

Attachments to Public Parking Facilities

1. 9099 Washington Boulevard.
(Ince Parking Structure)
2. 3846 Cardiff Avenue.
(Cardiff Parking Structure)
3. 3844 Watseka Avenue,
3848 Watseka Avenue,
3864 Watseka Avenue.
(Watseka Parking Structure)
4. 10401 Virginia Avenue,
10555 Virginia Avenue,
10601 Virginia Avenue.
(Virginia Parking Lot)
5. 9415 Venice Boulevard,
9425 Venice Boulevard.
(Venice Parking Lot)
6. 3713 Robertson Boulevard,
3715 Robertson Boulevard.
(Robertson Parking Lot #1)
7. 3727 Robertson Boulevard.
(Robertson Parking Lot #2)
8. 3757 Robertson Boulevard.
(Robertson Parking Lot #3)
9. 12601 Washington Boulevard.
(Washington Parking Lot)
10. 3825 Canfield Avenue.
(Canfield Parking Lot)

PUBLIC PARKING FACILITIES

1. *Ince Parking Structure* 9099 Washington boulevard
2. *Watseka Parking Structure* 3864 Watseka Ave.
3. *Cardiff Lot* 3846 Cardiff Ave.
4. *Canfield Lot* 3825 Canfield Ave
5. *Virginia Lot* 10401-10601 Virginia Ave.
6. *West Washington Lot* 12601 Washington Blvd
7. 3727 Robertson Blvd Lot
8. 3713-3715 Robertson Blvd
9. 3757 Robertson Blvd Lot
10. 9415-25 Venice Blvd

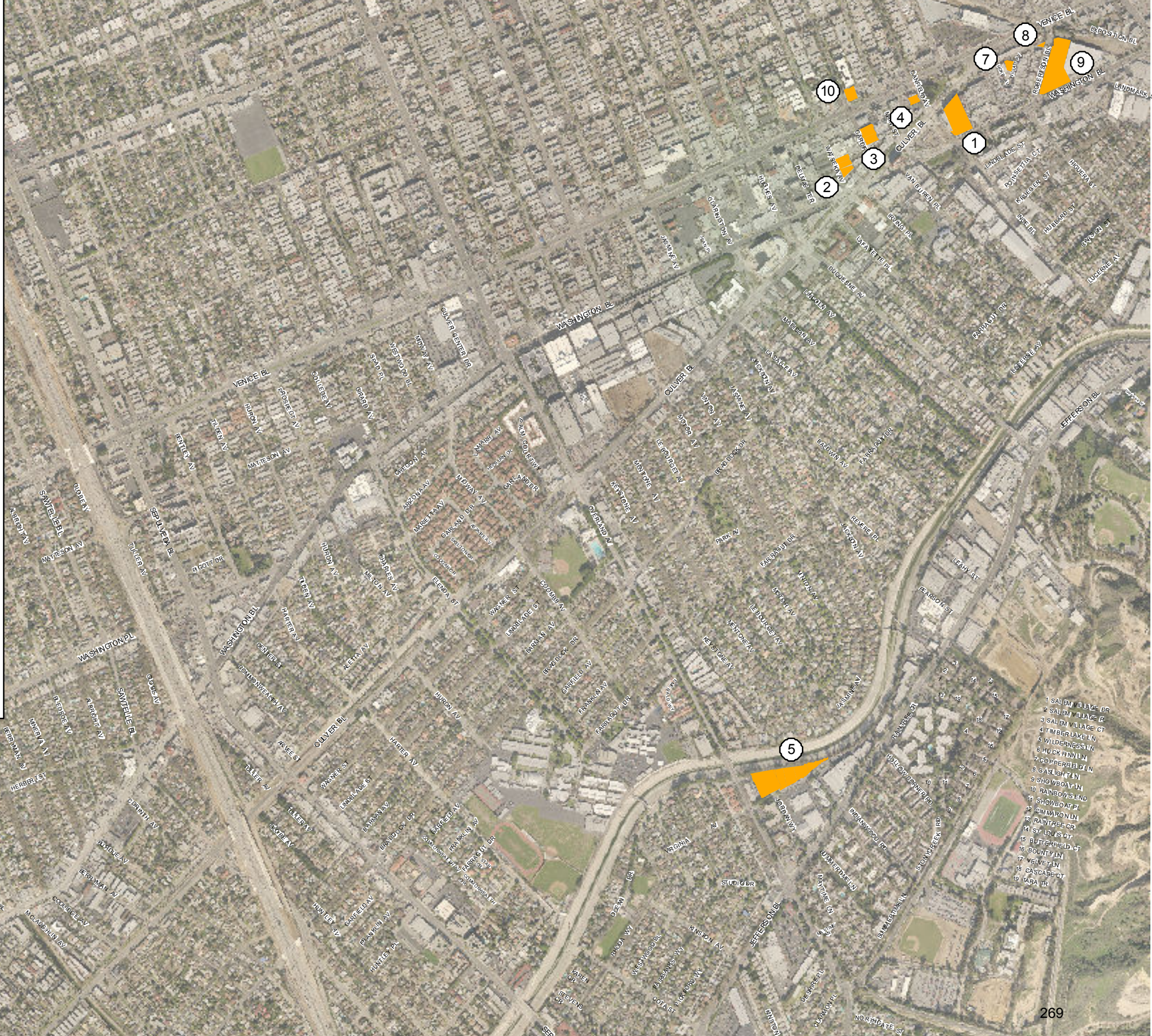
CulverCITY

02/28/2013 | CULVER CITY GIS



0 0.0475 0.095 0.19 0.285 0.38 Miles

1 inch = 997 feet



AUTOMOBILE PARKING LICENSE AGREEMENT

This Automobile Parking License Agreement ("License"), for non-exclusive use of two hundred and fifty (250) parking spaces, is by and between THE CULVER CITY REDEVELOPMENT AGENCY, a public body corporate and politic ("Agency" or "Licensor"), whose address is 9770 Culver Boulevard, Culver City, California 90232-0507, and Sony Pictures Entertainment Inc., whose address is 10202 W. Washington Blvd., Culver City, CA 90232. ("Licensee").

- 1) **LICENSE.** Licensee may use and occupy up to two hundred and fifty (250) parking spaces ("Parking Spaces") per month in the "Ince Parking Facility," located at 9099 Washington Boulevard, Culver City, California, 90232, during the Term stated below for the following express purpose: non-exclusive use of Parking Spaces for normal passenger vehicles only, including light weight pick-up trucks. By execution of this License, Licensee acknowledges receipt of two hundred and fifty (250) key cards ("Key Cards"), which shall be used by Licensee's guests, agents, employees, or invitees to access the Parking Spaces. Parkers without Key Cards shall be required to pay the posted daily rate for parking. In the event that Licensee requests more than two hundred and fifty (250) Key Cards for any given month in the Term, additional Key Cards may be provided by Agency, subject to all terms and conditions of this License, if additional space is available at the Ince Parking Facility, as determined by the Agency in its sole and absolute discretion.

- 2) **TERMS/DAYS/HOURS.** This License shall be for the following term ("Term"): through December 31, 2011, subject to three (3) annual extensions if mutually agreed upon, in writing, by Licensee and Licensor no later than thirty (30) days prior to the expiration of the Term or any mutually agreed upon annual extensions, unless sooner terminated in accordance with the terms of this License. The hours of this License shall be seven (7) days per week, from 7:00 a.m. to close of the Ince Parking Facility, with after-hours accessibility via Key Card from Culver Boulevard.

- 3) **PAYMENT OF FEES AND DEPOSITS.** The parking fee shall be \$60 per month per Parking Space ("Month Parking Fee"), but may be subject to change as determined by the Agency. The rate for late payment of the Monthly Parking Fee shall be \$5.00 per Key Card. The Monthly Parking Fee shall be paid in advance by Licensee to Agency, by cash or cashier's check, on the first day of each month. Parking in non-authorized locations within the Ince Parking Facility shall entail a \$5.00 fee per unauthorized vehicle and potential vehicle citation. Returned checks shall entail a \$25.00 fee. A one-time fee of \$6.00 per Key Card shall be charged at the time of issuance. Key Cards shall remain the property of Licensee. Lost Key Cards shall not be reissued or exchanged with another party other than an employee of Licensee without the express written authorization of the Agency.

- 4) **LIABILITY.** By execution of this Agreement, Licensee, on behalf of itself, and any persons or entities that exercise any rights under this License, acknowledges, understands and agrees that no bailment is created by this License. Neither

Agency nor the City of Culver City ("City") assumes any liability for any damages to person or property arising out of this License. Articles left in vehicles are at the vehicle owner's risk. Licensee understands and expressly agrees that the Licenser is not responsible for loss or damage to any vehicle or its contents by fire, vandalism, theft, or any other cause, nor for loss, damage or injury by or to other persons within or without of the Ince Parking Facility or any other individual personal injury of any nature. Licensee expressly acknowledges that the Licenser shall have no duty to provide security, and expressly does not assume any obligation to provide for the security of the Ince Parking Facility or area or to protect individuals using the Ince Parking Facility, or vehicles or property in or around the Ince Parking Facility, from criminal activities.

- 5) **DEFAULT.** An event of default shall be deemed to occur should any of the following events happen:
 - a. Failure of Licensee to timely pay the any fees or deposits required by this License.
 - b. If Licensee, or any of Licensee's guests, agents, employees, invitees (hereinafter collectively referenced as "Licensee"), causes damage to any persons or personal or real property in the Ince Parking Facility.
 - c. Failure of Licensee to obey posted rules of Licenser concerning matters of security, safety, or preservation of the Licenser's facilities.
 - d. Failure of the Licensee to comply with the terms of this License.

- 6) **TERMINATION.** This License can be terminated at any time by either Licenser or Licensee without cause, with thirty (30) day's written notice. On termination of the License by Licensee, deposits for any returned Key Cards and any refund of advance payment of Parking Fees shall be refunded to Licensee within thirty (30) days of termination, on a pro rata basis, after deducting any amounts owed to Licenser by Licensee under this License. Any unpaid deposits or fees owed by Licensee to Licenser shall be paid to Licenser within thirty (30) days of termination. In the event of default, the Licenser shall notify the Licensee in writing, and the Licenser may terminate this License immediately upon notice to said Licensee, without penalty or liability to Licenser, and the Licenser may retain all Parking Fees previously paid.

- 7) **CONDITIONS.**
 - a. Licensee shall park all vehicles on level four (4) or above of the Ince Parking Facility unless available parking spaces on those levels are unavailable or the Licenser directs otherwise.
 - b. No parkers will be able to exit the Ince Parking Facility without payment unless they use an authorized Key Card.
 - c. The Licenser reserves the right to post temporary restrictions to parking for purposes of facility cleaning or maintenance.. If such temporary restrictions impede Licensee's ability to park on authorized parking levels then Licensee may park on levels where parking is available.
 - d. This License cannot be assigned or transferred.

- e. The parties agree that Licensor shall have the right, without further notice to Licensee, to have towed any vehicle that is parked in violation of this License.
- f. If the Licensor is required to file suit to collect any amount owed to it under this License, Licensor shall be entitled to collect reasonable attorney's fees for its prosecution of that suit.
- g. Any notice under this License shall be given in writing through certified mail, overnight mail, or by personal delivery, and shall be effective upon receipt. For purposes herein, Notice to the Licensor shall be at: Attention: Christopher Evans, 9770 Culver Boulevard, City of Culver City, California 90232-0507, and Phone: 310.253.5744 Fax: 310.253.5779.

Notice to the Licensee shall be at:

Name: Kristin Cavanaugh

Phone: 310-244-5368

Fax: 310-244-0099

Address: 10202 W. Washington Blvd., Culver City, CA 90232

- 9) **INDEMNIFICATION AND HOLD HARMLESS.** Licensee agrees to indemnify, defend, protect and hold Agency and City and each of their respective officers, boards, officials, employees, attorneys, agents, insurers, and tenants (each an "Indemnatee") free and harmless from any and all loss, liability, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and costs) arising from the exercise of the License and/or right of entry granted under this License, except to the extent that such loss, liability, claims, damages and expenses were in part contributed to by the Agency's breach of this License or the active negligence and/or the willful misconduct of the Agency and the Indemnitees.

ACKNOWLEDGEMENTS AND SIGNATURES ON NEXT PAGE

The person signing this License hereby represents and warrants that the person has full and complete authority to execute this License on behalf of Licensor.

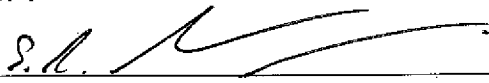
LICENSOR: THE CULVER CITY REDEVELOPMENT AGENCY, a public body corporate and politic

By: 

Its: ASSIST. EXEC. DIRECTOR

Licensee acknowledges that he, she, or by its agent, has read and understands the terms and conditions of this License and agrees and accepts all terms and conditions herein.

LICENSEE: SONY PICTURES ENTERTAINMENT INC., a Delaware corporation

By: 

Its: Simon R. Baker
Senior Vice President
Corporate Treasurer

December 20, 2012

Kristin Cavanaugh
Sony Pictures Entertainment, Inc.
10202 W. Washington Blvd.
Culver City, CA 90232

**RE: Automobile Parking License Agreement Second Annual
Extension – Ince Parking Structure 9099 Washington Boulevard**

Culver **CITY**

Dear Mrs. Cavanaugh,

On December 31, 2010, the Culver City Redevelopment Agency (Redevelopment Agency) and Sony Pictures Entertainment Inc. (SPE), entered into an Automobile Parking License Agreement (License) wherein SPE indemnified the Redevelopment Agency for its monthly use of 250 parking spaces in the Ince Parking Structure located at 9099 Washington Boulevard (Ince Parking Structure). The term of the License is subject to three annual extensions if mutually agreed upon in writing by both parties.

Due to the dissolution of Redevelopment, ownership of the Ince Parking Structure was transferred to the Successor Agency to the Culver City Redevelopment Agency (Successor Agency). As a result, the Successor Agency assumes oversight of former Redevelopment Agency responsibilities.

On December 5, 2012 SPE submitted a written request to extend the term of the License a second year. In accordance with the License the Successor Agency hereby administratively extends the term of the License until December 31, 2013. Please sign and date the enclosed Acknowledgment and Agreement and return it to me.

Please note that parking for Combined Property's Parcel B development and temporary parking for the City's Washington/National Transit Oriented Development will be provided in the Ince Parking Structure. When construction of the projects begin, it may be necessary to reassess the number of monthly parking spaces available to SPE. Staff would like to meet in the coming weeks to discuss potential long-term parking solutions for SPE. Todd Tipton, Economic Development Administrator will be calling you to schedule a meeting.

Should you have any questions or comments, please do not hesitate to contact Todd at (310) 253-5783.

Sincerely,


Sol Blumenfeld,
Assistant Executive Director

cc: Todd Tipton, Economic Development Administrator

SOL BLUMENFELD ASSISTANT EXECUTIVE DIRECTOR
SUCCESSOR TO THE CULVER CITY REDEVELOPMENT AGENCY
TEL 310.253.5760 FAX 310.253.5779

ACKNOWLEDGEMENT AND AGREEMENT

Sony Pictures Entertainment Inc, "Licensee" under the License, has read, acknowledges and agrees with all of the foregoing and further acknowledges and agrees (i) that no extensions of any deadlines granted herein or previously by the City of the License, waives, alters, modifies or excuses in any way any provisions of the License and (ii) to continue to be bound by the License and all of its attachments. Sony Pictures Entertainment Inc further acknowledges and agrees that except as expressly provided otherwise in this letter, the License and all of its attachments remain in full force and effect and enforceable in accordance with their terms, without diminution or waiver of any kind of any right or remedy hereunder by the Successor Agency to the Culver City Redevelopment Agency or Sony Pictures Entertainment Inc.

The person signing this Acknowledgement and Agreement represents that (s)he has the authority to sign this Acknowledgement and Agreement on behalf of Sony Pictures Entertainment Inc.

Sony Pictures Entertainment Inc.:

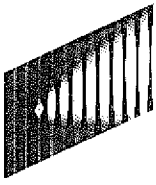
Dated: 1/12/13

Ronald P. McNaire

By: RONALD P. MCNAIRE
EVP FINANCE & CAO

Name/Title: _____

Kristin Cavanaugh
Director
Studio Relations



SONY
PICTURES

10202 West Washington Boulevard
Culver City, California 90232-3195

Tel: 310 244 5368 Fax: 310 244 0099
kristin_cavanaugh@spe.sony.com

November 15, 2012

Todd Tipton
City of Culver City
Community Development
9770 Culver Boulevard
Culver City, CA 90232

Dear Todd,

Per Sony Pictures Entertainment's (SPE) agreement with the City dated December 31, 2010 use of 250 parking spaces in the Ince parking structure, SPE would like to extend the license for another year per the terms providing for three annual extensions. As the current extension terminates on December 31, 2012, SPE would like to request that the City draft a letter of agreement allowing for the continuation of the license through December 31, 2013.

