MEETING DATE: 09/18/06

AGENDA ITEM:

Approval of a Participation Agreement with Sporteve for a Retail Store at 3849 Culver Boulevard.

ATTACHMENTS

TENANT PARTICIPATION AGREEMENT

THIS TENANT PARTICIPATION AGREEMENT (this "Agreement") is made and entered into this ____ day of _________, 2006, by and between the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (hereinafter referred to as the "Agency") and SPORTEVE, INC., a California corporation (hereinafter referred to as the "Participant").

RECITALS

A. The Participant has entered into a lease of the real property and improvements located at 3849 Main Street in the City of Culver City (the "City"), California (the "Site," as more particularly defined in Section 104 herein) with the purpose of operating a retail specialty store that primarily sells high quality sporting apparel, footwear and gear for women and related general merchandise (the "Sporteve Store").

B. The Site, including the Sporteve Store, is within the Redevelopment Plan for the Culver City Redevelopment Project, as more particularly described herein.

C. The Agency and Participant hereby desire to enter into this Agreement to provide for an Agency loan to Participant to be used for the rehabilitation of the improvements upon the Site in accordance with the terms and provisions of this Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the parties hereby agree as follows:

[§ 100] SUBJECT OF AGREEMENT

[§ 101] <u>Purpose of the Agreement</u>

The purpose of this Agreement is to effectuate the public purposes of the Agency, including the effectuation of the Redevelopment Plan for the Culver City Redevelopment Project (the "Project Area") by providing for the rehabilitation by the Participant of the hereinafter defined Site with the improvements described in the Scope of Development attached hereto as Attachment No. 2 and incorporated herein by reference (the "Improvements") The rehabilitation and operation of such Improvements, and the fulfillment generally of this Agreement are in the vital and best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

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[§ 102] The Redevelopment Plan

The Redevelopment Plan for the Project Area (the "Redevelopment Plan") was approved and adopted and amended by the City Council of the City by ordinance. This Agreement shall be subject to the provisions of the Redevelopment Plan which is incorporated herein by this reference and made a part hereof as though fully set forth herein.

The Project Area is located within the City. The exact boundaries are specifically described in the Redevelopment Plan.

[§ 104] The Site

The Site is within the Project Area and is as depicted on the Site Map attached hereto as Attachment No. 1 and incorporated herein by reference.

[§ 105] Parties to the Agreement

[§ 105.1] 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. "Agency" as used in this Agreement, includes the Culver City Redevelopment Agency, and any assignee of or successor to its rights, powers and responsibilities.

The address of the Agency is 9770 Culver Boulevard, Culver City, California. For the purpose of this Agreement, mail delivered to Agency shall be addressed to: Culver City Redevelopment Agency, Attn: Susan Evans, Assistant Executive Director, 9770 Culver Boulevard, Culver City, California 90232-0507.

[§ 105.2] Participant

The Participant is Sporteve, Inc., a California corporation, whose principal address for the purpose of this Agreement is ______________________________. D'Lynda Fischer is the ____________________ of Participant.

[§ 106] Prohibition Against Change In Ownership, Management and Control of Participant

The qualifications and identity of Participant are of particular concern to the Agency. It is because of those qualifications and identity that the Agency has entered into this Agreement with the Participant. Participant represents and agrees that its undertakings pursuant to this Agreement are and will be used for the purpose of the construction, development and rehabilitation of the

Improvements upon the Site and not for speculation in land holding. No voluntary or involuntary successor in interest of Participant shall acquire any rights or powers under this Agreement without the prior written approval of the Agency.

Participant shall not assign all or any part of this Agreement without the prior written approval of the Agency. This Agreement may be terminated by the Agency if there is any change (voluntary or involuntary) in ownership, management or control of the Sporteve Store or Sporteve, Inc. during the term of this Agreement in violation of this Section 106.

[§ 200] FINANCIAL AND PERFORMANCE OBLIGATIONS

[§ 201] Cost of Improvements

The total cost of the Improvements to be constructed on the Site is approximately Two Hundred Thousand Dollars ($200,000).

[§ 202] Payment by Participant

Participant shall be responsible for the payment of any and all costs related to the design, rehabilitation, development, construction and completion of the Improvements. Participant shall timely pay all invoices directly to the contractor(s) or material vendors hired to complete the Improvements.

[§203] Agency Loan

a. General. Subject to the terms and conditions of this Agreement, including, without limitation, the disbursement conditions set forth in Section 204 herein, the Agency agrees to loan to Participant and Participant agrees to borrow from the Agency a principal amount not to exceed Two Hundred Thousand Dollars ($200,000) to be used solely to reimburse Participant for the cost of the rehabilitation, development and construction of the Improvements (the "Agency Loan").

b. Security. The Participant's obligations to the Agency for repayment of the Agency Loan shall be evidenced by a promissory note executed by Participant and ____________________ (the "Third Party") in substantially the form as attached hereto as Attachment No. 3 and incorporated herein by reference (the "Promissory Note") and secured by: (i) a deed of trust encumbering the real property located at ______________ in substantially the form as attached hereto as Attachment No. 4 and incorporated herein by reference (the "Deed of Trust"); (ii) a guaranty executed by ____________ in substantially the form as attached hereto as Attachment No. 5 (the "Third Party Guaranty"); and (iii) a guaranty executed by D'Lynda Fischer in substantially the form attached hereto as Attachment No. 6 (the "Fischer Guaranty").

d. Agency Title Policy. Prior to disbursement of the Agency Loan, the Agency shall obtain an ALTA Lender's Title Policy in substantially the form as attached hereto as Attachment No. 6 showing the Deed of Trust in a second priority position (the "Agency Title Policy"). All costs related to Agency Title Policy shall be paid by Participant.

e. Agency Loan Repayment. The Agency Loan shall be repaid by Participant as follows:

1. No interest shall accrue on the Agency Loan and Participant shall make no repayments of the Agency Loan during the first twelve (12) months immediately following the date of disbursement of the Agency Loan (the "Disbursement Date").

2. The Agency Loan shall bear simple interest at the rate of six percent (6%) per year, which shall begin to accrue one (1) year following the Disbursement Date.

3. Participant shall begin making interest and principal balance payments on the Agency Loan commencing upon the earlier of: (i) the first March 1st immediately following the first calendar year during which the Sporteve Store has One Million Dollars ($1,000,000) or more of gross sales; or (ii) the date which is five (5) years following disbursement of the Agency Loan (the "Repayment Commencement Date").

4. On the first day of the first (1st) calendar month immediately following the Repayment Commencement Date and on the first day of each month thereafter, Participant shall pay to Agency an equal payment so the Agency Loan is fully amortized and repaid in full over one hundred twenty (120) calendar months commencing upon the Repayment Commencement Date.

