicant's civil engineer shall meet with the City's Stormwater Program Manager.

118 Upon completion of rough grading, the geotechnical and civil engineers shall submit certifications and final reports in accordance with Appendix Chapter 33 of the California Building Code. Said certifications and reports shall be submitted to the Engineering Division for review and approval.

119 This project shall be subject to the City's Sewer Facility Charge and all fees shall be paid in full based upon the total gross square footage and proposed use(s) of the project.

Prior to the issuance of any Temporary Certificate of Occupancy (TCO)

120 The applicant shall submit a plan to the City Engineer regarding the repair or replacement of any damage to the public right-of-way that results from the construction of the proposed project. Such repair or replacement is to be completed to the satisfaction of the City Engineer. The applicant shall be responsible for all expenses.

121 Complete all of the conditions of approval, including final tract map recordation with the County Recorder of Los Angeles County and payment of all fees to the County and City pertaining to the tentative tract map, prior to the issuance of any certificate of occupancy for any condominium unit.

Sanitation Division

122 Per CCMC Section 5 01 010, Municipal Service Exclusion, the Sanitation Division has the exclusive franchise for all solid and recyclable waste material handling within the City limits.

123 The applicant shall submit to the Sanitation Manager for review and approval a refuse disposal / recycling plan for all portions of the site addressing the design, location and type of trash collection and recycling systems to be used, including onsite compaction of all trash and the recycling procedures of all tenants. Said plan may also include the installation of a compactor and several three (3) cubic-yard dumpsters for co-mingled recycling at locations as may be approved by the Sanitation Manager. To centralize recycling collection, the dumpsters may be exchanged for customized roll-off container(s). All necessary support elements including, but not limited to, ground mounted guide railings and fire suppression systems as may be required by the Fire Marshal, shall be included on the plan as well as the upgrade of all existing to remain trash enclosures to current standards.

8 **Redevelopment**

9 Prior to the issuance of any demolition, grading, excavation and/or building permit, the
10 applicant shall

11 124 The applicant shall have executed a Disposition and Development Agreement (DDA)
12 with the Culver City Redevelopment Agency

13 **Tentative Tract Map No 65473, TTM P-2005014**

14 **Engineering Division and General**

15 125 Tentative tract map shall expire within three (3) years after the date it becomes
16 effective unless the applicant submits an extension request in writing to the Planning
17 Manager and is granted said extension by the Planning Manager or the Planning
18 Commission or the City Council

19 126 A copy of the first plan check package as submitted to the Los Angeles County
20 Department of Public Work shall also be submitted concurrently to the Culver City
21 Engineering Division for review

22 127 All required boundary monuments shall be installed prior to the recording of the final
23 map. At a minimum, spike and washers shall be set on the centerlines of Moore and
24 Meier Streets at its intersection with the easterly and westerly prolongation of the
25 northerly property line and on the centerline of Washington Boulevard with its
26 intersection with the centerlines of Moore and Meier Streets. Each monument shall be
27 "tied" to at least three (3) points, with lead and tags, and centerline tie notes filed with
28 the Engineering Division

29 128 If required, an Improvement Bond and Agreement shall be filed with the City prior to
the recording of the map for those improvements awaiting completion and approved
by the City Engineer to be bonded. The bond shall include, but not be limited to, labor
and material and be based on estimated construction costs as provided by the City

1 129 The final map shall

- 2 A Be prepared by a surveyor or civil engineer licensed in the State of California
- 3 B Conform to the tentative map conditionally approved by the Planning
- 4 Commission on February 22, 2006
- 5 C Include a project boundary tied to at least one (1) City global positioning
- 6 satellite (GPS) monument
- 7 D Be recorded prior to the issuance of any Certificate of Occupancy for any
- 8 residential air space unit
- 9 E Dedicate two (2) corner cut-offs for street purposes at the Washington
- 10 Boulevard / Meier Street and Washington Boulevard / Moore Street corners of
- 11 the site to the satisfaction of the City Engineer
- 12 F Be submitted to the Los Angeles County Department of Public Works for review,
- 13 approval and recordation All applicable documents and fees shall be paid for
- 14 by the applicant
- 15 G Be filed with the Engineering Division in digital and mylar formats prior to final
- 16 acceptance by the City