Please let me know if I can help facilitate this further.

Kind regards,

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CULVER CITY REDEVELOPMENT PROJECT

CULVER CITY, CALIFORNIA

OWNER PARTICIPATION AGREEMENT

By and Between

CULVER CITY REDEVELOPMENT AGENCY,

AGENCY,

and

CENTURY WILSHIRE, INC., doing business as "THE CULVER HOTEL,"

PARTICIPANT.

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OWNER PARTICIPATION AGREEMENT

This Owner Participation Agreement (the "Agreement") is entered into by and between the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency"), and CENTURY WILSHIRE INC., a California corporation, doing business as "The Culver Hotel" (the "Participant"). The Agency and the Participant agree as follows:

I. [§ 100] SUBJECT OF AGREEMENT

A. [§ 101] Purpose of the Agreement

The purpose of this Agreement is to effectuate the Redevelopment Plan for the Culver City Redevelopment Project Area by providing for the enhancement of certain real property located at 9400 Culver Boulevard, within the City of Culver City, State of California 90232 (the "Site"). The Site is currently developed and improved as the "Culver Hotel," a nationally- and historically-recognized hotel which contains forty-six (46) guestrooms and is approximately 29,628 square feet in size. In order to facilitate the Agency's effort to cause the effective redevelopment of the Culver City Redevelopment Project Area (the "Project Area"), it is the desire and goal of the parties hereto that the Culver Hotel be rehabilitated and the Site redeveloped by the Participant with certain improvements necessary to create a historic boutique hotel and venue with updated features and amenities. All such rehabilitation and redevelopment shall be performed by the Participant in accordance with the requirements of this Agreement and all applicable City of Culver City (the "City") laws, requirement and regulations.

The rehabilitation and redevelopment of the Site pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

B. [§ 102] The Redevelopment Plan

This Agreement is subject to the provisions of the Redevelopment Plan for the Project Area, which was approved and adopted and amended by the City Council of the City by certain Ordinances on file with the City Clerk. The Redevelopment Plan for the Project Area is incorporated herein by this reference and made a part of this Agreement as though fully set forth herein.

During the term of this Agreement, any amendments hereafter to the Redevelopment Plan for the Project Area (as so approved and adopted) which change the existing land uses or development permitted on the Site as identified in this Agreement, or otherwise change the restrictions or controls that apply to the Site, or otherwise affect the Participant's obligations or rights with respect to the redevelopment of the Site, shall require the written consent of the Participant, which the Participant may not unreasonably withhold, delay, or condition.

Amendments to the Redevelopment Plan applying solely to other property in the Project Area shall not require the consent of the Participant.

C. [§ 103] The Project Area

The Project Area is located in the City. The exact boundaries of the Project Area are specifically and legally described in the Redevelopment Plan for such Project Area.

D. [§ 104] The Site

The "Site" is commonly referred to as 9400 Culver Boulevard, Culver City, California 90232 and is comprised of that portion of the Project Area on which the rehabilitation and redevelopment activities provided for herein will be performed.

The Site is as illustrated and designated on the "Site Map" which is incorporated herein and attached to this Agreement as Attachment No. 1. The Site is more precisely described in the "Legal Description" which is attached hereto as Attachment No. 2 and fully incorporated herein.

E. [§ 105] Parties to the Agreement

1. [§ 106] Agency

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

The principal office of the Agency is 9770 Culver Boulevard, Culver City, California 90232-0507. For the purpose of this Agreement, mail delivered to the Agency shall be addressed as follows: Culver City Redevelopment Agency, Attn: Assistant Executive Director, 9770 Culver Boulevard, Culver City, CA 90232-0507.

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

2. [§ 107] Participant

The Participant is a California corporation doing business as "The Culver Hotel," and shall be responsible and liable for each of the Participant's obligations set forth in this Agreement.

The principal office of the Participant is 9400 Culver Boulevard, Culver City, California 90232.

Wherever the term "Participant" is used herein, such term shall include any permitted nominee, assignee or successor in interest as herein provided.

E. [§ 108] Prohibition Against Assignment of Rights Hereunder

The Participant represents and agrees that its undertakings pursuant to this Agreement are, and that the Site will be used, for the purpose of redevelopment of the Site and not for speculation in land holding. The Participant further recognizes that, in view of

- (i) the importance of the redevelopment of the Site to the general welfare of the community;
- (ii) the public aids that have been made available by law and by the government for the purpose of making such redevelopment possible; and
- (iii) the fact that a change in ownership or control of the Participant or a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or control of the Participant, or the degree thereof, is for practical purposes a transfer or disposition of the Site or part thereof then owned by the Participant,

the qualifications and identity of the Participant, and its principals, are of particular concern to the community and the Agency. The Participant further recognizes that it is because of such qualifications and identity that the Agency is entering into this Agreement with the Participant. No voluntary or involuntary successor in interest of the Participant shall acquire any rights or powers under this Agreement except as expressly set forth herein.

Subject to the terms of Section 216 below, Participant shall not assign all or any part of this Agreement without the prior written approval of the Agency, which approval shall not be unreasonably withheld, conditioned, delayed or denied if, in the reasonable determination of the Agency, the proposed assignee of the Participant (or such assignee's agents (i.e., hotel management company) has comparable qualifications of the Participant in all material respects, including experience operating a hotel of comparable quality, character and financial capability.

Participant shall promptly notify the Agency of any and all changes whatsoever in the identity of the Participant.

II. [§ 200] REHABILITATION/REDEVELOPMENT OF THE SITE

A. [§ 201] Responsibilities of Participant

1. [§ 202] Scope of Development

The Site rehabilitation of the Culver Hotel has commenced and shall continue to be rehabilitated/redeveloped in accordance with and within the limitations established in the "Scope of Development" incorporated herein and attached hereto as Attachment No. 3.

B. [§ 203] Plans and Drawings

To the extent that plans and drawing have not previously been submitted to the City for approval, the Participant shall prepare and submit all additional necessary plans and drawings as well as all related documents required for the completion of the rehabilitation/redevelopment of the Site (the "Plans and Drawings") funded by the Participant to the City for review and written approval with copies provided to the Agency within the time established in the Schedule of Performance (Attachment No. 4). The Plans and Drawings shall include all rehabilitation/redevelopment physical exterior work and improvements as they have been or are to be rehabilitated and redeveloped on the Site, together with any and all related off-site public improvements. The Participant shall submit Plans and Drawings to the Agency for review and comment of those portions of the rehabilitation/redevelopment Improvements that the Agency will fund as outlined in Section 206 of this Agreement and the Scope of Development. (Attachment No. 3).

The Site, and any related off-site public improvements, shall be rehabilitated/redeveloped as established in the Plans and Drawings and related documents except as changes may be mutually agreed upon between the Participant and the Agency in writing. Any changes shall be within the limitations of the Scope of Development (Attachment No. 3).

The Agency and the Participant shall communicate and consult informally as frequently as is necessary to insure that the submittal of the Plans and Drawings to the City and Agency can receive prompt and speedy consideration.

C. [§ 204] Agency Approval of Plans and Drawings

Subject to the terms of this Agreement, the Agency shall have the right to review all Plans and Drawings, including any proposed changes therein which materially affect the exterior improvements on the Site. The Agency shall approve or disapprove the Plans and Drawings within the time established in the Schedule of Performance (Attachment No. 4). Failure by the Agency to either approve or disapprove within the times established in the Schedule of Performance shall be deemed an approval. Any disapproval shall state in writing the reasons for disapproval and the changes which the Agency requests to be made. Such reasons and such changes must be consistent with the Scope of Development (Attachment No. 3) and any items previously approved or deemed approved hereunder. The Participant, upon receipt of a disapproval based upon powers reserved by the Agency hereunder shall revise the Plans and Drawings and related documents, and shall resubmit to the Agency as soon as practicable after receipt of the notice of disapproval.

If the Participant desires to make any substantial change in the Plans and Drawings after approval, such proposed change shall be submitted to the Agency for approval, which approval shall not be unreasonably withheld, conditioned, delayed or denied. If the Plans and Drawings, as modified by the proposed change, conform to the requirements of Section 203 of this Agreement and the Scope of Development, the proposed change shall be approved and the Participant shall be notified in writing within fifteen (15) days after submission. Such change in the Plans and Drawings shall, in any event, be deemed approved unless rejected, in whole or in part, by written notice thereof setting forth in detail the reasons therefor, and such rejection shall

be made within said fifteen (15) day period.

D. [§ 205] Cost of Rehabilitation/Redevelopment

Subject to the terms and conditions of this Agreement, the cost of rehabilitating/redeveloping the Site including any and all off-site public improvements (collectively the "Improvements") shall be borne by the Participant as follows:

a. The parties estimate that the cost to the Participant to rehabilitate/redevelop the Improvements on the Site in accordance with this Agreement shall be approximately Two Million One Hundred One Thousand Four Hundred and Ninety-Five Dollars (\$2,101,495) (the "Development Costs"). The parties anticipate that the Development Costs shall be as set forth in the Project Budget (the "Project Budget") attached to this Agreement as Attachment No. 5, and incorporated herein by this reference. The Project Budget may be subject to change from time-to-time by the Participant subject to the prior written approval of the Agency Assistant Executive Director (which approval shall not be unreasonably withheld, conditioned or delayed), upon which approval the Project Budget shall be replaced by the approved revised Project Budget. Notwithstanding any provision to the contrary contained in any document, the Participant shall have the right to amend the Project Budget from time-to-time, without Agency approval but subject to providing written notice to the Agency, so long as the proposed amendment: (1) increases or decreases the total Development Costs by not more than twenty percent (20%), in the aggregate, of the total Development Costs set forth in the initial Project Budget; and (2) does not increase or decrease any line item, in the aggregate, by more than twenty percent (20%) of the amount set forth for such item in the initial Project Budget.

b. The Participant will finance the Development Costs through working capital and/or equity funding by the Participant. Participant does not anticipate any additional third party financing to fund the Development Costs. However, notwithstanding the foregoing, the Agency shall be responsible for the reimbursement to the Participant of certain Development Costs (the "Public Costs") attributable to certain capital improvements as specifically described in the Scope of Development (Attachment No. 3) and provided for in the Payment Agreement (Attachment No. 6).

c. Within the time established therefor in the Schedule of Performance (Attachment No. 4), the Participant shall submit to the Agency evidence satisfactory to the Agency that the Participant has available working capital necessary to fund completion of the rehabilitation/redevelopment of the Improvements and the payment of the Development Costs in accordance with this Agreement. Such evidence of working capital shall include the following:

- (1) A final project budget, consisting either of confirmation that the Project Budget attached to this Agreement as Attachment No. 5 remains unchanged, or a revised Project Budget, containing an estimate of all Development Costs; and

- (2) A copy of the contract between the Participant and the general contractor or other trade professionals for completion of the rehabilitation/redevelopment of the Improvements, or if the Participant will act as its own general contractor, then all subcontracts for the construction of such Improvements, certified by the Participant to be a true and correct copy thereof.
- (3) A letter from a financial institution of Participant's choosing stating that Participant has sufficient funds available to complete the remaining Improvements, or a letter from Participant's accounting firm indicating that there is sufficient working capital to complete the Improvements.

E. [§ 206] Agency Financial Obligation

Subject to the provisions of this Agreement, the Agency shall be responsible for providing certain financial assistance to the Participant with respect to the rehabilitation/redevelopment of certain capital improvements as specifically described in the Scope of Development (Attachment No. 3). Such financial assistance shall be in the form of a reimbursement payment to the Participant in the maximum amount of Eighty-Seven Thousand Dollars (\$87,000) (the "Reimbursement Payment") as described in the Payment Agreement, attached to this Agreement as Attachment No. 6. The Reimbursement Payment shall be paid over a period of five (5) years with scheduled payments to be made based upon the receipt of transient occupancy taxes by the City solely attributable to the operation of the Culver Hotel on the Site. Agency shall also be responsible for providing certain parking rights to Participant in Agency owned and/or controlled parking structures for use by the Culver Hotel's employees, guests and patrons in accordance with a Parking License Agreement set forth in Attachment No. 7.

F. [§ 207] Rehabilitation/Redevelopment Schedule

The Participant shall promptly begin and thereafter diligently prosecute to completion the rehabilitation/redevelopment of the Improvements to the Culver Hotel on the Site, together with any related off-site public improvements, and the redevelopment thereof as provided in the Scope of Development (Attachment No. 3). The Participant shall begin and complete all rehabilitation/redevelopment of the Site within the times specified in the Schedule of Performance (Attachment No. 4) with such reasonable extensions of said dates as may be granted by the Agency and subject to events of force majeure. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Participant and the Agency.

During periods of rehabilitation/redevelopment of the Site, the Participant shall submit to the Agency a written report of the progress of the construction when and as reasonably requested by the Agency, but not more often than quarterly; provided however, such reports are reasonably acceptable to the Agency and timely submitted to the Agency. The report shall be in such form and detail as may be reasonably required by the Agency and shall include a reasonable number of construction photographs (if requested) taken since the last report by the Participant.

During periods of rehabilitation/redevelopment, the Agency shall give reasonable assistance to the Participant in encouraging other governmental entities, including the City, to make prompt, timely inspections in order to keep the development of the Site on schedule.

G. [§ 208] Indemnification During Rehabilitation/Redevelopment; Bodily Property Damage Insurance

Participant agrees to and shall defend, indemnify and hold the Agency, the City, and their officers, employees, contractors and agents harmless from and against all claims, liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) 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 the Site, or in connection with this Agreement; provided, however, that Participant shall not be responsible for the ~~established~~ negligence or willful misconduct of the Agency, the City, or their respective officers, employees, contractors, or agents.

Without limiting the foregoing indemnity, Participant shall obtain, at its sole cost and expense, and keep in full force and effect, the insurance required in the Parking License Agreement (Attachment No. 7).

H. [§ 209] Antidiscrimination During Construction

The Participant for itself and its successors and assigns agrees that in the construction of the Improvements on the Site and off-site as provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of sex, sexual orientation, marital status, race, color, creed, religion, national origin, or ancestry.

I. [§ 210] Local, State, and Federal Laws

The Participant shall carry out the rehabilitation/redevelopment of the Improvements on the Site and off-site in conformity with all applicable laws, including all applicable federal and state labor standards including, and 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). The Participant hereby expressly acknowledges and agrees neither that the City nor Agency has ever affirmatively represented to Participant or its contractor(s) for the proposed rehabilitation/redevelopment 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. The Participant hereby agrees that it 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. The Participant hereby agrees that it 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. The Participant hereby agrees that it 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. The Participant shall indemnify, protect, defend and hold harmless the Agency, City and their respective officers, employees, contractors and agents, with counsel reasonably acceptable to the 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 applicable rehabilitated/redeveloped project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by the 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 the 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 the 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 subject rehabilitation/redevelopment of the Improvements and the Site (as defined by applicable law) and operation of the improvements thereon, including, without limitation, any public work (as defined by applicable law), the 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 and shall continue after recordation of the Release of Construction Covenants.

J. [§ 211] City and Other Governmental Agency Permits

Before commencement of rehabilitation/redevelopment of any buildings, structures or other work of improvement upon any portion of the Site, or off-site, the Participant shall, at its own expense, secure or cause to be secured, any and all permits which may be required by the City or any other governmental agency with jurisdiction over such construction, development or work.

K. [§ 212] Reserved

L. [§ 213] Rights of Access

Representatives of the Agency and the City shall have the reasonable right of access to the Site with forty-eight (48) hour written notice to the Participant (except in cases of emergency) without charges or fees, at normal construction hours during the period of rehabilitation/redevelopment of the Improvements and the Site for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed pursuant to such rehabilitation/redevelopment of the Improvements and the Site. Such representatives of the Agency or the City shall be those who are so identified in writing by the Assistant Executive Director of the Agency (or his or her designee). Such representatives shall take such precautionary steps as may be reasonably necessary, including the use of appropriate head and eye wear to protect their safety prior to entering the Site. Moreover, all inspection activity shall also comply with applicable laws and regulations regarding health and safety, and the Participant's written safety rules and regulations.

M. [§ 214] Responsibilities of the Agency

Except as otherwise and specifically provided herein, the Agency shall not be responsible for any rehabilitation/redevelopment of the Improvements on the Site as specified in the Scope of Development (Attachment No. 3).

N. [§ 215] Taxes, Assessments, Encumbrances and Liens

The Participant shall pay when due all real estate taxes and assessments assessed and levied on or against the Site and each portion thereof. Nothing herein contained shall be deemed to prohibit the Participant from contesting the validity or amount of any tax assessment, encumbrance or lien, nor limit the remedies available to the Participant in respect thereto.