5. TRUTH IN LENDING DISCLOSURE:

PRINCIPAL	*INTEREST*	*TOTAL DUE*
$200,000	$	$

(This calculation assumes construction disbursement is made of the full Two Hundred Thousand Dollars ($200,000) and all repayments are timely made. Disbursements made before that date may increase the interest, and disbursements of a lesser amount or made after that date may decrease the interest.)

[§204] Disbursement Conditions Precedent

The Agency shall disburse the Agency Loan to Participant within thirty (30) days following satisfaction of the following conditions precedent:

a. This Agreement shall have been duly executed by Participant and delivered to the Agency;

b. The Promissory Note shall have been duly executed by Participant and the Third Party and delivered to the Agency;

c. The Third Party Guaranty shall have been duly executed by the Third Party and delivered to the Agency;

d. The Fischer Guaranty shall have been duly executed by D'Lynda Fischer and delivered to the Agency;

e. The Deed of Trust shall have been duly executed in recordable form and delivered to the Agency;

f. The Participant shall have delivered to the Agency a fully executed lease agreement between Participant and the owner of the Site which obligates Participant to lease the Site for a minimum term of ten (10) years after completion of the Improvements and provides Participant with the authority to complete the obligations of this Agreement (the "Lease");

g. The Assistant Executive Director of the Agency shall have reasonably determined all of the following:

   (1) Participant has provided copies of all invoices from the applicable contractors, vendors, or subcontractors which clearly identify the completed work related to the rehabilitation, development and construction of the Improvements for which Participant seeks reimbursement (the "Invoices");

   (2) Participant has provided proof of timely payment by Participant of all of the Invoices;

   (3) The Invoices reflect the rehabilitation, development and construction of the Improvements described in the Scope of Development attached hereto, as Attachment No. 2;

(4) Participant has provided evidence satisfactory to the Assistant Agency Executive Director that the rehabilitation, construction, and development of the Improvements is complete and has been approved by the appropriate City building inspector;

(5) The amount of the Agency Loan to be disbursed to Participant does not exceed the total cost evidenced by the Invoices;

(6) Participant has provided unconditional lien releases from all contractors or subcontractors who performed work on the Site for which the Participant seeks Agency reimbursement;

(7) Participant has submitted to the Agency a declaration signed by Participant certifying under penalty of perjury all information submitted in accordance with this Section 204 is true, correct and complete;

(8) This Agreement is in full force and effect and Participant is not in default of the obligations and provisions hereunder, including without limitation, the obligations set forth in Section 207 herein;

(9) The Agency Title Policy is ready to issue in substantially the form attached hereto as Attachment No. 6;

(10) Neither Participant nor any of its officers, employees, agents, contractors or subcontractors is in violation of any Federal, State or local law, rule or regulation; and

(11) The Third Party Guaranty, the Fischer Guaranty, the Lease, the Deed of Trust and the Promissory Note are in full force and effect and neither Participant nor the Third Party are in default thereof, as applicable.

[§ 207] <u>Additional Obligations of Participant</u>

During the term of the Agency Loan, Participant hereby agrees that Participant shall:

1. Operate the Sporteve Store upon the Site, which is a preferred use under the Redevelopment Plan as set forth in Section 401 herein.

2. Purchase materials and supplies from vendors located within the City to the extent reasonably and financially feasible;

3. Identify the City as the location of its principal offices and uses in the area in each and every publication, advertisement, report, written or oral interview, periodical, newsletter and other marketing materials which are produced by Participant or at Participant's request and which relate to and identify principal offices;

4. Refrain from pursuing, continuing to pursue, requesting or receiving any reduction in or appeal of the assessed value of the Site. In the event of damage to the Site due to earthquake or other similar catastrophic cause, Participant shall not request a reduction in assessed value of the Site caused by said damage. Participant shall assist Agency in obtaining an increase in the assessed value of the Site to reflect the rehabilitation, construction and development of the Improvements thereon.

5. Be solely responsible for all necessary testing of the Site for hazardous materials pursuant to all applicable laws, statutes, rules and regulations. Participant shall also be responsible for site conditions, including, but not limited to, flood zones, Alquist-Priolo, and similar matters. For purposes of this Agreement, "hazardous materials" shall mean asbestos; polychlorinated biphenyls (whether or not highly chlorinated); radon gas; radioactive materials; explosives; chemicals known to cause cancer or reproductive toxicity; hazardous waste, toxic substances or related materials; petroleum and petroleum product, including, but not limited to, gasoline and diesel fuel; those substances defined as a "Hazardous Substance", as defined by Section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq., or as "Hazardous Waste" as defined by Section 6903 of the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.; an "Extremely Hazardous Waste," a "Hazardous Waste" or a "Restricted Hazardous Waste," as defined by The Hazardous Waste Control Law under Section 25115, 25117 or 25122.7 of the California Health and Safety Code, or is listed or identified pursuant to Section 25140 of the California Health and Safety Code; a "Hazardous Material", "Hazardous Substance," "Hazardous Waste" or "Toxic Air Contaminant" as defined by the California Hazardous Substance Account Act, laws pertaining to the underground storage of hazardous substances, hazardous materials release response plans, or the California Clean Air Act under Sections 25316, 25281, 25501, 25501.1 or 39655 of the California Health and Safety Code; "Oil" or a "Hazardous Substance" listed or identified pursuant to 311 of the Federal Water Pollution Control Act, 33 U.S.C. 1321; a "Hazardous Waste," "Extremely Hazardous Waste" or an "Acutely Hazardous Waste"

listed or defined pursuant to Chapter 11 of Title 22 of the California Code of Regulations Sections 66261.1 - 66261.126; chemicals listed by the State of California under Proposition 65 Safe Drinking Water and Toxic Enforcement Act of 1986 as a chemical known by the State to cause cancer or reproductive toxicity pursuant to Section 25249.8 of the California Health and Safety Code; a material which due to its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, materially damages or threatens to materially damage, health, safety, or the environment, or is required by any law or public agency to be remediated, including remediation which such law or government agency requires in order for the property to be put to the purpose proposed by this Agreement; any material whose presence would require remediation pursuant to the guidelines set forth in the State of California Leaking Underground Fuel Tank Field Manual, whether or not the presence of such material resulted from a leaking underground fuel tank; pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. 136 et seq.; asbestos, PCBs, and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. 2601 et seq.; any radioactive material including, without limitation, any "source material," "special nuclear material," "by-product material," "low-level wastes," "high-level radioactive waste," "spent nuclear fuel" or "transuranic waste" and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act, 42 U.S.C. 2011 et seq., the Nuclear Waste Policy Act, 42 U.S.C. 10101 et seq., or pursuant to the California Radiation Control Law, California Health and Safety Code, Sections 25800 et seq.; hazardous substances regulated under the Occupational Safety and Health Act, 29 U.S.C. 651 et seq., or the California Occupational Safety and Health Act, California Labor Code, Sections 6300 et seq.; and/or regulated under the Clean Air Act, 42 U.S.C. 7401 et seq. or pursuant to The California Clean Air Act, Sections 3900 et seq. of the California Health and Safety Code. Any studies and reports generated by Participant's testing for hazardous materials shall be made available to Agency upon Agency's request.