17 APPROVED and ADOPTED this 22nd day of February 2006

18

19

20 _____

21 SHEILA THOMAS, CHAIRPERSON

22 PLANNING COMMISSION

23 CITY OF CULVER CITY, CALIFORNIA

24 Attested by

25

26

27 _____

28 Yvonne Hunt

29 Administrative Secretary

JM/abn

3/5

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Draft

REGULAR MEETING OF THE
PLANNING COMMISSION
CULVER CITY, CA

February 22, 2006
7 00 p m.
Mike Balkman Council Chambers

MEMBERS PRESENT

Sheila Thomas, Chair
Maureen Muranaka, Vice Chair
Scott Malsin, Commissioner
Marcus Tiggs, Commissioner
David Rockwell, Commissioner

ADVISORY PRESENT

Thomas Gorham, Deputy Community Development Director
Joseph Montoya, Associate Planner
Jose Mendivil, Associate Planner
Bryn Moxley, Special Counsel
David McCarthy, City Attorney

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CALL TO ORDER

Chair Thomas called the meeting to order at 7 02 p.m.
The Pledge of Allegiance was led by Joseph Montoya.
Roll Call Thomas, Muranaka, Malsin, Tiggs, Rockwell

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PUBLIC COMMENT

None

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ACTION ITEMS

PH-1 12801-23 Washington Boulevard, West Culver Lofts, Site Plan Review, Tentative Tract Map

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Motion to approve Affidavit of Mailing of Notices was moved by Commissioner Muranaka and seconded by Commissioner Tiggs

Joseph Montoya gave the staff report outlining the project The project includes building twenty-four (24) condominium units (12 live/work and 12 residential) with fifty-seven (57) covered parking spaces on the first floor

Commissioner Malsm.

- Raised question about previous use of eight residential units on this property exclusive of the Baldwin Hotel?
- How many garage spaces were there?

Joseph Montoya

Yes, approximately eight units do not know how many garage spaces

John Fisanotti

There were two 4-unit buildings each building had two garages, double car garage size, one space per unit

Commissioner Muranaka

- Inquired why the tandem parking and the decrease in parking spaces are being approved through an AUP rather than consolidated into the Planning Commission action
- Cannot find the code reference made to tandem parking Section 17 32035

Thomas Gorham

With the new code, the administrative review is handled at the staff level

Commissioner Muranaka

- Would be more efficient if were all handled at the Planning Commission level. If the new code does not provide for that, then there is a deficiency in the new coding

Thomas Gorham

The new code does allow us to bump it up this came out late in the process

Joseph Montoya

The bottom of page 37 lists subsection (b) tandem parking spaces, page 38 II states within non-residential districts tandem parking may be provided for required parking spaces when authorized through an Administrative Use Permit"

Commissioner Muranaka

- Stated that this is not the section referenced in the staff report

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Joseph Montoya

What page are you referring to in the staff report?

Commissioner Muranaka

Page 6 refers to section 17 320 035(c)(b)(II)

Joseph Montoya

If you read the printed version you are correct that it is Section (B), if you refer to page 3-35, that s the first capital A and on page 3-36 should be ' B ', page 337 what is listed as "B" should 'C" The zoning code is incorrect due to a typographical error

Commissioner Tiggs

- Appears there will be less vehicle trips with the project than existing conditions
- What is the basis for the calculation of 12 live/work units and 12 residential units?
- What is significance of statement regarding traffic "of special note is the proposed project is eliminating all use of the public alley and separates "

Joseph Montoya

Significantly less with the project, does not have the formula on hand, referred to the Engineering Division to do the standard formula calculations they use.

John Fisanotti

Introduced himself as Redevelopment Project Manager for the Redevelopment Agency Stated that when the City Engineer did the analysis I was asked for the existing use on the site which included the fifteen unit hotel, three-space commercial with the bar, market and restaurant as well as those eight residential units That was the baseline the engineer was referring to

Joseph Montoya

If you look at the existing block, the access to parking was dependent 100% through the alley there is no vehicle access to the site at all through the alley There will be some access through the alley but no where in the range that exists now That justifies the City of Los Angeles concern that there might be a need for alley reconstruction

Commissioner Rockwell

- Visited property over the weekend, observed people there from Los Angeles and was told that construction guidelines were nor being followed and concern was expressed regarding the lack of parking spaces
- Resident awareness should observed.