O. [§ 216] Prohibition Against Assignment

Participant shall not, except as permitted by this Agreement, assign or purport to assign this Agreement or any right herein, without prior written approval of the Agency, which approval (if consistent with the standards set forth in Section 108) shall not be unreasonably withheld, conditioned, delayed or denied. Agency shall act upon any such request for assignment within ~~ninety (90)~~ ^{forty-five (45)} days of Participant's submittal of a request for consent to assignment. If the Agency fails to act within such time period, Agency shall be deemed to have given consent to such an assignment even in the absence of any written approval evidencing such consent. This prohibition shall not be deemed to prevent the granting of easements or permits necessary to facilitate the financing and developing of the Site, nor shall it prohibit the granting of any security interests expressly described in this Agreement necessary for the financing and rehabilitating/redeveloping of the Site, or the exercise of any rights under any leases not inconsistent with the rehabilitation/redevelopment of the Site as contemplated by this Agreement.

In the event that the Participant does assign this Agreement or any of the rights herein

without the Agency's consent, the Agency shall have the right to terminate this Agreement. Upon Agency's approval of any assignment of this Agreement, Participant shall be deemed to be relieved from any further obligations under this Agreement.

Unless otherwise provided herein, no assignment of this Agreement shall become effective until Agency, Participant and the assignee execute a written assignment agreement that is reasonably acceptable to the Agency Assistant Executive Director.

The prohibition against assignments contained in this Section 216 shall not apply to the following:

- (1) The granting of easements, licenses or permits to facilitate the rehabilitation/redevelopment of the Improvements and the Site;
- (2) Mortgages or other conveyances of a security interest in the Site to a lender for financing or refinancing; and
- (3) A Transfer to an Affiliate. For the purposes of this Agreement, the term "Affiliate" means: (a) an entity that directly or indirectly controls, is controlled by or is under common control with the Participant, or (b) an entity at least a majority of whose economic interest is owned by Participant; and the term "control" means the power to direct the management of such entity through voting rights, ownership or contractual obligations.

P. [§ 217] Security Financing; Rights of Holders

1. [§ 218] Mortgages, Deeds of Trust, Conveyances and Leases-Back or Other Conveyance for Financing for Development

Notwithstanding anything contained herein to the contrary, nothing shall preclude Participant from obtaining mortgages, deeds of trust, conveyances and leases-back, or any other form of conveyance required for any reasonable method of financing or refinancing before or after the recordation of the Release of Construction Covenants on the Site or any portion thereof (referred to in Section 226 of this Agreement). No consent or approval of such financing by the Agency shall be required.

The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing real estate acquisition, construction, and land development.

2. [§ 219] Holder Not Obligated to Rehabilitate/Redevelop Improvements and the Site

The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no way be obligated by the provisions of this Agreement to rehabilitate/redevelop the Improvements and the Site or to guarantee such rehabilitation/redevelopment completion. Nothing in this Agreement shall be deemed or

construed to permit or authorize any such holder to devote the Site to any uses, or to rehabilitate/redevelop any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

Q. [§ 220] Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure

Whenever the Agency shall deliver any notice or demand to the Participant with respect to any breach or default by the Participant in completion of the rehabilitation/redevelopment of the Improvements on the Site prior to the issuance of a Release of Construction Covenants therefor, the Agency shall at the same time deliver to each holder of record of any mortgage, deed of trust or other security interest authorized by this Agreement with respect to the Site, a copy of such notice or demand. Each such holder, with respect to the Site, shall (insofar as the rights of the Agency are concerned) have the right at its option within ninety (90) days after the receipt of the notice, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such holder upon obtaining possession, such holder shall seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall remedy or cure such default within ninety (90) days after obtaining possession; provided that in the case of a default which cannot with diligence be remedied or cured, or any such remedy or cure for which commencement to remedy or cure cannot be effectuated within such 90-day period, such holder shall have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity; and provided further that such holder shall not be required to remedy or cure any non-curable default of the Participant. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the rehabilitation/redevelopment of the Improvements and the Site (beyond the extent necessary to conserve or protect the Improvements or rehabilitation/redevelopment already made) without first having expressly assumed the Participant's obligations to the Agency by written agreement satisfactory to the Agency. The holder in that event must agree to complete, in the manner provided in this Agreement, the improvements to which the lien or title of such holder related, and submit evidence satisfactory to the Agency that it has the qualifications and/or financial responsibility necessary to perform such obligations. Any such holder properly completing such improvements shall be entitled, upon written request made to the Agency, to a Release of Construction Covenants from the Agency.

R. [§ 221] Failure of Holder to Rehabilitate/Redevelop the Improvements at the Site

In any case where six (6) months after default by the Participant in completion of the Improvements on the Site (for which a Release of Construction Covenants has not yet been issued by the Agency), the holder of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Site, (or portion thereof), has not exercised the option to rehabilitate/redevelop, or if it has exercised the option but has not proceeded diligently with rehabilitation/redevelopment (including diligent efforts to obtain possession if necessary), the Agency may purchase the mortgage, deed of trust or other security interest by payment to the

holder of the amount of the unpaid debt, plus any accrued and unpaid interest and other charges properly payable under the mortgage, deed of trust or other security interest; provided, however, that the holder shall have thirty (30) days after its receipt of notice from the Agency of its intent to effect this purchase, in which the holder may exercise the option to construct (if it has not previously done so), or may resume proceeding diligently with rehabilitation/redevelopment, as the case may be, and if the holder does so act, the notice from the Agency shall be deemed withdrawn; the foregoing right to delay purchase by the Agency may be exercised only once by the holder. If the ownership of the Site (or any portion thereof) has vested in the holder, the Agency, if it so desires, shall be entitled to a conveyance from the holder to the Agency upon payment to the holder of an amount equal to the sum of the following as they pertain to the Site (or portion thereof):

- (1) The unpaid mortgage, deed of trust or other security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings).
- (2) All expenses with respect to foreclosure.
- (3) The net expense, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent ownership or management of the Site (or portion thereof), such as insurance premiums and real estate taxes.
- (4) The cost of any improvements made by such holder.
- (5) An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by the Agency.

S. [§ 222] Right of Agency to Cure Mortgage, Deed of Trust, or Other Security Interest Default

In the event of a default or breach by the Participant of a mortgage, deed of trust or other security interest with respect to the Site (or portion thereof) prior to the issuance of a Release of Construction Covenants therefor by the Agency, and the holder has not exercised its option to complete the development, the Agency may cure the default prior to completion of any foreclosure. In such event, the Agency shall be entitled to reimbursement from the Participant of all costs and expenses incurred by the Agency in curing the default. The Agency shall also be entitled to a lien upon the Site (or portion thereof) to the extent of such costs and disbursements incurred prior to the issuance of a Release of Construction Covenants therefor. Any such lien shall be subordinate and subject to mortgages, deeds of trust, or other security instruments executed for the sole purpose of obtaining funds to purchase and develop the Site (or portion thereof) as authorized herein.

T. [§ 223] Right of the Agency to Satisfy Other Liens on the Property After Title Passes

Prior to the recordation of the Release of Construction Covenants for the Site or portion thereof (referred to in Section 226 of this Agreement), and after the Participant has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on the Site (or portion thereof), other than the liens referred to in Section 222, the Agency shall have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require the Participant to pay or make provisions for the payment of any tax, assessment, lien or charge so long as the Participant in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Site (or any portion thereof) to forfeiture or sale.

U. [§ 224] Release of Construction Covenants

Promptly after substantial completion of all rehabilitation/redevelopment work to be completed by the Participant upon the Site, the Agency shall furnish the Participant with a Release of Construction Covenants upon written request therefor by the Participant. The Agency shall not unreasonably withhold, condition, delay or deny any such Release of Construction Covenants. Such Release of Construction Covenants shall be, and shall so state, conclusive determination of satisfactory completion of the rehabilitation/redevelopment of the Improvements and the Site as required by this Agreement.

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

If the Agency refuses or fails to furnish a Release of Construction Covenants for the Site (or portion thereof, as applicable) after written request from the Participant, the Agency shall, within ten (10) days of the written request, provide the Participant with a written statement which details the reasons the Agency refused or failed to furnish a Release of Construction Covenants. The statement shall also contain the Agency's opinion of the action the Participant must take to obtain a Release of Construction Covenants. If the reasons for such refusal is confined to the immediate unavailability of specific items or materials necessary to complete the rehabilitation/redevelopment of the Improvements and the Site, the Agency will issue its Release of Construction Covenants upon the posting of a bond by the Participant with the Agency in an amount representing a fair value of the work not yet completed. If the Agency shall have failed to provide such written statement within said 10-day period, the Participant shall be deemed entitled to the Release of Construction Covenants.

III. [§ 300] USE OF THE SITE

A. [§ 301] Uses

The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that during rehabilitation/redevelopment of the Improvements and the Site and thereafter the Participant, its successors and assignees shall devote the Site to the uses specified in the Redevelopment Plan, the Scope of Development, and the Parking License Agreement (Attachment No. 7) for the period specified in the applicable

documents.

Notwithstanding the generality of the paragraph, directly above, Participant, its successors and assigns, shall use the Improvements only for the following uses: operation of a historic boutique hotel with forty-six (46) guest rooms and all related and accessory uses ("Culver Hotel"). The Culver Hotel shall be rated not less than three diamonds by AAA or three stars by the Mobile Travel Guide utilizing their customary rating criteria in place as of the date hereof. In the event that Participant loses its AAA or three star rating for any reason, Agency

shall not deem such loss^s as an event of default under this Agreement until the rating loss occurs for a consecutive 60 day period; and *Agency Executive Director may waive or extend this requirement.*

The Participant shall also use and operate all Improvements on the Site in accordance with all applicable City zoning requirements.

B. [§ 302] Maintenance of the Site

During all rehabilitation/redevelopment, and thereafter, the Participant shall maintain the Improvements on the Site and shall keep the Site free from any accumulation of debris or waste materials.

During rehabilitation/redevelopment and thereafter, the Participant shall also maintain in good working order and appearance the Culver Hotel's plumbing, water heating, HVAC systems, utilities, painted surfaces, windows, doors, floors, walls, electrical systems, signage, potted plants, guest room décor, kitchen, dining areas, lobby, bar, elevator, corridors and all common areas, conference rooms, furniture and fixtures and keep all landscaping on the Site in a healthy condition.

C. [§ 303] Obligation to Refrain From Discrimination

The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site nor shall the Participant 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 Site.

D. [§ 304] Form of Nondiscrimination and Nonsegregation Clauses

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

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

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

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

In contracts: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

E. [§ 305] Effect and Duration of Covenants

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on the Participant and any successor in interest to the Site or any part thereof for the benefit and in favor of the Agency, its successors and assigns, and the City. Such covenants shall survive the issuance of the Release of Construction Covenants by the Agency.

F. [§ 306] Rights of Access - Public Improvements and Facilities

The Agency for itself, and for the City and other public agencies, at their sole risk and

expense, reserves the right to enter the Site or any part thereof at all reasonable times and with as little interference as possible, for the purposes of construction, reconstruction, maintenance, repair or service of any public improvements or public facilities located on the Site. Any such entry shall be made only after forty-eight (48) hour written notice to the Participant, and the Agency shall indemnify and hold the Participant harmless from any claims or liabilities pertaining to such entry. Any damage or injury to the Site resulting from such entry shall be promptly repaired at the sole expense of the public agency responsible for the entry.

IV. [§400] DEFAULTS, REMEDIES AND TERMINATION

A. [§ 401] Defaults - General

Subject to the extensions of time set forth in Section 504, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who fails or delays must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence, and during any period of curing shall not be in default.

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.

B. [§ 402] Legal Actions

1. [§ 403] Institution of Legal Actions

In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court of that county, or in the Federal District Court in the Central District of California.

2. [§ 404] Applicable Law

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

3. [§ 405] Acceptance of Service of Process

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

law.

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

4. [§ 406] 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 either 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 the other party.

5. [§ 407] Damages

If either party defaults with regard to any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured within ten (10) days after receipt of the notice of default (if the obligation pertains to the payment of money), or within thirty (30) days after receipt of the notice of default (if the obligation pertains to something other than the payment of money), or is a type which is not capable of being cured within thirty (30) days, then if the default is not commenced to be cured within thirty (30) days after of the notice of default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the nondefaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default. Neither party, however, shall have any right to indirect or consequential or punitive damages against the other, and each party hereby waives the right to claim the same against the other.

6. [§ 408] Specific Performance

If either party defaults with regard to any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured within ten (10) days after receipt of the notice of default (if the obligation pertains to the payment of money), or within thirty (30) days after the notice of default (if the obligation does not pertain to the payment of money), or if such default (other than the payment of money) is of a type which is not capable of being cured within thirty (30) days, then if the default is not commenced to be cured within thirty (30) days after service of the notice of default and is not cured promptly in a continuous and diligent manner within a reasonable period of time after commencement, the nondefaulting party, at its option, may thereafter (but not before, unless necessary to prevent immediate harm) commence an action for specific performance of the terms of this Agreement pertaining to such default.

C. [§ 409] Remedies and Rights of Termination

1. [§ 410] Termination by Participant

In the event that:

a. The Participant is unable, despite diligent and best efforts, to obtain prior to the date established in this Agreement, any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and the Plans and Drawings approved by the Agency:

(i) all discretionary permits and/or approvals required by the City or other governmental entity having jurisdictions; or

(ii) building permits; or

b. the Agency fails to timely perform any other material obligation of the development as required under this Agreement and such failure is not be cured within thirty (30) days after the date of written demand by the Participant,

then this Agreement may, at the option of the Participant, be terminated by giving written notice thereof to the Agency, and to the extent applicable, the Participant shall be entitled to exercise all rights and recourse permitted hereunder attributable to the Agency's default(s).

2. [§ 411] Termination by Agency

In the event that:

a. the Participant (or any successor in interest), in violation of the provisions of this Agreement, assigns or attempts to assign the Agreement or any right herein, or in the Site (or portion thereof) without Agency approval; or

b. there is a substantial change in the ownership of the Participant, or with respect to the identity of the parties in control of Participant, or the degree thereof contrary to the provisions of Section 108 hereof; or

c. the Participant does not deliver any submission of Plans and Drawings, and related documents as required by this Agreement by the dates respectively provided in this Agreement without the advance written consent of the Agency; or

d. the Participant is unable, despite diligent and good faith effort, to obtain any of the following permits or entitlements for the development of the Site in accordance with this Agreement (including the Scope of Development) and the Drawings approved by the Agency:

(i) all discretionary permits and/or approvals required by the City or other governmental entity having jurisdiction; or

(ii) building permits; or

e. the Participant fails to timely perform any other material obligation of the development and use of the Site as required under this Agreement; or

f. if any default or failure referred to in subdivisions (a) through (e) of this Section shall not be cured within thirty (30) days after the date of written demand by the Agency,

then this Agreement and any rights of the Participant, or any assignee or transferee, in this Agreement, or arising therefrom with respect to the Agency, shall at the option of the Agency, be terminated with respect to the Site by written notice thereof to the Participant, and to the extent applicable, the Agency shall be entitled to exercise all rights and recourse permitted hereunder attributable to the Participant's default(s).

V. [§ 500] GENERAL PROVISIONS

A. [§ 501] Notices, Demands, and Communications Between the Parties

Formal notices, demands, and communications between the Agency and the Participant shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency and the Participant, as designated in Sections 106 and 107 hereof. Such notices, demands and communications if given in person shall be deemed given when delivered, and if given by mail shall be deemed given three (3) business days after deposit in the mail. 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 501.

B. [§ 502] Conflicts of Interest

No member, official or employee of the 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 personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested.

The Participant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

C. [§ 503] Nonliability of Agency Officials and Employees

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

D. [§ 504] Enforced Delay: Extension of Time of Performance

In addition to specific provisions of this Agreement, performance by either party hereunder (except for the payment of money) 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, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplies, acts of the other party, acts or failure to act of the City or any other public or governmental agency or entity, foreign or domestic, (other than that acts or failure to act of the Agency shall not excuse performance by the Agency) or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause 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 of knowledge of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the Agency and the Participant.

Wherever this Agreement refers to performance by a specific time, or in accordance with the Schedule of Performance (Attachment No. 4), such times shall include any extensions pursuant to this Section 504.

E. [§ 505] Inspection of Books and Records

The Agency has the right at all reasonable times to inspect the books and records of the Participant pertaining to the Site but only to the extent as pertinent to the purposes of this Agreement.

F. [§ 506] Approvals

Except where this Agreement expressly provides for the approval of either party in its discretion, approvals required of the Agency or the Participant shall not be unreasonably withheld, conditioned or delayed.

G. [§ 507] Authority for Signatures

The Agency and the Participant warrant and represent that 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.

H. [§ 508] Attorneys' Fees

In the event that any litigation is commenced between the parties to this Agreement

concerning any provision of this Agreement, including all attachments hereto, or the rights and obligations of any party, the parties to this Agreement hereby agree that the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted by the court, to a reasonable sum as and for its attorneys' fees in that litigation which shall be determined by the court in that litigation or in a separate action brought for that purpose.