6. Plan and host at least one (1) community event per calendar year at the Sporteve Store, which event shall be pre-approved by the Agency Assistant Executive Director in writing.

[§208] <u>Loan Acceleration</u>

Agency, at its sole discretion, shall have the right to accelerate repayment by the Participant of the outstanding principal balance of the Agency Loan plus accrued interest upon any of the following circumstances:

1. If prior to full repayment of the Agency Loan, including accrued interest, Participant ceases operations of the Sporteve Store at the Site for more than thirty (30) consecutive days;

2. Participant's fails to repay the Agency Loan or portion thereof in accordance with Section 204 herein;

3. Participant or the Third Party, as applicable, is in default of this Agreement, including without limitation the provisions of Section 207 herein, the Promissory Note, the Third Party Guaranty, the Fischer Guaranty or the Deed of Trust;

4. Participant conveys or transfers its interest in the Sporteve Store, the Site, the Lease or there is a change in the ownership and/or management of Participant; or

5. This Agreement is terminated pursuant to Section 509 herein.

[§ 300] DEVELOPMENT AND OCCUPATION OF THE SITE

[§ 301] Scope of Development

Participant shall complete the development, construction and rehabilitation of the Improvements upon the Site in accordance with and as described in the Scope of Development (Attachment No. 2).

[§ 302] Cost of Development

The costs of constructing, rehabilitating, developing and maintaining the Improvements shall be borne solely by Participant.

[§ 304] Antidiscrimination During Construction

Participant for itself and its successors and assigns, contractors and subcontractors, agree that during and with respect to the construction of the Improvements, Participant will not discriminate against any employee or applicant for employment because of sex, marital status, race, color, religion, creed, age, national origin, disability or ancestry.

[§ 305] Insurance/Indemnity

Prior to execution of this Agreement by the Agency, Participant shall furnish or shall cause to be furnished to the Agency, duplicate originals or appropriate certificates, together with an executed endorsement, of bodily injury and property damage insurance policies in the amount of at least One Million Dollars ($1,000,000.00) combined single limit, naming Agency, the City and each of their officers and employees as additional insureds. Such insurance shall be maintained until the Agency Loan, including accrued interest, is repaid in full. Participant shall indemnify, defend and hold harmless Agency, the City and each of their officers and employees from and against all claims, liability, loss, damage, costs or expenses (including reasonable attorneys' fees and court costs) ("Claims") 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 on or adjacent to the Site, or otherwise in connection with this Agreement, and which shall be directly or indirectly caused by any acts done or any errors or omissions of Participant or its agents, servants, employees or contractors relating to construction activity. The foregoing indemnification shall not apply to any Claims which are the result of Agency's, City's or any of their respective officers', employees', contractors' or agents' sole negligence or willful misconduct.

[§ 308] Local, State, and Federal Laws

Participant hereby agrees to carry out the rehabilitation, development, construction (as defined by applicable law) and operation of the Improvements on the Site, including, without limitation, any and all public works (as defined by applicable law), in conformity with all applicable local, State and Federal laws, including, without limitation, all applicable Federal and State labor laws (including, without limitation, any requirement to pay State prevailing wages). Participant hereby expressly acknowledges and agrees neither City nor Agency has ever affirmatively represented to Participant or its contractor(s) for the Development in writing or otherwise, in a call for bids or otherwise, the work to be covered by the bid or contract is not a "public work," as defined in Section 1720 of the Labor Code. Participant hereby agrees Participant shall have the obligation to provide any and all disclosures, representations, statements, rebidding, and identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant hereby agrees Participant shall have the obligation to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant hereby agrees Participant shall have the obligation, at Participant's sole cost, risk and expense, to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Participant shall indemnify, protect, defend and hold harmless Agency, City and their respective officers, employees, contractors and agents, with counsel reasonably acceptable to Agency and City, from and against any and all loss, liability, damage, claim, cost, expense, and "increased costs" (including labor costs, penalties, reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the installation, construction (as defined by applicable law) and operation of the Development, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Participant of any applicable local, State or Federal law, including, without limitation, any applicable Federal or State labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Sections 1726 and 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to time, or any other similar law; (3) failure by Participant to provide any required disclosure, representation, statement, rebidding and/or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; (4) failure by Participant to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; and (5) failure by the Participant to obligate any party as may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. It is agreed by the parties, in connection with the development, construction (as defined by applicable law) and operation of the Development, including, without limitation, any public work (as defined by applicable law), Participant shall bear all risks of payment or non-payment of State prevailing wages and the implementation Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, and any other provision of law. "Increased costs" as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time. The foregoing indemnity shall survive termination of this Agreement.

[§ 309] <u>City and Other Governmental Agency Permits</u>

Participant hereby certifies that any and all permits required by the City or any other governmental agency approvals required by the construction, rehabilitation and development of the Improvements upon the Site have been secured.

[§ 310] <u>Rights of Access</u>

Representatives of Agency shall have the reasonable right of access to the Site with twenty-four hours' (24-hours') notice without charges or fees, at normal business hours for the purposes of this Agreement, including, but not limited to, the inspection of the Improvements. Such representatives of Agency shall be those who are so identified by the Assistant Executive Director of Agency. The representatives shall take such precautions as may be reasonably necessary,

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including wearing appropriate head and eye wear, to provide for their safety and protection prior to entering the Site.

[§ 311] Prohibition Against Transfer or Assignment of Rights

The rights and obligations under this Agreement are personal to Participant and shall not be transferred or assigned to any other person, entity or individual other than the Third Party as set forth herein, without prior written approval of the Agency for a period ending on the date the Agency Loan, plus interest, is fully repaid. The Agency shall approve or disapprove a proposed transfer in writing, no later than thirty (30) days after receipt of a written request for approval of transfer from Participant. If contrary to the provisions of this Agreement, Participant does attempt to transfer or assign, or in fact transfers or assigns, this Agreement or any of the rights or obligations herein, then this Agreement shall be automatically terminated and become null and void. Upon such termination, repayment of the outstanding principal balance of the Agency Loan, plus accrued interest shall be accelerated and shall be immediately due and payable to the Agency.