Chair Thomas

- Page 4 of staff report – re curbside parking spaces, how many parking spaces will be available after construction?

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Joseph Montoya

Not known at this time. Per the Engineering Division it will be dependent upon a proposed re-striping plan from the civil engineer

Commissioner Rockwell

There are seven (7) existing parking spaces and one driveway that appears to go into a wall

Joseph Montoya

I do not know what kind of plan the Engineering Division will support

Char Thomas

- It appears we are looking in the 6 – 8 range

Joseph Montoya

I agree but hesitate because there has been no discussion regarding a fire hydrant that may be required and will take away from the available parking and the corner radius will be modified.

Char Thomas

- For anything requiring environmental approval, it would be handy to have the official closing date of the comment period for the circulation of the Mitigated Negative Declaration Was it distributed for review on January 31st?

Joseph Montoya

My recollection is that it was delivered the very next day, and is a twenty-one (21) day review period

Char Thomas

- It would be a nice touch if somewhere in the staff report it would state what the review periods are for environmental items

Joseph Montoya

If you refer to Attachment 1 (Project Summary) the Notice of Intent and the notice of the County includes that

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PUBLIC HEARING

Robert Little (Urban Equity Partners LLC)

- Sound transmission – Item #69 – very concerned about that issue and will make every effort to be in compliance
- Parking and use of the alley – reducing use of the alley – residents will have assigned spaces

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- There are three spaces for eleven of the twelve live/work units, the extra three spaces could be utilized as guest parking

Motion to close Public Hearing Moved by Commissioner Malsm Seconded by Commissioner Rockwell.

Commissioner Tiggs

- Supports project
- Has pedestrian theme and attractive & creative design

Commissioner Muranaka

- Supports project
- Will hopefully appeal to a market not served in that area.
- Concerned about comment from staff report regarding commission approved criteria for determining if a project requires a traffic impact study; the Planning Commission has never recommended that, rather has been told that this is what the Engineering Department has recommended and the Commission has acquiesced.

Commissioner Malsm

- Support project
- At a meeting of Culver West Neighborhood Association approximately one year ago, there were no objections to the project
- Very well designed structure

Commissioner Rockwell

- Supports project
- One of the buildings had a fire
- Felt trees along the alleyway are a nice boundary

Chair Thomas

- Supports the project

Resolution/Conditions of Approval

Commissioner Malsm

- Page 9 – Condition #11 – Questioned whether it is standard practice for gates to remain open from 7 00 a.m. – 7 00 p.m.

Joseph Montoya

There is no standard practice for case and is done on a case-by-case basis Engineering Division recommended that to ensure that Washington Boulevard is not impacted We want to make sure those cars entering the site are not stacking waiting for the security gate to open and have cars backing up onto Washington Boulevard.

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Commissioner Malsm

- How would that work in practice with no on-site management?

Joseph Montoya

They would have to figure out a system themselves as to how it is done either electronically or have on-site management

Commissioner Malsm

If it's fine with the applicant, it's fine with me

Vice Chair Muranaka

- Concerned that Condition #31 and several other conditions are geared toward the issuance of a temporary Certificate of Occupancy

Joseph Montoya

Applicants continue to apply for them and the City continues to issue them recognizing that it is best to have a condition referencing that issue

Chair Thomas

- Completely inappropriate to have a Temporary Certificate of Occupancy on a new building where if a resident moves in and does not meet the standard, you would be asking tenants to move out

Joseph Montoya

The temporary Certificate of Occupancy forms require the applicant to stipulate the expiration date of that temporary Certificate of Occupancy

Chair Thomas

- Would prefer that all references to "temporary" be stricken and the condition would simply read "Certificate of Occupancy" because of the nature of this type of development

Joseph Montoya

If the Commission chooses that route it would be advisable to add a stipulation at the beginning that there be no temporary Certificate of Occupancy's issued

Chair Thomas

- Would like to add condition to replace all "temporary Certificate of Occupancy" to "Final Certificate of Occupancy"
- Need to look at all the condominium projects to determine if there is an individual Certificate of Occupancy for each unit or for the entire project

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- Page 14 – should have a hazardous materials plan onsite and the pre-fire plan before any of the units would have a Certificate of Occupancy and that would be a final Certificate of Occupancy
- A temporary Certificate of Occupancy implies that you have a certain amount of time to complete something and a distinction should be made as to what should be completed.