VI. [§ 600] ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

This Agreement shall be executed in three (3) duplicate originals each of which is deemed to be an original. This Agreement includes twenty-eight (28) pages and eight (8) attachments which constitute the entire understanding and agreement of the parties.

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

None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with the Parking License Agreement and/or the Payment Agreement, and this Agreement shall continue in full force and effect with respect to the Site until after recordation of a Release of Construction Covenants for the Site as provided in Section 225.

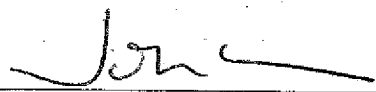
All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Agency or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant. This Agreement and any provisions hereof may be amended by mutual written agreement by the Participant and the Agency and such amendment shall not require the consent of any other fee owner, tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust, or any other person or entity having an interest in the Site, except as otherwise expressly provided in this Agreement.

VII. [§ 700] TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY; DATE OF AGREEMENT

This Agreement, when executed by the Participant and delivered to the Agency, must be authorized, executed and delivered by the Agency within thirty (30) days after this Agreement is signed by the Participant, or this Agreement may be terminated by the Participant on written notice to the Agency. The date of this Agreement shall be the date it is signed by the Agency.

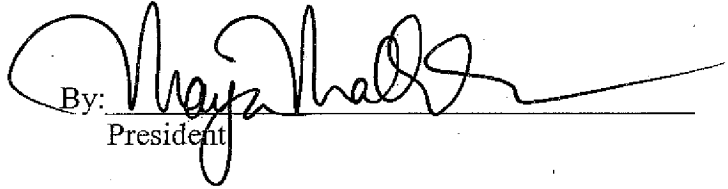
CULVER CITY REDEVELOPMENT AGENCY,
a public body, corporate and politic
(Agency)

Date: 1/15/2011

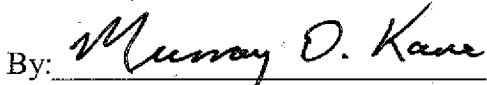
By: 
John M. Nachbar, Executive Director

CENTURY WILSHIRE INC.,
a California corporation
(Participant)

Date: 1/15/2011

By: 
President

APPROVED AS TO FORM:
KANE, BALLMER & BERKMAN

By: 
Murray O. Kane
Agency General Counsel

ATTACHMENT NO. 1

SITE MAP



ATTACHMENT NO. 2

LEGAL DESCRIPTION

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

LOT 1 IN BLOCK 20 OF TRACT 2444, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 24 PAGES 5 TO 7 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM THE INTEREST AS RESERVED IN THE DEED EXECUTED BY BO. C. ROOS, SR., AND RECORDED FEBRUARY 3, 1967 IN BOOK D3550 PAGE 115, OFFICIAL RECORDS, WHICH DEED RECITES AS FOLLOWS; "RESERVING UNTO GRANTOR HEREIN, HIS HEIRS, AND ASSIGNS, ALL OF SAID GRANTOR'S INTEREST BEING AND UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON, MINERALS, AND ASSOCIATED SUBSTANCES NOW OR HEREAFTER IN OR UNDER OR RECOVERABLE FROM THAT PORTION OF THE REAL PROPERTY HEREINABOVE DESCRIBED, WHICH LIES BELOW A DEPTH OF 500 FEET BENEATH THE SURFACE OF SAID REAL PROPERTY, BUT WITHOUT ANY RIGHT TO ENTER UPON OR USE ANY PORTION OF SAID REAL PROPERTY OR OF THE SUBSURFACE THEREOF TO A DEPTH OF 500 FEET FOR ANY PURPOSES.

APN: 4206-029-028

ATTACHMENT NO. 3

SCOPE OF DEVELOPMENT

I. GENERAL DESCRIPTION

The Site is comprised of approximately 5,558 square feet, and is zoned as Commercial Downtown. In accordance with the terms and conditions of the Owner Participation Agreement (the "OPA") the Culver Hotel and the Site shall be rehabilitated/redeveloped with various capital and related improvements by the Participant necessary to preserve the Culver Hotel's national and historical designation and create an updated, and enhanced historic boutique hotel operation and venue. Such rehabilitation/redevelopment activity on the Site shall consist of high architectural quality, be well landscaped, and have an aesthetically pleasing design. The shape, scale, and design of improvements to be rehabilitated/redeveloped on the Site must be consonant with, visually as well as physically related to, and an enhancement to the surrounding community and the Culver City Redevelopment Project area.

The Participant's plans, drawings and proposals for the Agency funded improvements submitted to the Agency for approval consideration shall describe in reasonable detail the architectural character intended for the rehabilitation/redevelopment of the Culver Hotel and the Site as contemplated by the OPA. The total exterior rehabilitation/redevelopment of the Site shall be in conformity with the Culver City Redevelopment Plan. The provisions, design criteria, and property development standards set forth in this Scope of Development shall apply to the Site, except where specifically indicated otherwise.

II. PARTICIPANT IMPROVEMENTS

A. General

The Participant shall rehabilitate/redevelop, use and operate the Culver Hotel and the Site as a boutique hotel venue containing forty-six (46) guestrooms. The Culver Hotel and the Site shall be developed in accordance with all applicable zoning and other land use regulations.

B. Site Improvements

The Participant shall be responsible for the rehabilitation/redevelopment of the Culver Hotel and the Site by providing for the construction of all the Site improvements listed below to the specifications and acceptance of the City and Agency. Consistent with its rehabilitation/redevelopment responsibilities and obligations with respect to the Culver Hotel and the Site, the Participant shall be fully responsible for completing or causing the completion of all of those certain improvements and related work on the Culver Hotel and/or the Site as identified in the "Scope of Work" which is attached hereto as Exhibit A and fully incorporated herein by this reference. Moreover, Participant shall also perform or cause the performance of the requisite Scope of Work in accordance with the following standards:

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(1) Energy Considerations

Energy efficient features shall be incorporated into the design of the development including passive energy conservation methods. The Participant will be required to demonstrate consideration of energy features as a part of the design review process.

(2) Refuse Containers

Refuse containers shall be screened from public view with fencing and landscaping.

(3) Signs

All public signs on the exteriors of buildings and structures are of special concern to the Agency. All signs must be approved by the Agency and must comply with all applicable City Codes.

(4) Outdoor Storage

No material, equipment, supplies or products shall be stored or permitted to remain outside on the Site unless prior written approval is obtained from the Agency. If any outdoor storage is allowed, it shall be screened from the public view with fencing and landscaping. Chain link fencing shall not be permitted as a screening material.

(5) Graffiti

The Participant shall discourage graffiti problems during the performance of the Scope of Work, and to the extent necessary, establish a maintenance program for graffiti removal if the Site is subjected to graffiti. All graffiti on the Site shall be removed by the Participant within forty-eight (48) hours after application.

(6) Handicap Access

The Participant shall comply with all applicable laws with respect to ingress and egress access ways for handicapped persons.

(7) Site Repairs

The Participant shall make all repairs caused by the rehabilitation/redevelopment of the Culver Hotel and the Site. All such repairs shall be at the Participant's expense and shall be constructed in accordance with the technical specifications, standards, and practices of the City.

(8) Rehabilitation/Redevelopment Period

During rehabilitation/redevelopment of the Culver Hotel and the Site, the Participant shall take all reasonable precautions to minimize dust and disturbance to adjacent properties

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caused by such activity. The Participant shall work normal working hours in accordance with applicable City codes and regulations.

III. AGENCY RESPONSIBILITIES

A. Agency Reimbursement for Capital Improvements

The Agency shall be responsible for reimbursing the Participant for the cost of the “Agency Funded Capital Improvements” which are more specifically delineated in Exhibit B which is attached hereto and fully incorporated herein as though fully set forth herein. However, notwithstanding the foregoing, the Agency’s obligation to reimburse the participant for the cost of the Agency Funded Capital Improvements shall be pursuant to the terms and conditions contained in that certain Payment Agreement by and between the Participant and the Agency referenced in Section 206 of the OPA and attached thereto as Attachment 6.

EXHIBIT A

DELETED

SCOPE OF DEVELOPMENT

CULVER HOTEL RENOVATIONS AS OF 9/01/2010Guestrooms

- Carpet
- Furniture & fixtures
- Drapery
- Mattresses -- Chatfield II
- Bathroom vanities
- Bathroom mirrors
- Bathroom sconces
- Bathroom upgrades
- Onity Locking System (guest room locks)
- Flat screen televisions
- 1.28 gal water conserving toilets/
- Hallway (lighting, carpet, paint, etc.)
- Safes and refrigerators
- Window and door thresholds for bathrooms
- Painting

General Interior:

- HVAC repairs / first year
- Mitsubishi energy efficient heat/air conditioning system (2-6 floor)
- Electrical upgrade for AC in rooms (Falcon)
- Soffits to cover AC pipes in hallways and painting
- 1st floor HVAC upgrade
- Roof stabilization for rooftop AC units
- Roof repair around units
- Elevator modernization (Liftech+Boca)
- Elevator repairs
- Elevator cab and doors upgrade
- Security surveillance system
- Upgraded internet
- New computers and POS systems
- New sprinklers heads (2-6 floors)





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- New upgraded fire safety monitor (alarm system)
- Misc. furniture and fixtures
- Tools and appliances

Lobby/ Private Dining Room

- Bar renovation and upgrades
- New fire safety panel
- Furniture and fixtures lobby
- Sound system / projection
- Painting
- Marble refurbishment bathrooms/
- Marble repair and refurbishment/
- Furniture and fixtures PDR
- Public bathrooms

Mezzanine

- Sound system/ audio/ visual
- Steel staircase for egress off of mezzanine
- Railing and painting
- Glass panels
- Painting
- Furniture and fixtures
- Flooring
- Bar upgrades and décor
- Bar new refrigerator

Exterior:

- Wood windows - energy efficient dual pane
- New front and side display windows, new glass and cranks
- Repaired, and painted historic grand windows, ground floor
- New roof
- New door handles - all entry doors/
- Patio furniture and umbrellas/
- Plants and planters/

Conference Rooms / 2nd Floor

- Flooring conference room, anti room, boardroom lighting, furniture and fixtures
- Banquet chairs, tables, etc.
- Repair and repaint windows/




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Kitchen/Basement kitchen:

- Tile basement kitchen floor
- New washer and dryer
- Dumbwaiter repair
- Misc. F and B repairs and renovations
- Walk in repair
- Staff furniture and fixtures / misc. organization

Permits & engineering

- Permits for electrical refrigeration pipes, crane, etc.
- Mechanical permit HVAC
- Engineering fees for roof
- Engineering staircase
- Permits mezzanine stairs interior

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A
EXHIBIT B

AGENCY FUNDED CAPITAL IMPROVEMENTS

1. The Agency Capital Improvements, for which the Participant shall receive reimbursement in the amount of \$87,000 (the "Reimbursement Amount") from the Agency per the Payment Agreement, shall consist of the following improvements (including engineering, design and installation costs) which shall have been satisfactorily completed by the Participant and approved by the Agency as part of the rehabilitation/redevelopment of the Culver Hotel and Site as contemplated by the OPA:

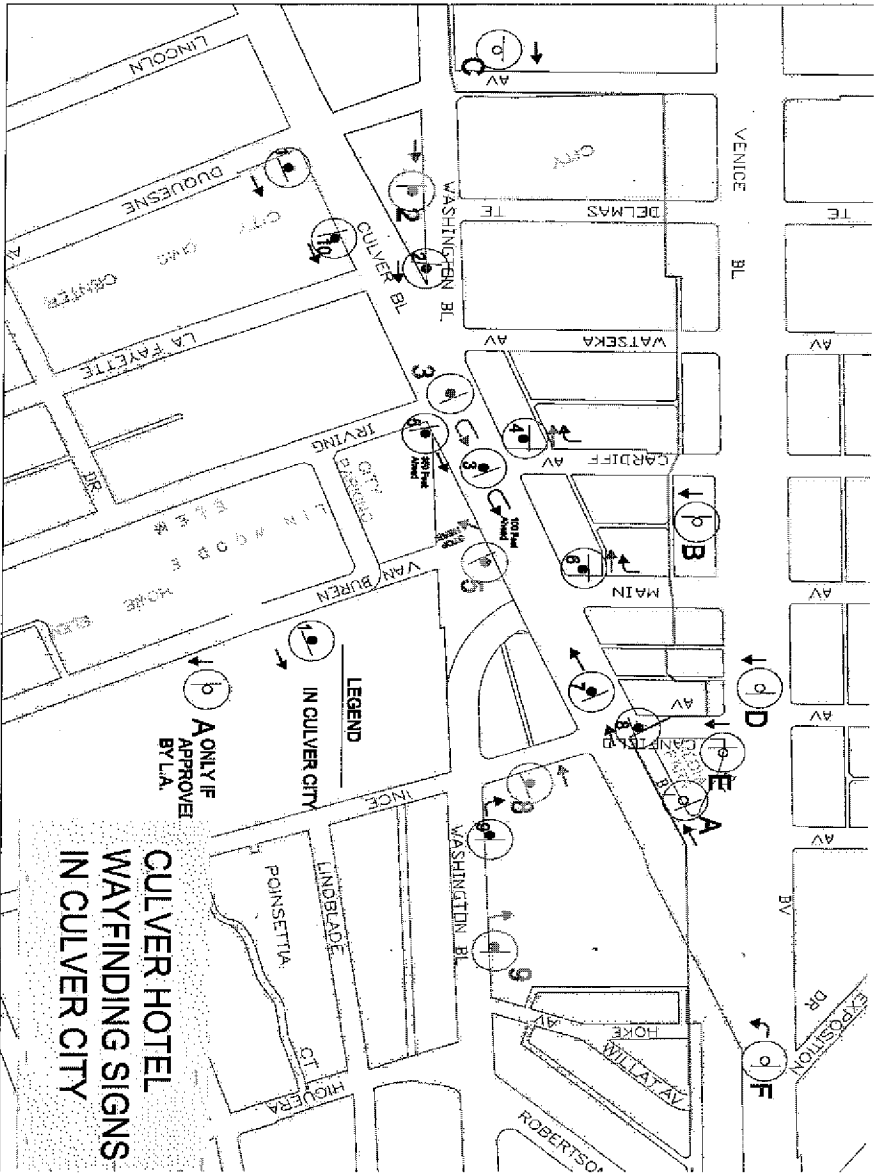
- A. Illuminated Bollards on Culver Boulevard on the sidewalk located adjacent to the valet drop off area. ~~(Cost: \$55,000)~~ These bollards shall be connected to the Culver Hotel's electricity and shall be maintained by the Participant and be replaced by the Participant as necessary to maintain continuous operation.
- B. Way-Finding Signage located in the vicinity, as set forth in Exhibit B-1, attached hereto and incorporated herein by this reference. Agency shall purchase these signs and install them in the public right of way. The City's Public Works Department shall prepare an invoice for the cost of purchase and installation and remit the invoice to the Participant for Participant's payment upon installation. Participant's failure to pay the amount stated in the invoice shall result in the Agency's off-set of the invoice amount against the Reimbursement Amount.
- C. Culver Boulevard Entrance Awning. The Participant shall obtain all City approvals, including but not limited to, an administratively approved certificate of appropriateness and encroachment permit that also includes the bollards, sidewalk up lights, new building signage (that extends into the public rights-of-way), and new fire escape apparatus.

2. Except for Participant's failure to pay the invoice for the way-finding signage, as set forth in Paragraph 1.B, above, in the event that the cost of the Agency Capital Improvements is less than the Reimbursement Amount, any remaining balance, may be applied by the Participant to any of the following and additional capital improvement items, in no particular order provided the requisite Assistant Executive Director and City approvals have been obtained for such work:

- A. Exterior fire escape staircase removal and replacement with ladder.
- B. Concrete molding repairs resulting from the removal of the exterior fire escape staircase.
- C. New building signage.