[§ 400] USE OF THE SITE

[§ 401] Uses

Participant agrees to devote the Site for the Sporteve Store which shall be operated by Participant (or other individual approved in writing by Agency's Assistant Executive Director, in her/his sole discretion). Use of the Site for the Sporteve Store is a use permitted by the Redevelopment Plan and is specifically a "preferred use" which is defined as a commercial business which serves the community.

[§ 402] Maintenance of the Site

Participant agrees to maintain the Sporteve Store, including the Improvements on the Site in a first quality condition and shall keep the Site free from any accumulation of debris or waste materials. Participant shall also maintain any landscaping whether existing or required to be planted under the Scope of Development (Attachment No. 2) in a healthy, pruned and debris-free condition.

[§ 403] Obligation to Refrain from Discrimination

Participant covenants and agrees for itself, its successors, assigns and every successor in interest to the the Sporteve Store, the Site or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, religion, creed, national origin, disability or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site nor shall Participant, 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. Participant's obligations under this Section shall be limited to the acts and omissions of Participant.

[§ 404] Form of Nondiscrimination and Nonsegregation Clauses

Participant shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure, or enjoyment of the Site (or any part thereof) on the basis of sex, marital status, race, color, religion, creed, ancestry, disability or national origin of any person. All such deeds, leases, or contracts relating to the sale, transfer or leasing of the Site, or any part thereof or interest therein, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

2. In leases: "The Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, 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 sex, marital status, race, color, religion, creed, national origin, disability, or ancestry, in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall Lessee itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location number, or occupancy of tenants, lessees, sublessees, tenants, or vendees in the land herein leased."

3. In contracts relating to the sale, transfer or leasing of the Site, or any part thereof or interest therein: "There shall be no

discrimination against or segregation of, any person or group of persons on account of sex, marital status, race, color, religion, creed, national origin, disability, or ancestry in the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."

[§ 405] Effect and Duration

This Agreement shall, without regard to technical classification and designation, be binding on and shall inure to the benefit of the parties and their respective successors and assigns. Except as set forth in the following sentence, this Agreement shall remain in effect throughout the duration of the Redevelopment Plan, unless this Agreement provides for their earlier termination. The covenants against discrimination (as described in Sections 403 and 404) shall remain in perpetuity.

[§ 500] DEFAULTS, REMEDIES AND TERMINATION

[§ 501] Defaults - General

a. Subject to the extensions of time set forth in Section 604 herein, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement and failure or delay by Participant or the Third Party to perform any term or provision of the Lease, the Third Party Guaranty, the Promissory Note or the Deed of Trust constitutes a default under this Agreement.

b. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, 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. Delays by either party in asserting any of its rights and remedies shall not deprive either 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.

c. Except for such other cure period which may otherwise be specifically provided in this Agreement, if a monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default written notice of such default. The party in default shall have a period of seven (7) calendar days after such notice is received or deemed received within which to cure the default prior to exercise of remedies by the injured party.

d. Except for such other cure period which may otherwise be specifically provided in this Agreement, if a non-monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default notice of such default. If the default is reasonably capable of being cured within thirty (30) calendar days after such notice is received or deemed received, the party in default shall have such period to effect a cure prior to exercise of remedies by the injured party. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and the party in default (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then the party in default shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the injured party; provided, however, in no event shall the injured party be precluded from exercising remedies if the non-monetary event of default is not cured within ninety (90) days, or the injured party's rights under this Agreement or otherwise becomes or is about to become materially jeopardized by any failure to cure a default.

[§ 502] <u>Institution of Legal Actions</u>

In addition to any other rights or remedies, any 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. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court in that County, or in the Federal District Court in the Central District of California.

[§ 503] <u>Applicable Law</u>

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

[§ 504] <u>Acceptance of Service of Process</u>

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

In the event any legal action is commenced by Agency against Participant, service of process on Participant shall be made by personal service, or in such manner as may be provided by law, and shall be valid whether made within or without the State of California.

[§ 505] Rights and Remedies Are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by any party.

[§ 507] Termination by Participant

At any time before Agency dispenses any funds pursuant to Section 204 of this Agreement, Participant, at its option, may terminate this Agreement if the Agency is in default of any of the terms of this Agreement and any such default is not cured in accordance with Section 501, above. Participant may also terminate this Agreement at any time by paying off the outstanding balance of the Agency Loan plus accrued interest so long as Participant is not in default hereunder.

[§ 509] Termination by Agency

The Agency at its option may terminate this Agreement if Participant is in default of any of the terms to this Agreement and any such default is not cured in accordance with Section 501, above. In the event of termination of this Agreement by the Agency, repayment by Participant of the Agency Loan shall be accelerated and all outstanding principal and accrued interest to date shall be immediately due and payable to the Agency.

[§ 600] GENERAL PROVISIONS

[§ 601] Notices, Demands, and Communications between the Parties

Formal notices, demands, and communications between Agency and Participant shall be sufficiently given if personally served, or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of, Agency and Participant, as designated in Sections 105. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 601.

[§ 602] Conflict of Interest

No member, official or employee of Agency shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he, or she, is directly or indirectly, interested.

[§ 603] Nonliability of Agency Officers and Employees

No member, officer, director, employee, agent or trustee of Agency or Participant shall be personally liable to the other party, or any successor in interest, for any default or breach, for any amount which may become due or for any obligation under the terms of this Agreement.

[§ 604] Enforced Delay: Extension of Time 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, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, litigation including litigation challenging the validity of this transaction or any element thereof, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor, or supplier, acts of the other party, or any other cause beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such causes shall be for the period of the enforced delay and 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 after the commencement of the cause. Times of performance under this Agreement may also be extended upon mutual agreement by Agency and Participant in writing.

[§ 605] Inspection of Books and Records

Agency has the right, after reasonable written notice, to inspect the books and records of Participant pertaining to Sporteve Store, including without limitation, the Improvements upon the Site, as pertinent to the purposes of this Agreement.

[§ 606] Approvals

Notwithstanding any other provision in this Agreement, approvals required of Agency or Participant shall not be unreasonably withheld or delayed, and any approval or disapproval shall be given within a reasonable time.

[§ 607] Authority for Signatures

Agency and Participant warrant and represent the persons executing this Agreement are duly authorized to execute this Agreement on behalf of said parties and by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement. Each party further acknowledges it has obtained all necessary and legally required approvals for entry into this Agreement.

[§ 700] ENTIRE AGREEMENT, WAIVERS, CONFIDENTIALITY AND AMENDMENTS

This Agreement shall be executed in two (2) duplicate originals each of which is deemed to be an original. This Agreement, including all attachments hereto, constitute the entire understanding and agreement of the parties. Each of said attachments is hereby incorporated herein by this reference.