Commissioner Rockwell

- Since there are two separate buildings, can we develop a stipulation stating that a TCO could only be granted for a building that is complete but not for the whole project?

Maureen Muranaka

- Would not approve conditions as they are now, sets a bad precedence

Robert Little (Urban Partners)

- The project is not being phased out, but rather finishing the building out

Chair Thomas

- Page 11 – Item 31 – strike the word “temporary” prior to the issuance of any Certificate of Occupancy
- Units can be given a Certificate of Occupancy on a unit for unit basis
- Planning would like to work out a method where you will collectively allow the developer to not use the word “temporary”

Joseph Montoya

We do not know the builder will issue a Certificate of Occupancy for each individual unit or collectively

Chair Thomas

- If after reviewing all of the conditions we find no need to issue a temporary Certificate of Occupancy, then we add a condition stating there would be no temporary Certificate of Occupancy

Commissioner Malsin

- Page 11 – Condition 31 – is it referring to the art in public places?

Joseph Montoya

The City requires these covenants executed, paid for and filed with the County to insure the public art process would be met

Chair Thomas

- Recommends striking the word “temporary”

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Commissioner Muranaka

- Page 12 – Condition #34 – first word “all” be replaced with the “declaration of covenants, conditions and restrictions”, delete the word “and”, the homeowners bylaws, and if applicable the condominium plan shall be submitted to the City Attorney and approved.

Chair Thomas

- Item 39 - is this area served by DWP?

Commissioner Muranaka

- Page 14 – Condition #56 – delete “temporary”

Commissioner Muranaka

- Condition 69 – or as may be otherwise ‘reasonably’ approved by the building official

Commissioner Muranaka

- Condition 87 – is not a complete sentence, add at the beginning “the applicant shall”

Chair Thomas

- Condition 89 – strike “T” and throughout the condition
- Condition 90 – “prior to the issuance of a final Certificate of Occupancy for the entire project” should convey our intent

Commissioner Tiges

- Condition 87 – should put when the intention is

Chair Thomas

- Conditions 92 and 97 – regarding landscaping, Condition 92 – the issue is street pockets not street tree wells
- Condition #113 – because of the shared boundary, should we not coordinate the haul routes with the City of Los Angeles?

Joseph Montoya

Did not find it necessary because the trucks should not be coming through any of the residential streets

Commissioner Muranaka

- Condition #121 – delete “Temporary”

Chair Thomas

- Appears that Condition #90 (final Certificate of Occupancy) which references only the “as-builts” for the onsite improvements, everything else required that would have been

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ascribed to a "temporary" Certificate of Occupancy are all in fact conditions that would be necessary for any level of occupancy

- The only thing remaining for the applicant to do before the final approval is to surrender the "as-builts"
- Do we need a condition stating that no temporary Certificate of Occupancy will be issued or not?

Commissioner Tiggs

- Does not believe we do

Comments on Mitigated Negative Declaration

- None

Moved by Commissioner Malsin to adopt the Mitigated Negative Declaration and approve Site Plan SPR P-2205012 as amended as stated in Draft Resolution 2006-P005 and approve the Tentative Tract Map 65473-TTMP-2005014 subject to the conditions of approval as amended. Commissioner Muranaka recommended approval by the City Council and seconded the Motion to approve

Cecilia Preciado
Legal Advertising
310-412-0034 ext 224

Department of Industrial Relations the general prevailing rates of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which the work is to be performed for each craft, classification or type of work needed to execute the contract.

Holiday rates shall be paid as specified in the collective bargaining agreement applicable to each particular craft classification or type of work employed on the project.

The Contractor and any subcontractor(s) shall pay not less than the specified prevailing rates of wages to all workers employed by them in the execution of the contract.

In accordance with provisions of Public Contract Code 22300 substitution of eligible and equivalent securities for any monies with held to ensure performance under this contract will be permitted at the request and expense of the Contractor.