EXHIBIT B-1

WAY-FINDING SIGNS



ATTACHMENT NO. 4
SCHEDULE OF PERFORMANCE

- | | |
|--|---|
| 1. <u>Execution of Owner Participation by the Agency.</u> The Agency shall hold a public meeting and consider approval of the Owner Participation Agreement (“OPA”). | As soon as feasible after Participant’s execution and submission of the Agreement to the Agency. |
| 2. <u>Submission – Plans and Drawings.</u> The Participant shall submit to the Agency for approval the Plans and Drawings provided for in Section 203 of the OPA. | Within sixty (60) days after the execution of the OPA by the Participant. |
| 3. <u>Approval – Plans and Drawings.</u> The Agency shall approve or disapprove the Plans and Drawings in accordance with Section 204 of the OPA. | Within twenty (20) days after submission of the Plans and Drawings to the Agency. |
| 4. <u>Submission – Project Budget.</u> The Participant shall submit a Project Budget for the rehabilitation/redevelopment of the Improvements and the Site pursuant to Section 205 of the OPA. | Concurrently with its submission of the executed OPA for Agency approval consideration. |
| 5. <u>Approval – Project Budget.</u> The Agency shall approve or disapprove the Project Budget. | On or before approval consideration of the OPA. |
| 6. <u>Commencement of Rehabilitation/Redevelopment.</u> The Participant shall commence rehabilitation/redevelopment of the Improvements and the Site. | No later than thirty (30) days after Agency approval of the Project Budget, Evidence of Financing and the Plans and Drawings. |
| 7. <u>Completion of Rehabilitation/Redevelopment.</u> The Participant shall complete the rehabilitation/redevelopment of the Improvements and the Site. | Within one (1) calendar year after Agency execution of the OPA. |

ATTACHMENT NO. 6

PAYMENT AGREEMENT

This Payment Agreement (the "Agreement") is entered into as of _____, 2010 by the CULVER CITY REDEVELOPMENT AGENCY (the "Agency") and CENTURY WILSHIRE, INC., a California corporation, doing business as "The Culver Hotel" (the "Participant"). The Agency and the Participant agree as follows:

RECITALS

A. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Division 24, of Part 1.7 of the Health and Safety Code of the State of California. The principal office of the Agency is located at City Hall, 9770 Culver Boulevard, Culver City, California 90232. "Agency" as used in this Agreement includes the CULVER CITY REDEVELOPMENT AGENCY, and any assignee of or successor to its rights, powers and responsibilities.

B. The Participant is CENTURY WILSHIRE, INC., doing business as "The Culver Hotel." The principal office of the Participant is located at 9400 Culver Boulevard, Culver City, California 90232. Wherever the term "Participant" is used herein, such term shall include any permitted nominee, assignee or successor in interest of the Participant under this Agreement.

C. The Agency and the Participant are the parties to that certain Owner Participation Agreement, dated _____, 2010 (the "OPA") with respect to the rehabilitation/redevelopment of certain real property (the "Site") , within the Culver City Redevelopment Project Area (the "Project Area") located within the City of Culver City, California (the "City"). The Site is shown on the Site Map attached hereto as Exhibit A and is more particularly described in the Legal Description attached hereto as Exhibit B.

D. The rehabilitation/redevelopment of the Site involves construction of certain improvements specified in the OPA. The Participant has heretofore constructed or is now commencing to construct such improvements.

E. Pursuant to the OPA, the Participant is required to finance the construction of certain capital improvements, subject to reimbursement by the Agency as provided herein (the "Agency Funded Capital Improvements"). The purpose of this Agreement is to provide for the reimbursement of those costs attributable to the rehabilitation/redevelopment of the Agency Funded Capital Improvements upon the completion of such work by the Participant as measured by the receipt by the City of certain transient occupancy taxes ("TOT") generated by the operation of the Culver Hotel on the Site.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, the parties hereto hereby agree as follows:

1. CERTAIN DEFINITIONS

For the purposes of this Agreement, the following terms shall have the following meanings:

1.1 "Agreement Anniversary" shall mean the one-year anniversary dates, beginning from the execution date by the Agency of this Agreement (the "Execution Date").

1.1.1 "First Agreement Anniversary Year" shall mean the first one-year period, commencing from the Execution Date. "First Anniversary Date" means the first day of the Second Agreement Anniversary Year.

1.1.2 "Second Agreement Anniversary Year" shall mean the second one-year period, commencing from the end of the first one-year period from the Execution Date. "Second Anniversary Date" means the first day of the Third Agreement Anniversary Year.

1.1.3 "Third Agreement Anniversary Year" shall mean the third one-year period, commencing from the end of the second one-year period from the Execution Date. "Third Anniversary Date" means the first day of the Fourth Agreement Anniversary Year.

1.1.4 "Fourth Agreement Anniversary Year" shall mean the fourth one-year period, commencing from the end of the third one-year period from the Execution Date. "Fourth Anniversary Date" means the first day of the Fifth Agreement Anniversary Year.

1.1.5 "Fifth Agreement Anniversary Year" shall mean the fifth one-year period, commencing from the end of the fourth one year-period from the Execution Date. "Fifth Anniversary Date" means the first day of the Sixth Agreement Anniversary Year.

1.1.6 "Sixth Agreement Anniversary Year" shall mean the sixth one-year period, commencing from the end of the fifth one-year period from the Execution Date.

1.2 "Reimbursement Amount" shall mean the amount of Eighty-Seven Thousand Dollars (\$87,000).

1.3. "Termination Date" shall means the last day of the Sixth Agreement Anniversary Year.

1.4. "Transient Occupancy Taxes or TOT" shall mean that certain tax imposed by the City pursuant to Section 11.02 of the Culver City Municipal Code, as amended from time to time, with respect to the privilege of occupancy in any hotel within the City.

2. REIMBURSEMENT PAYMENT

2.1 In consideration for the Participant's funding and installment of the Agency Funded Capital Improvements, described in Exhibit "B" of the Scope of Development attached to the OPA as Attachment No. 3, the Agency hereby agrees to reimburse Participant funds in the amount of the Reimbursement Amount subject to the limitations set forth in this Agreement. In the event that the TOT generated from the Culver Hotel prior to the Termination Date does not generate the entire Reimbursement Amount, pursuant to the calculation set forth in Exhibit C, participant waives the remaining Reimbursement Amount. Provided the Participant completes the rehabilitation/redevelopment Improvements contained in the Scope of Development before the First Anniversary Date, or as extended by the Agency's written agreement, the Reimbursement Amount shall be paid annually for five (5) years, with no interest component, beginning on the Second Anniversary Date as provided herein and shown on the Payment Schedule which is attached hereto as Exhibit C and incorporated herein by this reference. In this regard and based upon the Payment Schedule, the maximum annual Reimbursement Payment due and payable by the Agency to the Participant shall be as follows: (a) \$17,400 during any applicable Agreement Anniversary in which the minimum payment by Participant and receipt of TOT by the City is One Hundred Seventy Thousand Dollars (\$170,000); (b) \$13,980 (or 80% of \$17,400) during any applicable Agreement Anniversary in which the payment by Participant and receipt of TOT by the City is between One Hundred Sixty Thousand Dollars (\$160,000) and One Hundred Sixty Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars (\$169,999.99); (c) \$10,440 (or 60% of \$17,400) during any applicable Agreement Anniversary in which the payment by Participant and receipt of TOT by the City is between One Hundred Fifty Thousand Dollars (\$150,000) and One Hundred Fifty Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars (\$159,999.99); (d) \$6,960 (or 40% of \$17,400) during any applicable Agreement Anniversary in which the payment by Participant and receipt of TOT by the City is between One Hundred Forty Thousand Dollars (\$140,000) and One Hundred Forty Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars (\$149,999.99); (e) \$3,480 (or 20% of \$17,400) during any applicable Agreement Anniversary in which the payment by Participant and receipt of TOT by the City is between One Hundred Thirty Thousand Dollars (\$130,000) and One Hundred Thirty Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars (\$139,999.99); and (f) \$0 during any applicable Agreement Anniversary in which the payment by Participant and receipt of TOT by the City is less than One Hundred Thirty Thousand Dollars (\$130,000).

2.2 In the event that the Participant fails to complete the rehabilitation/redevelopment Improvements prior to the First Anniversary Date (through no fault of Agency), or as extended by: (a) the Agency's written agreement, or (b) any period of enforced delay or force majeure event pursuant to Section 504 of the OPA, after all applicable notice and cure periods, the Agency's reimbursement obligation shall terminate. In the event that Participant completes the rehabilitation/redevelopment Improvements prior to the First Anniversary Date, or as extended by the Agency's written agreement, the first payment shall be made within thirty

(30) days of the Second Anniversary Date and each subsequent payment of the Reimbursement Amount shall be made on the next four Agreement Anniversaries. .

2.3 However, notwithstanding the foregoing, in the event that any annual Reimbursement Payment payable by the Agency is less than \$17,400 based upon the Payment Schedule, the Agency shall be under no obligation to pay any such difference to the Participant and any such difference shall be forgiven by the Participant for the next applicable Agreement Anniversary. Absent an enforced delay or a force majeure event, if Participant fails to generate the minimum required Transient Occupancy Tax such that Agency has the right to terminate or reduce its reimbursement obligation, Participant shall have the right to avoid any such termination or reduction by making additional payment to the City of a make up payment equal to the amounts set forth in the Payment Schedule for the applicable reimbursement period.

2.4 Upon the Participant providing evidence of the amount of the prior Agreement Anniversary's TOT by enclosure via a letter to the Assistant Executive Director requesting reimbursement, the applicable annual Reimbursement Payment, if any, as established by the Payment Schedule shall be paid to the Participant by the Agency within forty-five (45) days after receipt of the letter of request for reimbursement after the first Agreement Anniversary, and within 45 days after each successive Agreement Anniversary during the term of this Agreement.

3. USES OF FUNDS; ASSIGNMENT OF REIMBURSEMENT RIGHTS

3.1 Except as provided in the OPA, the Participant may only assign its rights to receive the Reimbursement Amount or any portion thereof, with the prior written consent of the Agency. Such written consent shall be given or denied within ten (10) days following written notice from the Participant. Any written disapproval shall include the reason therefor. In the event that the Agency fails to respond to said notice within the 10 -day period, the proposed assignment shall be deemed ~~dis~~approved. Any such assignment shall only be made pursuant to a written agreement reasonably satisfactory to the Agency in form and substance.

which approval shall not be unreasonably withheld.

3.2 Notwithstanding the foregoing, the Agency, following an approved assignment, shall not be obligated to pay any portion of the Reimbursement Amount to any person or party other than the Participant unless the Agency is notified by the Participant in writing of the name and address of the party to which payment is to be made. The Agency shall not be liable for any failure on the part of the Participant to give such notice to the Agency or if the Agency for any reason does not actually receive any such notice.

3.3 In the event that the Participant defaults on its obligations under the OPA or this Agreement, or fails to timely pay any TOT payments to the City, the Agency's obligation under this Agreement may be terminated following written notice of such default and from the Agency to the Participant and such default or failure is not cured or corrected within thirty (30) following receipt of the notice.

4. INDEBTEDNESS

4.1 The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency for the purpose of carrying out the Culver City Redevelopment Project, which indebtedness shall be payable from any lawful proceeds available to the Agency, including but not limited to, real property taxes levied on parcels within the Project Area by or for the benefit of taxing agencies in the Project Area and allocated to the Agency pursuant to Health & Safety Code § 33670.

4.2 The obligations of the Agency under this Agreement shall be a special obligation of the Agency and the Agency shall not be obligated to use funds from sources other than those specified in this Agreement. Notwithstanding the foregoing, nothing herein shall preclude the Agency from paying the Reimbursement Amount, or any part thereof, from any funds lawfully available to the Agency from time to time.

4.3 The obligations of the Agency under this Agreement shall not constitute a debt of the City or any other public agency except the Agency, and the City shall have no obligation whatsoever with respect to such obligations.

5. TERMINATION OF AGREEMENT

5.1 This Agreement shall terminate automatically upon the payment of all sums due under this Agreement, or if not sooner terminated, on the Termination Date. Upon payment in full of all sums due under this Agreement, or on the Termination Date, as applicable, the Agency and the Participant shall execute and acknowledge a memorandum reciting that all sums due under this Agreement have been paid in full and that the Agreement is terminated. The execution and acknowledgment of such memorandum shall be for evidentiary purposes only, and is not a precondition to the automatic termination of this Agreement upon the occurrence of either condition referred to above.

6. GENERAL TERMS AND CONDITIONS

6.1 Notices, Demands and Communications between the Parties

Formal notices, demands, and communications between the Agency and the Participant shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency or the Participant as designated in Recitals A and B, respectively. 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 6.1.

6.2 Assignment

Except as set forth in the OPA and/or Section 3 of this Agreement, the Participant shall have no right to assign this Agreement or any rights under this Agreement without the prior written consent of the Agency. All costs of the Agency incurred in reviewing any assignment

and related agreements as well as the processing of any such assignment shall be borne by the Participant. Any assignment attempted other than as expressly provided herein shall be void and unenforceable.

6.3 Nonliability of Agency Officials and Employees

No member, official, employee or consultant of the Agency shall be personally liable to the Participant, or any permitted assignee of or successor to the Participant's rights under this Agreement, in the event of any default or breach by the Agency or for any amount which may become due to the Participant, or any permitted assignee of or successor to the Participant's rights under this Agreement, or on any obligations under the terms of this Agreement.

6.4 Attorneys' Fees

In the event either party to this Agreement is required to institute litigation to enforce its legal rights arising out of this Agreement, the prevailing party in such action shall be entitled in addition to its other relief, to recover reasonable attorneys' fees and court costs incurred therein.

6.5 Entire Agreement; Amendments and Waivers

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreement between the parties with respect to the subject matter of this Agreement. All amendments to this Agreement must be in writing and signed by the Agency and the Participant. All waivers of any provisions of this Agreement must be in writing and signed by the Agency or the Participant.

6.6 Exhibits

All exhibits attached hereto are incorporated herein by reference.

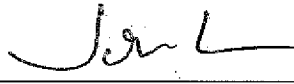
6.7 Date of Agreement; Counterparts

The date of this Agreement shall be the date it is signed by the Agency. This Agreement shall be executed in three (3) duplicate originals each of which is deemed to be an original. This Agreement includes seven (7) pages and three (3) exhibits.

[SIGNATURES ON THE FOLLOWING PAGE]

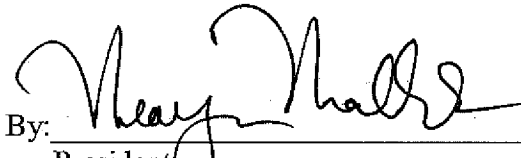
CULVER CITY REDEVELOPMENT AGENCY,
a public body, corporate and politic
(Agency)

Date: 1/15/11

By: 
John M. Nachbar, Executive Director

CENTURY WILSHIRE INC.,
a California corporation
(Participant)

Date: 1/15/2011

By: 
President

APPROVED AS TO FORM:
KANE, BALLMER & BERKMAN

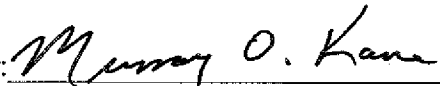
By: 
Murray O. Kane
Agency General Counsel

EXHIBIT A

SITE MAP

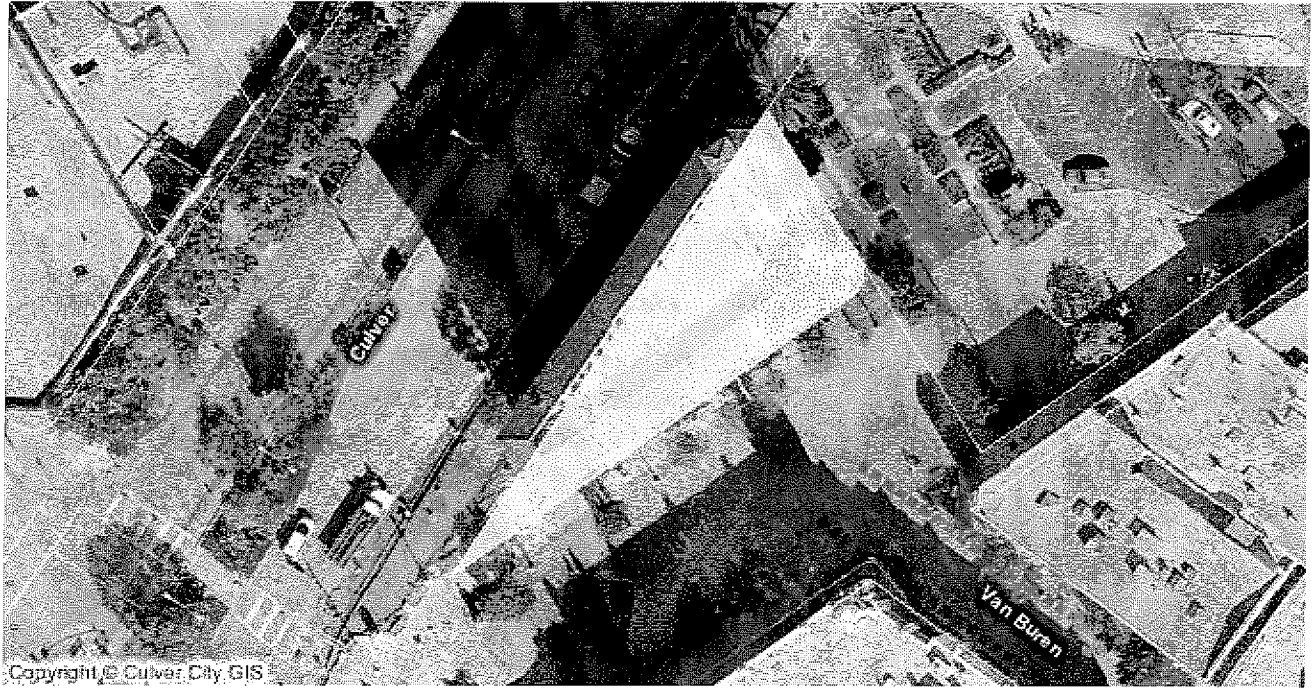


EXHIBIT B

LEGAL DESCRIPTION OF SITE

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

LOT 1 IN BLOCK 20 OF TRACT 2444, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 24 PAGES 5 TO 7 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE INTEREST AS RESERVED IN THE DEED EXECUTED BY BO. C. ROOS, SR., AND RECORDED FEBRUARY 3, 1967 IN BOOK D3550 PAGE 115, OFFICIAL RECORDS, WHICH DEED RECITES AS FOLLOWS; "RESERVING UNTO GRANTOR HEREIN, HIS HEIRS, AND ASSIGNS, ALL OF SAID GRANTOR'S INTEREST BEING AND UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON, MINERALS, AND ASSOCIATED SUBSTANCES NOW OR HEREAFTER IN OR UNDER OR RECOVERABLE FROM THAT PORTION OF THE REAL PROPERTY HEREINABOVE DESCRIBED, WHICH LIES BELOW A DEPTH OF 500 FEET BENEATH THE SURFACE OF SAID REAL PROPERTY, BUT WITHOUT ANY RIGHT TO ENTER UPON OR USE ANY PORTION OF SAID REAL PROPERTY OR OF THE SUBSURFACE THEREOF TO A DEPTH OF 500 FEET FOR ANY PURPOSES.