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 Site.

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

[§ 800] TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY

If this Agreement, when executed by Participant and delivered to Agency has not been authorized, executed and delivered by Agency within thirty (30) days after Agency's receipt, then this Agreement may be terminated by Participant upon written notice to Agency. The date of this Agreement shall be the date when the Agreement is signed on behalf of Agency.

[Signatures on following pages]

CULVER CITY REDEVELOPMENT AGENCY

Dated:__________________ By ________________________________
Susan Evans,
Assistant Executive Director

APPROVED AS TO FORM:
KANE, BALLMER & BERKMAN
Agency General Counsel

By:____________________________

SPORTEVE, INC.,
a California corporation

Dated:__________________ ________________________________

ATTACHMENT NO. 1

LEGAL DESCRIPTION

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

Lots 26 and 27 and the northeast 4.61 feet of Lot 25 of Tract No. 4161, in the City of Culver City, as per map recorded in Book 46 Page 32 of Maps, in the office of the County recorder of said County.

APN 4206-015-015

ATTACHMENT NO. 2

SCOPE OF DEVELOPMENT

[Behind this page]

ATTACHMENT NO. 3

FORM OF PROMISSORY NOTE

PROMISSORY NOTE
TO THE CULVER CITY REDEVELOPMENT AGENCY

Culver City, California

Original Principal Amount
Not to Exceed $200,000

______________, 2006

FOR VALUE RECEIVED, SPORTEVE INC., a California corporation (the "Participant ") and _______________, a ______________________ [confirm status] ("Third Party") (the "Participant" and the "Third Party" are referred to herein collectively as the "Borrower") hereby promise to pay to the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (THE "Agency"), or order, an original principal amount not to exceed TWO HUNDRED THOUSAND DOLLARS ($200,000) or so much thereof as may be disbursed by the Agency to the Developer pursuant to the Tenant Participation Agreement dated __________, 2006 between the Participant and the Agency (the "Agreement"). Any capitalized term not otherwise defined herein, shall have the meaning ascribed to it in the Loan Agreement. The obligations of Borrower to Agency hereunder is subject to the terms of the Agreement, this Note, a Guaranty executed by the Third Party and dated____________, 200_ (the "Third Party Guaranty"), and a Deed of Trust (with Assignment of Rents) dated _______________, 2006 (the "Deed of Trust") given to the Agency for the purpose of securing this Note. Said documents are public records on file in the offices of Agency, and the provisions of said documents are incorporated herein by this reference as though set forth in full herein.

1. This Note evidences the obligation of the Participant to the Agency for the repayment of an original principal amount of $200,000 of funds loaned to the Participant by Agency for the reimbursement of certain costs paid by Participant for the rehabilitation, development and construction of the Improvements in accordance with the Agreement.

2. This Note is payable at the principal office of the Agency, 9770 Culver Boulevard Culver City, California 90232-0507, or at such other place as the holder hereof may inform the Participant in writing, in lawful money of the United States.

3. This Note shall be secured by the Deed of Trust and the Third Party Guaranty.

4. No interest shall accrue on this Note and Participant shall make no repayments of the Agency Loan during the first twelve (12) months immediately following the date of disbursement of the Agency Loan or portion thereof (the "Disbursement Date").

5. This Note shall bear simple interest at the rate of six percent (6%) per year, which shall begin to accrue one (1) year following the Disbursement Date.

6. Repayment by Participant of the principal balance and accrued interest due under this Note shall commence upon the earlier of: (i) the first March 1st immediately following the first calendar year during which the Sporteve Store has One Million Dollars ($1,000,000) or more of gross sales; or (ii) the date which is five (5) years following disbursement of the Agency Loan (the "Repayment Commencement Date").

7. On the first day of the first (1st) calendar month immediately following the Repayment Commencement Date and on the first day of each month thereafter, Participant shall pay to Agency an equal payment so that the principal balance of this Note, plus accrued interest, is fully amortized and repaid in full over one hundred twenty (120) calendar months commencing upon the Repayment Commencement Date.

8. The entire unpaid principal balance and accrued interest of this Note shall be immediately due and payable upon any of the following circumstances, each of which shall constitute a default under this Note:

   a. If prior to full repayment of this Note, including accrued interest, Participant ceases operations of the Sporteve Store at the Site for more than thirty (30) consecutive days;

   b. Participant's fails to repay the principal balance and accrued of this Note or portion thereof in accordance with Section 7, above;

   c. Participant is in default of the Agreement, including without limitation the provisions of Section 207 therein, the Promissory Note, the Third Party Guaranty or the Deed of Trust;

   d. The Third Party is in default of the Agreement, including without limitation the provisions of Section 207 therein, the Promissory Note, the Third Party Guaranty, or the Deed of Trust;

   e. Participant conveys or transfers its interest in the Sporteve Store, the Site, the Lease or there is a change in ownership or management of Participant; or

f. The Agreement is terminated pursuant to Section 509 therein.

9. Upon the failure of Participant and/or the Third Party, as applicable, to perform or observe any term or provision of this Note, or upon the occurrence of any event of default under the terms of this Note, the Deed of Trust, the Agreement, or the Third Party Guaranty, the holder may exercise its rights or remedies thereunder.

10. a. Upon occurrence of a default under this Note, the Agency shall give written notice of default to the Borrower, specifying the default. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Any failures or delays by the Agency in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by the Agency in asserting any of its rights and remedies shall not deprive either 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.

b. If a monetary event of default occurs, prior to exercising any remedies hereunder, the Agency shall give the Borrower written notice of such default. The Borrower shall have a period of seven (7) calendar days after such notice is received or deemed received within which to cure the default prior to exercise of remedies by the Agency.

c. If a non-monetary event of default occurs, prior to exercising any remedies hereunder, the Agency shall give the Borrower notice of such default. If the default is reasonably capable of being cured within thirty (30) calendar days after such notice is received or deemed received, the party in default shall have such period to effect a cure prior to exercise of remedies by the injured party. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and the Borrower (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then the Borrower shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the injured party; provided, however, in no event shall the Agency be precluded from exercising remedies if the non-monetary event of default is not cured within ninety (90) days, or the Agency's rights under this Note or otherwise become or are about to become materially jeopardized by any failure to cure a default.

11. This Note, together with any accrued interest thereon then owing, may be paid in whole or in part in advance without penalty. Upon such prepayment of the principal amount of this Note, together with any accrued interest thereon then owing, the holder of this Note shall surrender this Note at the principal business office of Participant; and notwithstanding any failure to surrender this Note, all obligations and duties of Participant shall thereupon cease to exist and this Note shall no longer be deemed to be outstanding.