Each bidder shall possess at the time this contract is awarded a Class A, B or C 12 Contractor's license, pursuant to Public Contract Code 3300. The successful bidder must maintain the license throughout the duration of this contract.

No bidder may withdraw his bid for a period of thirty (30) days after the date set for the opening of bids.

The District reserves the right to reject any and all bids or to waive irregularities in any bid.

MANDATORY JOB WALK.
Friday April 14, 2006 @ 10:00 a.m.
Meet at the District Maintenance yard 11102 Lucerne Ave, Culver City CA 90230

Advertise: APRIL 6 2006
APRIL 13 2006

Laura McGaughey
Superintendent
Secretary of the Governing Board
Culver City Unified School District
Los Angeles County State of California
Publish April 6, 13, 2006
CCN 1384-08

NOTICE OF JOINT CITY COUNCIL

/ REDEVELOPMENT AGENCY PUBLIC HEARING FOR CONSIDERATION BY THE CITY COUNCIL OF A TENTATIVE TRACT MAP AND APPROVAL OF THE SALE OF PROPERTY.

THE PROPERTY IS LOCATED IN THE CITY OF LOS ANGELES, CALIFORNIA.

THE PROPERTY IS OWNED BY WEST CULVER LOFTS LLC (FORMERLY URBAN EQUITY PARTNERS LLC) PURSUANT TO SECTION 33433 OF THE CALIFORNIA HEALTH AND SAFETY CODE AND BY THE CULVER CITY REDEVELOPMENT AGENCY OF A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CULVER CITY REDEVELOPMENT AGENCY AND WEST CULVER LOFTS LLC FOR THE SALE OF THE PROPERTY AND THE PRELIMINARY DEVELOPMENT PLANS FOR THE CONSTRUCTION OF TWENTY FOUR (24) CONDOMINIUM UNITS (12 LIVE/WORK AND TWELVE (12) RESIDENTIAL LOFTS) TO BE LOCATED AT 12801 - 12823 WASHINGTON BOULEVARD.

Case Files, Site Plan Review SPR P-2005012 and Tentative Tract Map No 65473 TTM P 2005014

YOU ARE INVITED to learn more about, and participate in the May 1, 2006 joint City Council / Redevelopment Agency public hearing concerning the following:

The Culver City Redevelopment Agency [the Agency] and West Culver Lofts LLC [the Developer] and the proposed purchaser of the site presently owned by the Agency] have developed plans and negotiated a pending transaction to convey the site from the Agency to the Developer. The Developer has filed a Site Plan Review (SPR) application and a Tentative Tract Map (TTM) application to demolish the site and construct a three (3) story 38,067 + gross square foot (GSF) structure with twenty four (24) condominium units [12 live/work and twelve (12) residential lofts] provided with 57 covered parking spaces on the site.

Additionally, please note the referenced alley reconstruction is located within the City of Los Angeles city limits.

The May 1, 2006 public hearing will convene at 7:00 PM in the City Council Chamber at City Hall, 9778 Culver Boulevard. The Council Chamber is accessible to disabled persons and public hearing is available at the City Hall parking structure on Duquesne Avenue. City Hall is served by the Culver City Bus. If more information regarding the bid schedule is needed, you may call (310) 253-8500. Your name may precede the bid on the agenda.

Initial review of the project by staff determined that a Mitigated Negative Declaration (MND) finding was appropriate. The Planning Commission considered this finding and approved the MND at their February 22, 2006 public hearing. A copy of the approved MND, Initial Study, preliminary development plans and related documents are available for public review at the Planning Division's public counter Second Floor at City Hall.

A copy of the proposed Disposition and Development Agreement between the Agency and the Developer and a copy of the report pursuant to Section 33433 of the California Health and Safety Code is available for public review at the Redevelopment Division's public counter Third Floor at City Hall.

For more information, to review the project documents or to submit written comments, on either the Tentative Tract Map or the Site Plan Review application, please write or call Joseph Montoya, AICP Associate Planner, Culver City Planning Division, Post Office Box 507, Culver City, California 90232 (310) 253-5736.