APN: 4206-029-028

EXHIBIT C
PAYMENT SCHEDULE

TOT RECEIVED BY CITY DURING PRIOR AGREEMENT ANNIVERSARY YEAR	REIMBURSEMENT AMOUNT
\$170,000 or more	\$17,400
\$160,000 to \$169,999.99	\$13,920
\$150,000 to \$159,999.99	\$10,440
\$140,000 to \$149,999.99	\$ 6,960
\$130,000 to \$139,999.99	\$ 3,480
Less than \$130K	\$ 0

EXAMPLE (All assuming Improvements completed on time per the OPA):

If Participant generates \$170,000 of TOT during the Second Agreement Anniversary Year, \$140,000 during the Third Agreement Anniversary Year, \$120,000 during the Fourth Agreement Anniversary Year, \$130,000 during the Fifth Agreement Anniversary Year, and \$150,000 during the Sixth Agreement Anniversary Year, Agency's total reimbursement obligation shall be \$38,280 (representing cumulative payments of \$17,400 within 30 days of the Second Anniversary Date + \$6,960 within 30 days of the Third Anniversary Date + \$0 within 30 days of the Fourth Anniversary Date + \$3,480 within 30 days of the Fifth Anniversary Date + \$10,440 within 30 days of the Termination Date)

ATTACHMENT NO. 7

PARKING LICENSE AGREEMENT

This Parking License Agreement ("Agreement") is entered into as of _____, 2010, by and between CENTURY WILSHIRE, INC., a California corporation doing business as the "Culver Hotel" ("Licensee"), whose principal place of business is 9400 Culver Boulevard, Culver City, California 90232 and THE CULVER CITY REDEVELOPMENT AGENCY, a public body corporate and politic ("Licensor" or "Agency").

RECITALS

A. Licensee is the owner of that certain real property (the "Site") and the Culver Hotel located thereon, pursuant to which certain rehabilitation/redevelopment work shall be performed by Participant in accordance with the terms and conditions set forth in that certain Owner Participation Agreement by and between Participant and the Agency dated _____, 2010 (the "OPA"). The OPA is incorporated herein by this reference.

B. The Site is located in the City of Culver City, County of Los Angeles, State of California and is legally described in the "Legal Description" attached to the OPA as Attachment No. 2. The Site is also located within the Culver City Redevelopment Project area (the "Project") in the City of Culver City and is subject to the provisions of the Redevelopment Plan for the Project approved and adopted and amended by the City Council of the City of Culver City by Ordinances on file with the City Clerk (the "Redevelopment Plan"). The Redevelopment Plan is incorporated herein by this reference and made a part hereof as though fully set forth herein.

C. Participant is in the process of rehabilitating/redeveloping the Culver Hotel and the Site as a historic boutique hotel venue including complying with certain parking requirements and responsibilities as set forth herein and in the OPA.

D. In consideration for Licensee's renovations and continuing operation of the Culver Hotel, Licensor shall provide Licensee with certain parking rights and privileges in the following parking structures (collectively, the "Parking Structures"): (i) the Cardiff Parking Structure located at 3846 Cardiff Avenue, Culver City, California ("Cardiff"), (ii) the Ince Parking Structure located 9099 Washington Boulevard, Culver City, California ("Ince"), and (iii) the Watseka Parking Structure located 3844 Watseka Avenue, Culver City, California ("Watsseka"). The Parking Structures are owned and/or controlled by the Licensor and are more specifically described in the Legal Descriptions attached hereto as Exhibits A, B and C, respectively.

E. Licensor and Licensee now desire to enter into this Agreement to enable Licensee and Licensor to accomplish the purposes described herein.

NOW THEREFORE, in consideration of the granting of the foregoing, the mutual promises, covenants, conditions and agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties hereto hereby agree as follows:

1. Recitals. The recitals and exhibits referenced therein are hereby incorporated by this reference.

2. Use of Site. Licensee covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that during the License Term, Licensee, its successors and assignees, shall use the Improvements only for the following uses: operation of a historic boutique hotel with forty-six (46) guest rooms ("Culver Hotel"). The Culver Hotel shall be rated not less than three diamonds by AAA or three stars by the Mobile Travel Guide utilizing their customary rating criteria in place as of the date hereof. In the event that Participant loses its AA A or three star rating for any reason, Agency shall not deem such loss as an event of default under this Agreement ^(if) until the rating loss occurs for a consecutive 60 day period *unless Agency Executive Director waives or extends such requirement in writing*

3. Grant of License. In consideration for Licensee's use of the Site, as provided in Section 2, herein, Licensor hereby grants Licensee a license (the "License") for the Licensee's use of the Parking Structures, as set forth below. This Agreement shall have an initial term of five (5) years from the Effective Date (the "License Term"), subject to Licensor's right to extend the License Term as more fully set forth in Section 14 below. This Agreement supersedes and replaces Licensee's rights under that certain License Agreement entered into by and between Agency and Licensee dated as of July 21, 2009, as amended by that certain First Amendment to License Agreement, dated as of February 2, 2010, and as amended by that certain Second Amendment to License Agreement, dated as of June 17, 2010, and any subsequent amendments thereto (referenced collectively hereinafter as "the Original License Agreement"), except as to Licensee's rights and obligations with respect to the Parcel B Parking Lot, as defined therein, which rights shall remain unchanged and in full force and effect in accordance with the Original License Agreement.

4. Purpose of License. During the License Term, Licensee, for itself and its employees, guests, invitees, licensees, and patrons utilizing a valet parking drop-off and pick-up station located at or near to, the Site, operated by Licensee or its designated vendor (collectively, the "Licensee Parties") shall have a license to enter upon and use the Parking Structures for the following purposes (the "Purposes"):

(a) Reserved Valet Parking Spaces. During the first eighteen (18) months of the License Term, the Licensee Parties, excluding employees of the Culver Hotel, shall have exclusive use of twenty (20) spaces within a reserved section of the first floor ramp leading to the second level of Ince in that certain location depicted on the illustration attached hereto as Exhibit D and incorporated herein by this reference (the "Reserved Valet Parking Spaces") to be used by the Licensee Parties as reserved parking spaces accessed by and utilized by Licensee's

valet operator. Licensor shall have no right to relocate any such spaces. After the first eighteen (18) months of the License Term, the Agency (through its Assistant Executive Director may, in its sole and absolute discretion, conduct a professional parking study (a "Parking Study") to determine if Licensee has been utilizing substantially all twenty (20) spaces on a consistent basis, and/or whether Licensee reasonably requires additional Reserved Valet Parking Spaces, or fewer Reserved Valet Parking Spaces. Prior to commencing any such Parking Study, Licensor shall meet and confer with Licensee to assure that such Parking Study provides an accurate use assessments at peak use hours. If the Parking Study reveals that a decrease is appropriate, then the Agency shall have the right to decrease the number of Reserved Valet Parking Space accordingly (provided that Licensee shall have the right to designate which of the Reserved Valet Parking Spaces shall be relinquished). If the Parking Study indicates that the number of Reserved Valet Parking Spaces should be increased, then a request to amend this Agreement shall be submitted by the Licensee to the Agency (through its Assistant Executive Director) for consideration by the Agency Board. Licensee shall pay or cause to be paid all applicable valet parking permit fees established by the City of Culver City with respect to the establishment of a valet stand at the Site, and/or the use of the Reserved Valet Parking Spaces. Licensee parties shall be permitted exclusive access to the Reserved Valet Parking Spaces twenty-four (24) hours a day, seven (7) days a week subject to the terms and conditions herein. The fees associated with such use of Temporary Special Event Reserved Areas shall be as set forth in Section 28(a) below.

(b) General Parking in Parking Structures. The parties acknowledge that, based on previous analysis, it is estimated that Licensee Parties have been utilizing the Parking Structures for parking of approximately three hundred nine (309) guest passes monthly, primarily located at Ince, based on the average nightly use rate of approximately ten (10) spaces per day. Based on such previous use, the parties agree that the use of three hundred nine (309) passes monthly is a reasonable estimate of future use by Licensee Parties, and therefore shall be the benchmark for the fees to be paid by Licensee to Licensor for the use by Licensee Parties (as more fully set forth in Section 28(c) below). Notwithstanding the use of three hundred nine (309) passes monthly as the basis of establishment of fees, the parties acknowledge and agree that Licensee shall have the right to purchase up to the Maximum Amount of guest passes solely for use by Licensee's overnight guests ("Guest Passes"), subject to availability at the proposed time of ~~purchase~~ use. Licensee acknowledges, understands, and agrees that nothing herein shall constitute a guarantee by Agency of availability of Guest Passes at the proposed time of use. The fees associated with such use of Guest Passes shall be as set forth in Section 28(c) below. For purposes herein, the "Maximum Amount" shall be 1380 Guest Passes monthly, based upon the average daily rate of forty-six (46) ~~passes~~ spaces per day. Licensee understands, acknowledges and agrees that Licensee shall not have the right to sell or distribute the Guest Passes to anyone other than an overnight guest of the Culver Hotel, and that sale of the Guest Passes to any person or persons other than an overnight guest of the Culver Hotel shall constitute a default this Agreement.

(c) Without any obligation to provide on-site staff (including without

limitation security and pay booth operators), Agency agrees to provide Licensee Parties pedestrian access to at least one of the Parking Structures twenty -four (24) hours a day, seven (7) days a week through a technical means determined by the Agency subject to the terms and conditions herein.

(d) Temporary Special Event Reserved Areas. In addition to Licensee's exclusive license to use the Reserved Valet Parking Spaces pursuant to Section 4(a) above, and Licensee's general license for Licensee Parties to utilize the Parking Structures pursuant to Section 4(b) above, the parties hereto understand that from time to time, Licensee may request within one or more of the Parking Structures, separate, segregated, exclusive parking areas in connection with "Special Events." As used herein, "Special Events" shall mean one-time gatherings for a single purpose for a limited and defined time that are held at the Culver Hotel such as large public or private parties, ceremonies, cultural events, fundraising events, auctions, meetings, conferences, exhibitions, or similar assembly of individuals in which the Culver Hotel provides parking services to the invitees/attendees of the special event. The parties desire to establish a process for Licensee to request that such an area be set aside for parking of vehicles related to such Special Event, subject to availability of spaces as reasonably determined by Licensor. If Licensee determines that such a need exists, Licensee shall provide to Licensor's designated parking operator no less than seventy-two (72) hours prior notice indicating the date and time of the Special Event, the approximate duration of the Special Event, and the approximate number of vehicles that Licensee anticipates for the Special Event. If, in such parking operator's reasonable discretion, appropriate space is or is not available in one of the Parking Structures for such segregated parking at the time and for the duration requested, then such parking operator shall inform Licensee within twenty-four (24) hours of Licensee's request of his/her determination, and, if he/she determines that space is available, he/she shall identify the area (which may be any generally contiguous area anywhere in any of the Parking Structures) that shall be reserved for Licensee's use at the time and for the duration requested (any such area being referred to herein as "Temporary Special Event Reserved Areas"). The fees associated with such use of Temporary Special Event Reserved Areas shall be as set forth in Section 28(c) below. Licensee acknowledges, understands, and agrees that nothing herein shall constitute a guarantee by Agency of availability of spaces for all Special Event attendees.

(e) Employee Parking. In addition to the foregoing, the Licensee Parties shall be permitted to utilize up to ten (10) employee parking spaces at Ince (the "Employee Parking Spaces") for use by employees of the Culver Hotel only. The fees associated with such use of the Employee Parking Spaces shall be as set forth in Section 28(d) below. Licensee employees, owners and representatives are not authorized by this License to use the Reserved Valet Parking Spaces or any Temporary Special Event Reserved Areas, except to the extent necessary to provide valet parking services to Licensee Parties during the License Term.

5. Licensee Hiring of Third Party Valet Operating Service. In the event that Licensee hires a third party valet operating service (the "Third Party Valet Operating Service") to provide valet services for the Licensee Parties, Licensee acknowledges and agrees that as a

condition to permitting the Third Party Valet Operating Service entry onto the respective Parking Structures, the following conditions shall be satisfied by the Third Party Valet Operating Service prior to its entry into the respective Parking Structures and commencement of valet parking services and shall be maintained throughout the License Term:

(a) Indemnity. The Third Party Valet Operating Service shall be required to indemnify, defend, protect and hold Licensor, the City, Modern Parking, and each of their respective officers, boards, officials, employees, attorneys, agents, insurers, and tenants (each an "Indemnitee") free and harmless from any and all loss, liability, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and costs) arising from the exercise of the License and/or right of entry granted under this Agreement, except to the extent that such loss, liability, claims, damages and expenses were in part contributed to by the gross negligence or willful misconduct of an Indemnitee;

(b) Insurance. The Third Party Valet Operating Service shall obtain, at its sole cost and expense, and keep in full force and effect, during the term of this Agreement, and in the form acceptable to Licensor, in its sole discretion those certain insurance policies set forth in Section 16, below. The Third Party Valet Operating Service shall deliver to Licensor appropriate certificates of insurance and endorsements evidencing the insurance required to be carried pursuant to this Agreement prior to such Third Party Valet Operating Service's entry onto the Parking Structures and commencement of any valet parking services. If the Third Party Valet Operating Service fails or refuses to procure or maintain insurance as required by this Agreement and if Licensee fails to procure or maintain such insurance in lieu of the Third Party Valet Operating Service, Licensor may terminate this Agreement subject to notice and cure provisions herein; and

(c) Business License and Operating Permit. The Third Party Valet Operating Service shall obtain a business license and an operating permit from the City of Culver City's Public Works Department prior to such Third Party Valet Operating Service's entry onto the Parking Structures and commencement of any valet parking services.

(d) Licensee Liability. Licensee acknowledges and agrees that nothing contained in this Section 5 is intended to or shall be construed as (i) limiting in any way the extent to which Licensee may be held responsible for liability under the terms of this Agreement and applicable statutory or common law, and (ii) relieving Licensee of any of its obligations under this Agreement, including, but not limited to (1) Licensee's obligation to indemnify and hold harmless Licensor, the City, Modern Parking (or any replacement firm hired by the Agency or City to operate its Parking Structures from time to time) and each of their respective officers, boards, officials, employees, attorneys, agents, insurers, and tenants as set forth in Section 10 below, and (2) Licensee's obligation to acquire and maintain those certain insurance policies set forth in Section 16 below.

6. Installment of Signage.

(a) **Reserved Valet Parking Spaces.** Licensee shall obtain approval by Licensor on the design, size and style of the reserved parking signage and subsequently pay for their purchase, installation and maintenance of such signage for the Reserved Valet Parking Spaces. The design and style of signage which is consistent with Exhibit E is hereby approved by Licensor. Licensee shall install said signage as depicted on the illustration attached hereto as part of Exhibit E and incorporated herein by this reference. In addition, Licensee shall pay for the purchase, installation and maintenance of signage identifying the location of the Reserved Valet Parking Spaces. Such signage shall be placed above each Reserved Valet Parking Space and shall read, "Culver Hotel Valet Parking Only At All Times."

(b) **Temporary Special Event Reserved Areas.** If Licensee desires to erect signage directing Licensee Parties utilizing Temporary Special Event Reserved Areas, Licensee shall obtain approval by Licensor on the design, size and style of temporary parking signage and Licensee shall subsequently pay for their purchase and installation for each designated Temporary Special Event Reserved Area. Licensee shall install said signage using temporary adhesives that do not deface or mar the underlying surface in which they will be affixed. Such temporary signage shall read, "Temporary Culver Hotel Reserved Parking Only." Immediately upon conclusion of the special event, Licensee acknowledges and agrees to be responsible for removal of the temporary signage. Licensee acknowledges and agrees to clean and/or repair the underlying surface of the temporary signs as needed. Such signage, once approved, may be re-used for later permitted special events/needs without seeking re-approval of the signage.