12. Borrower waives presentment for payment, demand, protest, and notices of dishonor and of protest; the benefits of all waivable exemptions; and all defenses and pleas on the ground of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice. Borrower hereby agrees to pay all costs and expenses, including reasonable attorneys' fees, which may be incurred by the holder hereof, in the enforcement of this Note, the Third Party Guaranty, the Deed of Trust or any term or provision thereunder.

13. If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid.

14. The obligations of Participant under this Note are binding on its successors and assigns.

[Signatures on following pages]

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, Borrower hereby executes this Note as of the dates set forth below.

PARTICIPANT
Sporteve, Inc., a California corporation

Dated:____________________ By:________________________________

THIRD PARTY
[INSERT]

Dated:____________________ By:________________________________

ATTACHMENT NO. 4

FORM OF DEED OF TRUST

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

Recording Requested By and
When Recorded Mail To:

CULVER CITY REDEVELOPMENT AGENCY
9770 Culver Boulevard
Culver City, California 90232-0507
Attn: Kellee Fritzal

Space above line for Recorder's Use

DEED OF TRUST
(With Assignment of Rents)

THIS DEED OF TRUST (with Assignment of Rents) is made this ____ day of ____________, 2006, by and among ______________________________ (the "Trustor"), ______________________________ (the "Trustee"), and the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, (Beneficiary).

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

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

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

c. All tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the "Appurtenances").

(The Appurtenances, together with the Subject Property and the Improvements, are hereafter referred to as the "Real Property");

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

e. All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property (the "Goods," and together with the Real Property, the "Property"); and

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

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

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the following: (1) due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in a promissory note executed by Trustor ("Third Party" therein) dated on or about the date hereof (the "Note"), the Tenant Participation Agreement dated ________________ (the "Agreement"), between D'Lynda Fischer (the "Participant") and Beneficiary, and the Guaranty executed by Trustor dated on or about the date hereof guaranteeing Participant's obligations under the Note and the Agreement (the "Guaranty"); and (2) payment of indebtedness of Participant to the Beneficiary in an original principal sum not to exceed TWO HUNDRED THOUSAND DOLLARS ($200,000) (the "Agency Loan"), evidenced by the Note. The Note, the Guaranty and the Agreement (collectively "Secured Obligations") and all of their terms are incorporated herein by reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced, and additional advances evidenced by any note reciting that it is secured hereby. Any capitalized term not otherwise defined in this Deed of Trust shall have the meaning ascribed to such term in the Note, Guaranty of Agreement, as applicable.

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

1. That Participant shall pay the Note at the time and in the manner provided therein, and perform the obligations of Participant as set forth in the Secured Obligations at the time and in the manner respectively provided therein.

2. That the Secured Obligations are incorporated in and made a part of this Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.

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

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

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

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

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

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

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

10. Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments. All such payments made by the Beneficiary shall be added to the principal sum secured hereby.

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

12. That the funds to be advanced hereunder are to be used in accordance with the

Secured Obligations; and upon the failure of Trustor, after the giving of notice and the expiration of any applicable cure period, to keep and perform all the covenants, conditions, and agreements of said Secured Obligations, the principal sum and other charges provided for in the Note shall at the option of the Beneficiary of this Deed of Trust become due and payable, anything contained herein to the contrary notwithstanding.

13. Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the Property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and further that it will keep and maintain the Property free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be obligated to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting, provided that, except as otherwise agreed by Beneficiary, Trustor shall, at Beneficiary's written request, within thirty (30) days after the filing of any claim or lien (but in any event, and without any requirement that Beneficiary must first provide a written request, prior to foreclosure) record in the Office of the Recorder of Santa Clara County, a surety bond in an amount one-and-one-half (1 ½) times the amount of such claim item to protect against a claim of lien, or provide such other security reasonably satisfactory to Beneficiary.

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

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

IT IS MUTUALLY AGREED THAT:

16. Subject to and without interference or impairment of the rights of any senior lender under a security instrument senior to this Deed of Trust, should the Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor which are not used to reconstruct, restore or otherwise improve the Property or part thereof that was taken or damaged,

and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds which are not used to reconstruct, restore or otherwise improve the Property or part thereof that was taken or damaged, including the proceeds of any policies of fire and other insurance affecting said Property, are hereby assigned to Beneficiary. After deducting therefrom all its expenses, including attorney's fees, the balance of the proceeds which are not used to reconstruct, restore or otherwise improve the Property or part thereof that was taken or damaged, shall be applied to the amount due under the Note secured hereby. No amount applied to the reduction of the principal shall relieve the Participant from making payments as required by the Note.

17. a. Failure or delay by Trustor and/or Participant to perform any term or provision respectively required to be performed under the Secured Obligations, this Deed of Trust or any Senior Encumbrance constitutes a default under this Deed of Trust.

b. Beneficiary shall give written notice of default to Trustor and Participant, specifying the default complained of by the Beneficiary. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

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

d. If a monetary event of default occurs under the terms of the Note or this Deed of Trust, prior to exercising any remedies hereunder or thereunder Beneficiary shall give Trustor and Participant written notice of such default. Trustor shall have a reasonable period of time after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under the Note and/or this Deed of Trust. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within seven (7) days after the notice of default is first given.

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

f. Any period of time provided herein within which Trustor has to effect a cure of any default hereunder shall run concurrently with any other time period provided for the cure of such default, if any, in the Agreement, the Note and the Guaranty.

18. Should Trustor or Participant fail to promptly commence such cure, and diligently prosecute same to completion, after the giving of notice and the expiration of any applicable cure period, as set forth above, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be duly filed for record and Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby.

19. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said Property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its Deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. The Trustee shall apply the proceeds of sale to payment of (1) the expenses of such sale, together

with the reasonable expenses of this trust including therein reasonable Trustee's fees or attorney's fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the rate specified in the Note; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto.

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

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

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

23. The trust created hereby is irrevocable by Trustor.

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

25. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise

provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

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

27. Trustor agrees that the entire principal balance of the debt secured by this Deed of Trust shall at the option of Beneficiary be immediately due and payable upon the occurrence of any of the events set forth in Section 8 of the Note.