For more information, to review the project documents or to submit written comments, on either the Disposition and Development Agreement or the pending sale of the property, please write or call John Flannotti, Redevelopment Project Manager or Kris Casanova, Management Analyst, Culver City Redevelopment Division, Post Office Box 507, Culver City, California 90232 (310) 253-5760.

It is advisable to call either office prior to visiting City Hall to be certain that appropriate staff will be available. City Hall business hours are 7:30 AM to 5:30 PM Monday through Friday except alternate Fridays and holidays. City Hall will be closed on Friday, April 14, 2006 and Friday, April 28, 2006.

Case Files, Site Plan Review SPR P 2005012 and Tentative Tract Map No 65473 TTM P 2005014

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NOTICE OF PETITION TO ADMINISTER ESTATE OF JANET LEE HOPE

aka JANET HOPE FREEMAN
Case No. BP097735
To all heirs, beneficiaries, creditors, contingent creditors, and persons who may otherwise be interested in the will or estate or both of JANET LEE HOPE aka JANET HOPE FREEMAN A PETITION FOR PROBATE has been filed by John Edward Hope in the Superior Court of California, County of LOS ANGELES.

THE PETITION FOR PROBATE requests that John Edward Hope be appointed as personal representative to administer the estate of the decedent.

THE PETITION requests authority to administer the estate under the Independent Administration of Estates Act. (This authority will allow the personal representative to take many actions without obtaining court approval. Before taking certain very important actions, however, the personal representative will be required to give notice to interested persons unless they have waived notice or consented to the proposed action.) The Independent administration authority will be granted unless an interested person files an objection to the petition and shows good cause why the court should not grant the authority.

A HEARING on the petition will be held on May 8, 2006 at 8:30 AM in Dept. No. 9 located at 111 N. Hill St., Los Angeles, CA 90012. IF YOU OBJECT to the granting of the petition, you should appear at the hearing and state your objections or file written objections with the court before the hearing. Your appearance may be in person or by your attorney. IF YOU ARE A CREDITOR or a contingent creditor of the deceased, you must file your claim with the court and mail a copy to the personal representative appointed by the court within four months from the date of first issuance of letters as provided in Probate Code section 9100. The time for filing claims will not expire before four months from the hearing date noticed above.

YOU MAY EXAMINE the file kept by the court if you are a person interested in the estate. You may file with the court a Request for Special Notice (form DE 154) of the filing of an inventory and appraisal of estate assets or of any petition or account as provided in Probate Code section 1250. A Request for Special Notice form is available from the court clerk.

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**A SUMMARY REPORT
PURSUANT TO SECTION 33433 OF THE
CALIFORNIA HEALTH AND SAFETY CODE
FOR THE SALE OF THE BALDWIN HOTEL BLOCK
LOCATED AT 12801-12823 WASHINGTON BOULEVARD
IN CULVER CITY, CALIFORNIA**

The following Summary Report has been prepared pursuant to Section 33433 of the California Health and Safety Code. The report sets forth certain details of the proposed Disposition and Development Agreement (Agreement) between the Culver City Redevelopment Agency (Agency) and West Culver Lofts, LLC (Developer). The purpose of the Agreement is to effectuate the Redevelopment Plan for Component Area No. 4 of the Redevelopment Project Area (Redevelopment Plan).

The Agreement requires Agency to convey the properties located at 12803, 12805, 12807, 12811, 12813 and 12823 Washington Boulevard, and bounded by Meier Street to the east, Moore Street Washington Boulevard to the south and an alley to the north (Site), to the Developer for the subsequent development of a 24-unit residential live-work project (Project). The Site includes 24,043 square feet of land area, which equates to 55 acres.

I COST OF THE AGREEMENT TO THE AGENCY

The proposed Agreement requires the Agency to sell the Site to the Developer for the near-term development of the Project. The Agency began assembling the Site in 2004 and completed the acquisitions in January 2006. The Agency did not fund any of the implementation costs with bond proceeds, and as such, no interest costs have been incurred by the Agency.

The Agency's costs are presented in the following table:

Real Property Acquisition	\$3,612,608
Relocation *	287,478
Demolition, Hazardous Materials Abatement, Site Clearance and Rough Grading*	180,000
Property Management, Security, Maintenance and Utilities	19,238
Consultants *	137,997
Total Agency Cost	\$4,237,321

* As of April 12, 2006, not all costs for this expense category have been finalized. Therefore, for these items, an estimate of the remaining future costs was added to the known costs.