7. **Prohibited Uses.** With the exception of the Purposes described in this Agreement and other uses first approved in writing by the Licensor, Licensee shall not be authorized to use the Reserved Valet Parking Spaces and/or any Temporary Special Event Reserved Areas for any other purpose whatsoever.

8. **Prior Licensor Approval.** Licensee shall obtain the express written consent of Licensor's Assistant Executive Director, (which consent shall be in the Assistant Executive Director's sole and absolute discretion) prior to performing any of the following acts:

(a) Allowing the entry and use by any person into the Reserved Valet Parking Spaces and/or the Temporary Special Event Reserved Areas other than Licensee Parties or a Third Party Valet Operating Service;

(b) Except as otherwise provided in this Agreement, posting, erecting or otherwise installing, within public view, signage anywhere upon the Parking Structures; or

(c) Alienating, selling, encumbering, moving, altering, modifying, destroying, removing, tampering, or otherwise transferring any improvements and/or equipment owned by Licensor from or within the Parking Structures.

9. **Limited Use.** Licensee acknowledges and agrees that Licensor has the ability to temporarily discontinue access to, and use of, the Parking Structures by Licensee Parties and any

Third Party Valet Operating Service for the purpose of performing maintenance related activities, including but not limited to regular sweeping, steam cleaning, reinstallation of pavement markings, signage, painting of walls and related activities, provided that Licensor gives Licensee no less than forty-eight (48) hours advance written notice and provided further that Licensor provides temporary replacement parking spaces, if requested by Licensee.

10. Indemnification and Hold Harmless. Licensee agrees to indemnify, defend, protect and hold Licensor, the City, Modern Parking (or any replacement firm hired by the Agency or City to operate its Parking Structures from time to time) and each of their respective officers, boards, officials, employees, attorneys, agents, insurers, and tenants (each an "Indemnitee") free and harmless from any and all loss, liability, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and costs) arising from the exercise of the Licenses granted hereby and/or right of entry granted under this Agreement, except to the extent that such loss, liability, claims, damages and expenses were in part contributed to by the ~~active~~ negligence or willful misconduct of an Indemnitee.

11. Liens and Claims. Licensee shall not permit any mechanics', materialmen's, or similar liens or claims to stand against the Parking Structures for labor or material furnished in connection with any work performed by Licensee under this Agreement. Upon reasonable and timely notice of any such lien or claim delivered to Licensee by Licensor, Licensee may bond and contest the validity and the amount of such lien, but Licensee will immediately pay any judgment rendered, will pay all proper costs and charges, and will have the lien or claim released at its sole expense.

12. Operating Expenses. During the License Term, Licensee shall be responsible for paying operating expenses and costs relating to the signage for the Reserved Valet Parking Spaces, including, but not limited to, costs associated with the purchase, installation and removal of signage that identifies the Reserved Valet Parking Spaces and signage required by Section 5(b) herein. If damage is sustained to any wall or surface upon which a sign was placed by Licensee arising out of or as a result of the installation or removal of such signage, Licensee shall be required to repair such damage as Licensee's sole expense. During the License Term, Licensee shall not be responsible for cleaning the area surrounding and including the Reserved Valet Parking Spaces or for paying any operating expenses associated therewith.

13. Compliance with Laws. The Licensee shall comply with all federal, state and local laws, statutes, ordinances, and parking regulations, in connection with Licensee's rights and obligations under this Agreement, including without limitation the Cardiff Parking Structure Procedures, attached hereto as Exhibit F.

14. Effective Date and Term. The effective date of this Agreement shall be that certain date upon which the Licensor's authorized representative executed this Agreement (the "Effective Date"); provided, however, that the License shall have no operative effect unless and until Licensee demonstrates proof of the insurance required by Section 16 herein. This Agreement will terminate upon the expiration of the License Term as defined in Section 2 above;

right, subject to reasonable disapproval by the Agency Executive Director

provided, however, that so long as Licensee is not then in default hereunder, or under the OPA or the Payment Agreement (after all applicable notice and cure periods), Licensee shall, ~~at Licensee's request~~, have the option, upon expiration of the original License Term, to extend the License Term two (2) times for five (5) years each on the same terms and conditions as otherwise set forth herein. To exercise such extension right, Licensee shall provide written notice to the Agency's Assistant Executive Director (or such other Agency officer as the Agency may designate from time to time) no later than thirty (30) days prior to the then-effective expiration date of the License Term. Upon each Annual Anniversary, Licensee agrees to prepare a report to the Assistant Executive Director, listing the ongoing maintenance, repair, and capital improvement activities performed at the Culver Hotel and Site for the prior year. Upon the commencement of the second five (5) year period extension, the Licensee shall provide the Assistant Executive Director with evidence that ongoing maintenance in the prior ten (10) years made to the Culver Hotel and Site has been performed in such a manner that additional improvements, repairs, or maintenance activities are unnecessary to restore the Culver Hotel to a state of good operating condition (normal and customary wear and tear excepted). If the Assistant Executive Director determines that additional improvements, repairs, or maintenance activities are necessary to restore the Culver Hotel to a state of good operating condition (normal and customary wear and tear excepted), Licensee agrees to use its commercially-reasonable efforts to commence and complete such activities within the first year after execution of the second five (5) year period extension; provided, however, if such activities can not be completed within such first year, then Licensee shall reasonably and professionally continue to complete same as soon as reasonably practicable.

15. Hazardous Materials. Licensee shall not store or use or consent to the storage or use of any Hazardous Materials within the Parking Structures. As used in this Agreement, "Hazardous Materials", means any substance, material or waste which is or becomes regulated by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance or waste which is (i) defined as a "hazardous waste", "acutely hazardous waste", "restricted hazardous waste", or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code; (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iii) defined as a "hazardous material", "hazardous substance", or "hazardous waste" under Section 25501 of the California Health and Safety Code; (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) a polychlorinated biphenyl; (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); or (xii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements either requires special handling

in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as "hazardous" or is harmful to the environment or capable of posing a risk of injury to public health and safety. Licensor acknowledges that cars and vehicles contain gasoline, oil and other Hazardous Materials but the presence of the same in normal usage of such cars and vehicles shall not violate the provisions of this paragraph.

16. Insurance. Licensee shall obtain, at its sole cost and expense, and keep in full force and effect, during the term of this Agreement, and in the form acceptable to Licensor, in its sole discretion, the following insurance policies:

(a) Commercial General Liability Insurance. Commercial general liability insurance, to protect against loss from liability imposed by law for damages on account of personal injury, including death, suffered or alleged to be suffered by any person or persons on or about the Parking Structures in connection with this License, resulting directly or indirectly from any acts or activities of Licensee, or any person acting for Licensee, or under its respective control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about the Parking Structures in connection with this License caused directly or indirectly by or from acts or activities of Licensee, or any person acting for Licensee, or under its control or direction. Such property damage and personal injury insurance shall also provide for and protect Licensor, the City and Modern Parking (or any replacement firm hired by the Agency or City to operate its Parking Structures from time to time) against incurring any legal cost in defending claims for alleged loss. Such personal injury and property damage insurance shall be maintained in full force and effect in the following amounts: commercial general liability in a general aggregate amount of not less than Two Million Dollars (\$2,000,000), and not less than Two Million Dollars (\$2,000,000) General Aggregate, and Two Million Dollars (\$2,000,000) Each Occurrence.

(b) Automobile Insurance. Automobile Insurance maintained in full force and effect in an amount of not less than Two Million Dollars (\$2,000,000) per accident; and

(c) Workers' Compensation Insurance. Workers' Compensation Insurance in an amount and form sufficient to meet all applicable governmental requirements.

(d) Additional Insureds. Licensor, the City, Modern Parking (or any replacement firm hired by the Agency or City to operate its Parking Structures from time to time) and their respective elected officials, officers, employees, contractors, agents and attorneys shall be named as the "Certificate Holder" and as additional insureds for each insurance policy required herein. Each such policy shall contain a provision that: (a) for all claims, accidents, injuries and damages occurring in or about the Parking Structures, provides primary coverage without contribution from any other insurance carried by or for the benefit of Licensor, (b) the policy shall not be canceled and the amount thereof shall not be reduced unless thirty (30) days' written notice shall have been given to Licensor by certified mail, return receipt requested, which notice shall contain the policy number and the names of the insured and additional insureds, except that the policy shall not be canceled for non-payment of premiums unless ten (10) days'

written notice shall have been given to Licensor in the manner set forth herein. All insurance required to be carried by Licensee pursuant to the terms of this Agreement shall be effected under valid and enforceable policies issued by reputable and independent insurers licensed in the State of California with a current A.M. Best's rating of no less than A:VII.

(e) **Certificates of Insurance.** Licensee shall deliver to Licensor appropriate certificates of insurance and endorsements evidencing the insurance required to be carried pursuant to this Agreement prior to the Effective Date of this Agreement and prior to the effective date of any amendments to this Agreement.

(f) **Failure to Obtain or Maintain Insurance.** If Licensee fails or refuses to procure or maintain insurance as required by this Agreement, either (i) this Agreement and any amendments shall not become effective, or (ii) this Agreement and any amendments shall immediately terminate.

17. **Default.** Failure or delay by any party to perform any term or provision of this Agreement constitutes a default under this Agreement. The non-defaulting party shall give written notice of default to the defaulting party, specifying the applicable default. The defaulting party must cure, correct or remedy such failure or delay within ten (10) days after receipt of such written notice of default; provided, however, if the cure is of such a nature that it cannot reasonably be completed within such ten (10) day period, then the defaulting party shall have such additional time as is reasonably required to effect the cure, provided that the party has commenced to cure and is proceeding and continues to proceed with diligence to complete same up to a maximum of 90 days, subject to any conditions constituting a Force Majeure Event. Notwithstanding the foregoing, Licensor shall make reasonable efforts to prevent the unauthorized use of any of the Reserved Valet Parking Spaces and/or the Temporary Special Event Reserved Areas. Failure or delay in giving such notice of default shall not constitute a waiver of any default, nor shall it change the time of default. Delays by any party in asserting any of its rights and remedies shall not deprive any 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.

18. **Remedies.** If the defaulting party fails or does not commence to cure the default within the time periods set forth in Section 17 above, then the non-defaulting party may: (i) terminate this Agreement in writing; (ii) institute an action for specific performance of the terms of this Agreement; or (iii) institute legal action to cure, correct or remedy any default to recover damages for any default or obtain any other remedy consistent with the purpose of this Agreement. The defaulting party shall be liable to the other party for any actual and direct damages caused by such default. Notwithstanding any provisions in this Agreement to the contrary, Licensor and Licensee agree that neither Licensee nor Licensor shall be liable for indirect, consequential or punitive damages as a result of any breach of any other obligation under this Agreement. Such legal actions must be instituted in the Superior Court of the County

of Los Angeles, State of California, in an appropriate Municipal Court in that County, or in the Federal District Court in the Central District of California. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other party.

19. Termination. During the License Term (as same may be extended), Licensor shall not terminate this Agreement except for cause if Licensee is in default of the terms of this Agreement after all applicable notice and cure periods or by mutual written agreement of the parties. In the event that this Agreement is extended in accordance with Section 14, herein, and in addition to Agency's right of termination of this Agreement for cause, Agency shall have the right to terminate this Agreement for convenience, and in its sole and absolute discretion, if the amount of Transient Occupancy Taxes Received by the City of Culver City from the operation of the Culver Hotel falls below Three Hundred and Ninety Thousand Dollars (\$390,000), during any consecutive thirty-six (36) month period, subject, however to any reduction in such Transient Occupancy Taxes as a result of any "Force Majeure Event" (which shall be defined as a flood, fire, earthquake, severely inclement weather, other acts of God, acts of war, terrorism, insurrection, strikes, labor shortages, or other similar events beyond Licensee's control). In such an event, the period pursuant to which Licensee shall have paid at least Three Hundred and Ninety Thousand Dollars (\$390,000) of Transient Occupancy Tax shall be extended by the duration of the applicable Force Majeure Event(s). Absent a Force Majeure Event, if Licensee fails to pay the minimum required Transient Occupancy Tax such that Licensor elects to terminate this Agreement pursuant to this Section, then Licensee shall have the right to avoid termination hereof by payment to the City of a make up payment equal to the amount by which Three Hundred and Ninety Thousand Dollars (\$390,000) exceed the amount of Transient Occupancy Tax actually paid by Tenant for the applicable measurement period.

20. Attorneys' Fees. In any action between any of the parties seeking enforcement or interpretation of any of the terms and provisions of this Agreement or a declaration as to the meaning hereof, or in connection with this License, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorneys' fees and reasonable fees of expert witnesses.

21. Notices. Any notice provided for herein or otherwise required to be given hereunder that: (i) is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; (ii) is transmitted by electronic facsimile transmission during regular business hours of regular business days followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission by electronic facsimile; and (iii) is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof. Any notice provided for herein or otherwise required to be given hereunder shall be addressed as follows:

To Licensor: Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90232-0507
Attention: John M. Nachbar, Executive Director
Phone: (310) 253-5760
Facsimile: (310) 253-5779

To Licensee: Century Wilshire, Inc.
9400 Culver Boulevard
Culver City, CA 90232
Attention: Maya Mallick
Phone: (310) 558-9400
Facsimile: (310) 815-9618

The person and the place to which notices are to be mailed may be changed by either party by providing written notice of same to the other.

22. Assignments. The License granted herein may not be assigned by Licensee without the prior written consent of Licensor, which consent may not be unreasonably withheld.

23. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns.

24. Amendments. No provision of this Agreement may be amended or added to except by an Agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

25. Further Assurances. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent and agreements of the parties hereto.

26. Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

27. Authority to Enter Into Agreement. The individual(s) executing this Agreement on behalf of each party is (are) authorized to execute this Agreement on behalf of said party. Each party has taken all actions required by law to approve the execution of this Agreement.

28. Fees.

(a) Reserved Valet Parking Spaces. Licensee shall be required to pay to Licensor the greater of (i) a fee of Forty Dollars (\$40) per parking space per month, for a total payment of up to Eight Hundred Dollars (\$800) per month, or (ii) 50% of the 7-day per week monthly parking rate per parking space established by the City Council or Agency Board for

Ince effective upon the extension of the License Term, if such term is extended in accordance with this Agreement.

(b) Temporary Special Event Reserved Areas. If Licensee requests and is granted the right to park vehicles in any Temporary Special Event Reserved Areas, Licensee shall be required to pay to Licensor a fee of One Dollar (\$1.00) per hour up to a total of Six Dollars (\$6.00) per parking space so designated as reserved per day. This rate will automatically adjust to 100% of the first billable hourly rate the City Council or Agency Board may establish from time to time, effective upon the extension of the License Term, if such term is extended in accordance with this Agreement.

(c) Unreserved Parking Fees. Licensee shall be required to pay to Licensor 25% of the 7-day per week monthly parking rate for the actual amount of guest passes used, up to a maximum of 1,380 per month, established by the City Council or Agency Board for Ince effective upon the extension of the License Term, if such term is extended in accordance with this Agreement. Licensee shall be billed based upon monthly usage reports prepared by Licensor's parking operator.

(d) Employee Parking Spaces. Licensee shall be required to pay to Licensor the greater of (i) a fee of Thirty Dollars (\$30) per Employee Parking Space for a total payment of Three Hundred Dollars (\$300) per month, or (ii) fifty percent (50%) of the 5-day per week monthly parking rate established by the City Council or Agency Board for Ince effective upon the extension of the License Term, if such term is extended in accordance with this Agreement.

29. Due Date. All monthly fees shall be paid in full on or before the 1st of the month for which the fee is being paid, provided that Licensor delivers an invoice to Licensee indicating all fees due no later than the twentieth (20th) day of the preceding month.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representative on the dates shown below.

LICENSOR

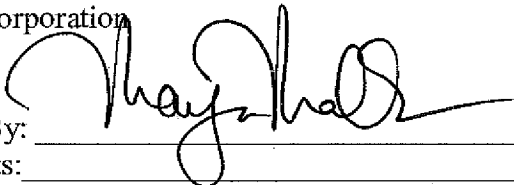
THE CULVER CITY REDEVELOPMENT
AGENCY

Date: } 1/15/2011

By: 
John M. Nachbar
Executive Director

LICENSEE

CENTURY WILSHIRE INC., a California
corporation

By: 
Its: _____

APPROVED AS TO FORM:
KANE, BALLMER & BERKMAN

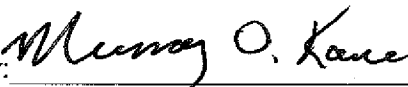
By: 
Murray O. Kane
Agency General Counsel

EXHIBIT A

CARDIFF LEGAL DESCRIPTION

APN No. 4206-028-900

LOTS 11, 12, 13, 14, 15, 16, 17 AND 18 OF TRACT NO. 2444, AS PER MAP RECORDED IN BOOK 24, PAGE 7 OF MAPS OF THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF LOS ANGELES.