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

29. This Deed of Trust is and shall be subject and subordinate to ____________________.

30. Except as provided in this Section 30, Beneficiary will neither seek nor obtain judgment against the Trustor, nor any of its members, for payment of principal or interest under the Note or for any other obligation under this Deed of Trust following a judicial foreclosure (or to the extent permitted by law, a nonjudicial foreclosure) of this Deed of Trust, and the Beneficiary's sole recourse against the Trustor and its general or limited partners for any default in the payment of principal or interest of the Agency Loan or any sums due under this Deed of Trust shall be the exercise of its rights against the Property and any related security for the Agency Loan. Provided, however, that the foregoing shall not (a) constitute a waiver of any obligation evidenced by the Note or this Deed of Trust; (b) limit the right of the Beneficiary to name Trustor as a party defendant in any action or suit for judicial foreclosure and sale under the Note and this Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Trustor; (c) release or impair the Note or this Deed of Trust; (d) prevent or in any way hinder Beneficiary from exercising, or constitute a defense, an affirmative defense, a

counterclaim, or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing the Note or as prescribed by law or in equity in case of default; or (e) prevent or in any way hinder Beneficiary from exercising, or constitute a defense, an affirmative defense, a counterclaim, or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing the Note. The limitation of liability set forth in this Section will not prejudice or affect Beneficiary's right to:

a. Name the Trustor or its general partner as a party defendant in any action, proceeding, reference or arbitration, subject to the limitations of this Section; or

b. Assert any unpaid amounts on the Agency Loan as a defense or offset to or against any claim or cause of action made or alleged against the Beneficiary by Trustor, its general partner or joint venturers, or any guarantor or indemnitor in connection with the Agency Loan;

c. Exercise self-help remedies such as set-off or nonjudicial foreclosure against or sale of any real or personal property collateral or security; or

d. Collect or recover any damages, costs and expenses incurred by Beneficiary as a result of fraud or any criminal act or acts of Trustor or any partner, shareholder, officer, director or employee of Trustor or of any general or limited partner of Trustor; or

e. Collect or recover any damages, costs and expenses incurred by Beneficiary as a result of any misapplication of funds provided for the construction of the Project, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; or

f. Collect or recover any and all amounts owing pursuant to Trustor's indemnification regarding Hazardous Substances; or

g. Enforce any and all of Trustor's and its general partner's obligation under the Agreement and this Deed of Trust relating to preserving the condition of the Project or the priority of the Beneficiary's interest in the Property, including obligations to pay taxes and charges that may affect or become a lien on the Property, to maintain the Property and all insurance in accordance with the Agreement and this Deed of Trust, and to repay all sums advanced by Beneficiary for any payment of taxes or insurance; or

h. Enforce any agreement of Trustor or any other party (other than this Deed of Trust) specifically stating that it is not subject to the limitation of liability contained in this Section; or

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

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

Dated: ____________________

By: ______________________________
Name: ____________________________
Its: ______________________________

STATE OF CALIFORNIA)
) ss
COUNTY OF ________________)

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.

________________ (SEAL)
Notary's Signature

ATTACHMENT NO. 6

FORM OF GUARANTY

GUARANTY OF TENANT PARTICIPATION AGREEMENT

This GUARANTY OF TENANT PARTICIPATION AGREEMENT (this "Guaranty") is made as of ______________, 2006, by__________________, a __________________ (the "Guarantor") in favor of the Culver City Redevelopment Agency, a public body, corporate and politic (the "Agency").

RECITALS

A. The Agency and D'Lynda Fischer (the "Participant") have entered or will enter into that certain Tenant Participation Agreement dated ______________, 2006 (the "TPA"). The TPA is incorporated herein by this reference and all capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the TPA.

B. Guarantor has a personal relationship with Participant, and has agreed to enter into this Guaranty, execute a promissory note and execute a deed of trust (the "Deed of Trust") in order to secure Participant's obligations under the TPA.

C. Guarantor acknowledges that this Guaranty is required by the Agency as a condition precedent and as an inducement to the Agency to enter into the TPA to provide certain financial assistance to the Participant and carry out various other obligations in accordance with the terms of the TPA.

NOW, THEREFORE, in consideration of the foregoing and in further consideration of and to induce the Agency to execute the TPA and perform its obligations under the TPA, the Guarantor does hereby irrevocably warrant, guarantee and agree as follows:

1. Guarantor acknowledges receipt of a copy of the TPA and all of the instruments described therein and/or attached thereto.

2. Guarantor hereby guarantees the Participant's performance and payment obligations under the TPA, including, without limitation, repayment by the Participant of the amount of Two Hundred Thousand Dollars ($200,000) loaned to Participant by the Agency in accordance with the terms and provisions of the TPA (the "Agency Loan"). Guarantor's guaranty obligations hereunder shall not exceed the amount of the Agency Loan.

3. The execution by Agency of the TPA shall conclusively evidence the reliance by the Agency upon this Guaranty and the obligations and agreements of Guarantor as set forth herein.

4. The obligations of Guarantor shall not be discharged, impaired or otherwise affected by (i) any sale, transfer, assignment, pledge, surrender, indulgence, forbearance, alteration, substitution, exchange, change in, amendment, revision, modification or other disposition of the TPA or (ii) any failure, negligence or omission on the part of the Agency to enforce the terms of the TPA.

5. Guarantor hereby expressly waives:

(a) any defense based on the absence of any or all presentments, demands for performance, notices of non-performance, protests, notices of protests, notices of dishonor, notices of acceptance of this Guaranty, or notices or protests of any kind being made or given to Guarantor;

(b) all notice of any amendment or modification of the TPA and/or Agency Loan not inconsistent with the terms of this Guaranty;

(c) any lack of diligence by Agency against Participant;

(d) any lack of diligence in enforcement of any and all formalities which might otherwise be legally required to charge the Guarantor with liability except as required herewith; and

(e) Any and all benefits and defenses under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2850 and under Sections 2847, 2848 and 2849 to the extent provided herein.

6. In the event that Guarantor should fail to fully perform promptly as herein provided, Agency shall have the following remedies:

(a) at its option and without any obligation to do so, upon prior thirty (30) days written notice from Agency to Guarantor, proceed to perform on behalf of Guarantor any and all of the obligations guaranteed hereunder; and Guarantor shall, upon demand, pay to the Agency all such sums reasonably expended by Agency in such performance on behalf of Guarantor; and

(b) from time to time and without requiring anything more than notice of default to Participant and opportunity to cure the obligations guaranteed hereunder by Guarantor, to enforce the provisions of this Guaranty by action at law or in equity or both, and further to collect in any such action compensation for all loss, cost, damage, injury and expense sustained or incurred by Agency as a consequence of Guarantor's failure to perform the obligations guaranteed hereunder when due hereunder.

7. This Guaranty is a guaranty of the payment and performance of the obligations guaranteed hereunder, and Guarantor shall be strictly liable for any claims by Agency against Guarantor with respect thereto.

8. Guarantor shall pay to the Agency, upon demand, all fees and costs (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the Agency in instituting and/or maintaining any action for damages or specific performance against Guarantor pursuant to the terms of this Guaranty.

9. As of the date of execution of this Guaranty, (i) Guarantor warrants that it has full authority to execute this Guaranty and comply with its terms, and (ii) Guarantor declares to and covenants with Agency and its successors and assigns, that, Guarantor knows of no defense whatsoever to any action, suit or proceeding, at law or otherwise, that may be instituted on this Guaranty.