The Agency revenues associated with the Project are comprised of the following:

Land Sales Proceeds	\$3,000,000
Rental Income (3/05 – 3/06)	26,097
Sale of Motel Fixtures and Equipment	<u>450</u>
Total Agency Revenue	\$3,026,547

The Agency costs are estimated at \$4,237,321 and the Agency revenues are estimated at \$3,026,547. The resulting net Agency costs total \$1,210,774.

II ESTIMATED VALUE OF THE INTERESTS TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED BY THE REDEVELOPMENT PLAN

Section 33433 of the California Health and Safety Code requires the Agency to identify the value of the interests being conveyed at the highest use allowed by the Redevelopment Plan. The valuation must be based on the assumption that the property is vacant, and that near-term development is required, the valuation does not take into consideration any extraordinary restrictions being imposed on the development by the Agency.

The Agency engaged Lea & Associates to determine the Site's value under the CG (Commercial General) zoning that is in place on the Site. This zoning designation permits a wide variety of commercial and mixed-use development. In a report dated May 25, 2005, Lea & Associates set the fair market value of the Site at \$3.0 million (\$125 per square foot of land area). This report also concluded that the proposed 24-unit residential live-work project represents the highest use permitted by the Redevelopment Plan for Component Area No. 4.

III ESTIMATED REUSE VALUE OF THE INTERESTS TO BE CONVEYED

The Agreement requires the Developer to develop a 24-unit residential live-work project on the Site. This use has been deemed by Lea & Associates to represent the highest and best use of the Site. Therefore, the fair reuse value of the Site is equal to the \$3.0 million value that Lea & Associates established as the value of the Site at the highest use permitted by the Redevelopment Plan.

IV CONSIDERATION RECEIVED AND COMPARISON WITH THE ESTABLISHED VALUE

The Agreement requires the Developer to purchase the Site for \$3.0 million. This compensation amount is equal to both the value at the highest use permitted by the Redevelopment Plan and the established fair reuse value of the Site. Thus, it can be concluded that the Agency is receiving fair compensation for the interests being conveyed to the Developer.

V ELIMINATION OF BLIGHT/COMPLIANCE WITH THE AB 1290 IMPLEMENTATION PLAN

Development of the Site as proposed will continue the Agency's efforts to eliminate blight in Component Area No 4 of the Culver City Merged Redevelopment Project adopted on November 23, 1998. The prior uses on the Site consisted of the Baldwin Motel (12 units), two four-unit residential apartment buildings, and a commercial property with three businesses: a restaurant, a bar and a neighborhood-serving market.

The Site was selected for redevelopment because the motel and apartment structures exhibit significant physical deterioration and deferred maintenance. Moreover, the buildings on the block were not attractive or inviting, and were operated primarily by marginal economic concerns. In addition, high incidences of criminal activity at the Baldwin Motel led to a high number of police calls at the Site.

In the report to the City Council for the Culver City Redevelopment Plan, dated October 1998, all four parcels of the Site were listed as having economic factors, as well as factors that prevent or hinder the viable use of the buildings or lots. Due to the physical limitations of the individual properties, such as limited depth and inadequate parking, developers expressed little interest in the area. In order to create a feasible, more economically viable development site, consolidation by the Agency of the entire block was necessary.

The Agency's objectives in acquiring the Site for redevelopment were to convert generally old, deteriorating and incompatible land uses into one larger parcel to facilitate the development of the highest and best use for the Site. The redevelopment of the Site is intended to enhance the area by removing blighted property and improving it with new desired uses, such as housing. Consistent with the new mixed-use and live-work regulations for the area, the Site will be redeveloped with land uses that are more attractive, compatible and safer for the area.

Through a coordinated program of new construction, rehabilitation, and supportive land uses, the Redevelopment Plan goals and the AB 1290 Implementation Plan goals of eliminating blight and incompatible land uses will be accomplished by the Project. The proposed Agreement will implement the goals of the Redevelopment Plan for Component Area No 4 by facilitating the appropriate redevelopment of underutilized sites with a residential live-work project.