10. This Guaranty shall terminate upon the earlier of (i) Agency's determination, in its sole discretion, to terminate this Guaranty, (ii) payment in full of the Agency Loan, including accrued interest, in accordance with the TPA.

11. Each reference herein to "Agency" shall be deemed to include the Culver City Redevelopment Agency in its capacity as Agency under the TPA, and each of its successors and assigns; and all of the provisions of this Guaranty shall run in favor of said named Agency, the City of Culver City, and their respective successors and assigns.

12. This Guaranty shall be governed by and construed in accordance with the laws of the State of California, without giving effect to the conflict of laws principles of said state.

13. Any legal actions pursuant to this Guaranty must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the Federal District Court in the Central District of California.

14. In the event legal action is commenced by the Agency against the Guarantor, service of process on the Guarantor shall be made by personal

service upon an officer of Guarantor and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

15. Time is of the essence hereof.

16. If any term, provision, covenant or condition hereof or any application thereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, provisions, covenants and conditions hereof, and all applications thereof not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date set forth below

GUARANTOR:

____

ATTACHMENT NO. 5

FORM OF THIRD PARTY GUARANTY

GUARANTY OF TENANT PARTICIPATION AGREEMENT

This GUARANTY OF TENANT PARTICIPATION AGREEMENT (this "Guaranty") is made as of ______________, 2006, by _________________, a _________________ (the "Guarantor") in favor of the Culver City Redevelopment Agency, a public body, corporate and politic (the "Agency").

RECITALS

A. The Agency and Sporteve, Inc., a California corporation (the "Participant") have entered or will enter into that certain Tenant Participation Agreement dated ______________, 2006 (the "TPA"). The TPA is incorporated herein by this reference and all capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the TPA.

B. Guarantor has a personal relationship with Participant, and has agreed to enter into this Guaranty, execute a promissory note and execute a deed of trust (the "Deed of Trust") in order to secure Participant's obligations under the TPA.

C. Guarantor acknowledges that this Guaranty is required by the Agency as a condition precedent and as an inducement to the Agency to enter into the TPA to provide certain financial assistance to the Participant and carry out various other obligations in accordance with the terms of the TPA.

NOW, THEREFORE, in consideration of the foregoing and in further consideration of and to induce the Agency to execute the TPA and perform its obligations under the TPA, the Guarantor does hereby irrevocably warrant, guarantee and agree as follows:

1. Guarantor acknowledges receipt of a copy of the TPA and all of the instruments described therein and/or attached thereto.

2. Guarantor hereby guarantees the Participant's performance and payment obligations under the TPA, including, without limitation, repayment by the Participant of the amount of Two Hundred Thousand Dollars ($200,000) loaned to Participant by the Agency in accordance with the terms and provisions of the TPA (the "Agency Loan"). Guarantor's guaranty obligations hereunder shall not exceed the amount of the Agency Loan.

3. The execution by Agency of the TPA shall conclusively evidence the reliance by the Agency upon this Guaranty and the obligations and agreements of Guarantor as set forth herein.

4. The obligations of Guarantor shall not be discharged, impaired or otherwise affected by (i) any sale, transfer, assignment, pledge, surrender, indulgence, forbearance, alteration, substitution, exchange, change in, amendment, revision, modification or other disposition of the TPA or (ii) any failure, negligence or omission on the part of the Agency to enforce the terms of the TPA.

5. Guarantor hereby expressly waives:

(a) any defense based on the absence of any or all presentments, demands for performance, notices of non-performance, protests, notices of protests, notices of dishonor, notices of acceptance of this Guaranty, or notices or protests of any kind being made or given to Guarantor;

(b) all notice of any amendment or modification of the TPA and/or Agency Loan not inconsistent with the terms of this Guaranty;

(c) any lack of diligence by Agency against Participant;

(d) any lack of diligence in enforcement of any and all formalities which might otherwise be legally required to charge the Guarantor with liability except as required herewith; and

(e) Any and all benefits and defenses under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2850 and under Sections 2847, 2848 and 2849 to the extent provided herein.

6. In the event that Guarantor should fail to fully perform promptly as herein provided, Agency shall have the following remedies:

(a) at its option and without any obligation to do so, upon prior thirty (30) days written notice from Agency to Guarantor, proceed to perform on behalf of Guarantor any and all of the obligations guaranteed hereunder; and Guarantor shall, upon demand, pay to the Agency all such sums reasonably expended by Agency in such performance on behalf of Guarantor; and

(b) from time to time and without requiring anything more than notice of default to Participant and opportunity to cure the obligations guaranteed hereunder by Guarantor, to enforce the provisions of this Guaranty by action at law or in equity or both, and further to collect in any such action compensation for all loss, cost, damage, injury and expense sustained or incurred by Agency as a consequence of Guarantor's failure to perform the obligations guaranteed hereunder when due hereunder.

7. This Guaranty is a guaranty of the payment and performance of the obligations guaranteed hereunder, and Guarantor shall be strictly liable for any claims by Agency against Guarantor with respect thereto.

8. Guarantor shall pay to the Agency, upon demand, all fees and costs (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the Agency in instituting and/or maintaining any action for damages or specific performance against Guarantor pursuant to the terms of this Guaranty.

9. As of the date of execution of this Guaranty, (i) Guarantor warrants that it has full authority to execute this Guaranty and comply with its terms, and (ii) Guarantor declares to and covenants with Agency and its successors and assigns, that, Guarantor knows of no defense whatsoever to any action, suit or proceeding, at law or otherwise, that may be instituted on this Guaranty.

10. This Guaranty shall terminate upon the earlier of (i) Agency's determination, in its sole discretion, to terminate this Guaranty, (ii) payment in full of the Agency Loan, including accrued interest, in accordance with the TPA.

11. Each reference herein to "Agency" shall be deemed to include the Culver City Redevelopment Agency in its capacity as Agency under the TPA, and each of its successors and assigns; and all of the provisions of this Guaranty shall run in favor of said named Agency, the City of Culver City, and their respective successors and assigns.

12. This Guaranty shall be governed by and construed in accordance with the laws of the State of California, without giving effect to the conflict of laws principles of said state.

13. Any legal actions pursuant to this Guaranty must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the Federal District Court in the Central District of California.

14. In the event legal action is commenced by the Agency against the Guarantor, service of process on the Guarantor shall be made by personal

service upon an officer of Guarantor and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

15. Time is of the essence hereof.

16. If any term, provision, covenant or condition hereof or any application thereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, provisions, covenants and conditions hereof, and all applications thereof not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date set forth below

GUARANTOR:

____