EXHIBIT B

INCE LEGAL DESCRIPTION

Lot 3 of Parcel Map No. 25831 recorded in April 2002 with APN No. 4206-029-932

BEING A SUBDIVISION OF LOTS 1 TO 15 INCLUSIVE, AND LOTS 20 TO 28 INCLUSIVE AND LOT 34 AND PORTIONS OF LOTS 16, 17, 18, 19, 29, 30, 31, 32, 33 IN BLOCK 19 OF TRACT NO. 2444 AS PER MAP RECORDED IN BOOK 24 PAGES 5 TO 7 INCLUSIVE OF MAPS, TOGETHER WITH A PORTION OF THAT 10 FOOT AND VARIABLE WIDTH ALLEY IN SAID BLOCK 19 AS DEDICATED BY THE MAP OF SAID TRACT NO. 2444 TOGETHER WITH THAT PORTION OF THE 10 FOOT ALLEY AND THAT PORTION OF INCE BLVD. FORMERLY SHERMAN PLACE WITHIN SAID BLOCK 19 OF SAID TRACT NO. 2444 VACATED BY RESOLUTION NO. 84-R073 RECORDED JUNE 5, 1984 AS INSTRUMENT NO. 84-66851 AND RECORDED SEPTEMBER 21, 1987 AS INSTRUMENT NO. 87-1502139 OFFICIAL RECORDS, TOGETHER WITH LOTS 1 THROUGH 16 BLOCK 18 OF SAID TRACT NO. 2444 AND WITH THAT ALLEY WITHIN SAID BLOCK 18 VACATED BY ORDER OF BOARD OF SUPERVISORS RECORDED MAY 29, 1917 AS INSTRUMENT NO. 515 IN BOOK 257, PAGE 271 OF MISCELLANEOUS RECORDS, AND PORTIONS OF CULVER BOULEVARD (FORMERLY PUTNAM AVENUE), MAIN STREET AND WASHINGTON BOULEVARD AS DEDICATED BY SAID TRACT NO 2444.

EXHIBIT C

WATSEKA LEGAL DESCRIPTION

APN No. 4207-001-900, 901, 902 and 903

LOTS 19, 20, 21, 22, 23, 24 AND 25 OF TRACT 2444, IN THE CITY OF CULVER CITY, AS PER MAP RECORDED IN BOOK 24 PAGES 5, 6 AND 7 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDED OF SAID COUNTY.

EXHIBIT D

LOCATION OF RESERVED VALET PARKING SECTION

IN INCE

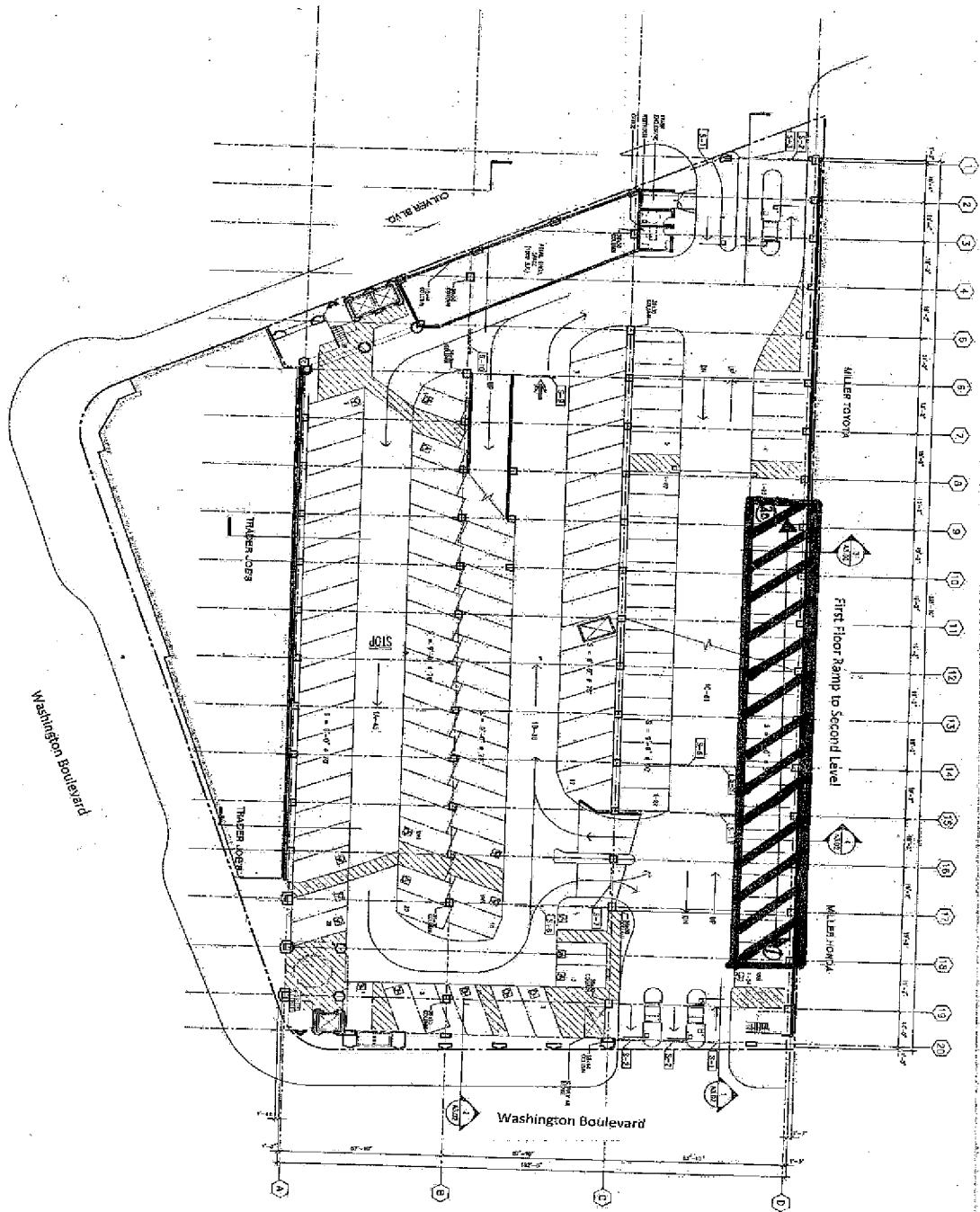


EXHIBIT E

SIGNAGE DESIGN AND TEXT FOR RESERVED PARKING SPACES



EXHIBIT F

CARDIFF PARKING STRUCTURE PROCEDURES

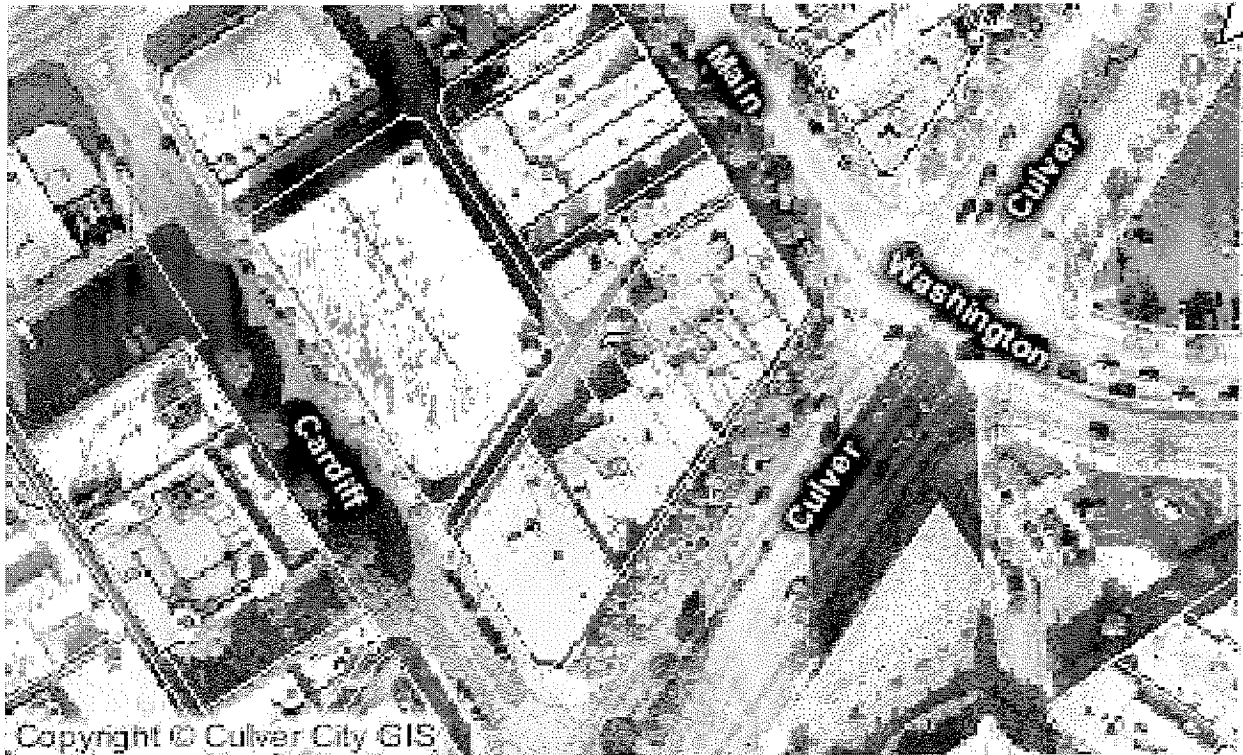
1. The Culver City Redevelopment Agency ("Agency"):
 - a. For the sole purpose of allowing Culver Hotel guests the ability to access the Cardiff parking structure during non-operating hours, the Agency has installed a keypad lock on the pedestrian gate nearest the elevator at Agency expense. When the parking structure is closed, entering the correct pass code on the keypad will open the pedestrian gate located nearest to the elevator.
 - b. Agency staff will provide Modern Parking management staff instructions on how to establish and delete keypad pass codes.
 - c. From time to time the Agency may modify these procedures at their sole and absolute discretion.
2. Century Wilshire, Inc.:
 - a. The Culver Hotel will provide Modern Parking the names of up to two staff members who are authorized to receive the weekly pass code.
 - b. The Culver Hotel management and their employees agree to purchase monthly access cards as necessary at one of the Parking Structures and also agree not to share or use the keypad pass code to gain entry into the Cardiff parking structure in an attempt to avoid paying daily or monthly parking fees.
 - c. The Culver Hotel agrees not to share the pass code with anyone other than their guests, and only when necessary.
 - d. The Culver Hotel will obtain guest signatures upon and distribute the attached "Keypad Use Instructions and Release" form as a means of providing instructions to their guests on keypad use and to have them sign the necessary release and indemnification.
 - e. The Culver Hotel staff will keep the original signed guest releases on file; copies of which will be provided to the Agency on an as-requested basis.
3. Modern Parking:
 - a. Every Monday morning, a Modern Parking management staff member will change the key pad pass code on the gate and immediately report the new pass code to one or both of the two authorized Culver Hotel staff members and an

Agency staff member. Modern Parking will not delegate this programming task to one of their cashiers, nor will they share the pass code created each week with any of their cashiers or other non-management staff members.

- b. Modern Parking will manually raise the access arm each evening when they close at 2:00 AM so that motorists may exit the structure during non-operational hours by tripping the loop with their vehicle to raise the roll-up gate.
- c. Modern Parking will generate a monthly parking report indicating the number of tickets taken at Cardiff that have not resulted in their subsequent remittance to the cashier for Agency staff to generate a monthly invoice to submit to Century Wilshire, Inc.

Cardiff Parking Structure

Pedestrian Gate: Keypad Use Instructions and Release



To unlock the gate using the keypad to gain entry into the Cardiff Parking Structure pedestrian gate follow these instructions:

1. On the keypad, enter the following pass code: _____ and then press #.
(For example: 1234# NOTE: The green light will blink)
2. Turn the lever handle and open the door.

--Please ensure the gate is latched behind you after gaining entry--

All Hotel guests are required to sign below.

(Hotel Staff: Keep the signed original on file and give the Hotel Guest a photocopy)

-- RELEASE AND INDEMNIFICATION --

By signing below, I (the "Hotel Guest") acknowledge and agree not to share the keypad pass code with anyone and agree to be legally bound by the release and indemnity below:

The Hotel Guest hereby unconditionally releases, and agrees to keep released, indemnifies and agrees to keep indemnified, defend, protect and hold the City of Culver City, the Culver City Redevelopment Agency, Modern Parking Inc. and Century Wilshire Inc. dba the Culver Hotel, and each of their respective officers, boards, officials, employees, attorneys, agents, insurers, and tenants (the "Released Parties") free and harmless from and against: (a) all actions, loss, claims, demands, proceedings, liabilities, damages, costs and expenses whatsoever (including, but not limited to, reasonable attorney's fees and costs) which may be brought or instituted against the Released Parties by any person (including, but not limited to, the Hotel Guest) regardless of whether such loss, claims, demands, liabilities, damages, costs and expenses were in part contributed to by the acts or omissions of the Released Parties, (b) any costs and expenses which the Released Parties may be called upon to pay or bear or may incur, regardless of whether such costs and expenses were in part contributed to by the acts or omissions of the Released Parties, and (c) all actions, claims, demands, proceedings (whether at law, in equity, or arising under any statute) arising out of or in connection with an act, duty, default or omission of the Hotel Guest, in respect of any loss, damage, death or injury sustained, or alleged to have been sustained, by any person (including, but not limited to the Hotel Guest) or any property (including, but not limited to, property belonging to or under the care, custody or control of the Hotel Guest), as a consequence or arising out of the Hotel Guest's use of the Cardiff Parking Structure. The Hotel Guest further agrees not to sue or make any claim or demand against the Released Parties, in respect of any matters covered by this release and indemnity.

Hotel Guest Name

Signature

Date

**ASSIGNMENT AND ASSUMPTION AGREEMENT
(Culver Hotel OPA)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Assignment**") is made and entered into on this 7th day of March, 2011 by and between CITY OF CULVER CITY (the "**City**"), and the CULVER CITY REDEVELOPMENT AGENCY (the "**Agency**").

RECITALS

A. The Agency and Century Wilshire, Inc., a California corporation (the "**Participant**") entered into that certain Owner Participation Agreement approved by the Agency on January 15, 2011 (as amended, collectively referred to herein as the "**OPA**"), a copy of which is on file in the Office of the Agency Secretary, providing for the development of certain real property located at 9400 Culver Boulevard, within the City of Culver City, State of California 90232 known as the "Culver Hotel". Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the OPA.

B. City and Agency desire to provide, by and through this Assignment, for Agency to assign to City all of its rights, interest and obligations under the OPA and for the City to accept such assignment and assume all rights, interest and obligations thereunder.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

SECTION 1. ASSIGNMENT AND ASSUMPTION

(a) To achieve the public purposes set forth in the Agency Resolution No. 2011-0006, approved on March 7, 2011, Agency hereby assigns to City all of its rights, interest and obligations in and to the OPA, and City hereby accepts such assignment and assumes performance of all terms, covenants, and conditions on the part of Agency to be performed, occurring, or arising under the OPA, from and after the date hereof.

(b) This Assignment shall not be deemed to relieve the Agency or any other party from its obligations under the OPA.

SECTION 2. SUCCESSORS AND ASSIGNS

This Assignment, together with the agreements, covenants and warranties contained herein, shall inure to the benefit of the City and any subsequent assignee or transferee and shall be binding upon the Agency and any subsequent assign or successor-in-interest, whether by agreement or by operation of law. It is the intent of the parties that this Assignment shall survive a full or partial merger of the City and the

Agency and the City shall continue to have all the rights, interests, powers and obligations granted to it by this Assignment.

SECTION 3. GOVERNING LAW

This Assignment has been entered into, is to be performed entirely within, and shall be governed by and construed in accordance with the laws of the State of California.

SECTION 4. FURTHER ASSURANCES

Each party hereto covenants and agrees to perform all acts and obligations, and to prepare, execute, and deliver such written agreements, documents, and instruments as may be reasonably necessary to carry out the terms and provisions of this Assignment.

SECTION 5. SEVERABILITY OF PROVISIONS

If any term or provision of this Assignment, the deletion of which would not adversely affect the receipt of any material benefit by any party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Assignment shall not be affected thereby and each other term and provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

SECTION 6. COUNTERPARTS

This Assignment may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Assignment, which, with all attached signature pages, shall be deemed to be an original Assignment.

SECTION 7. WAIVER/AMENDMENT

No breach of any provision hereof may be waived unless in writing. Waiver of any one breach of any provision hereof shall not be deemed to be a waiver of any other breach of the same or any other provision hereof. This Assignment may be amended only by a written agreement executed by the parties.

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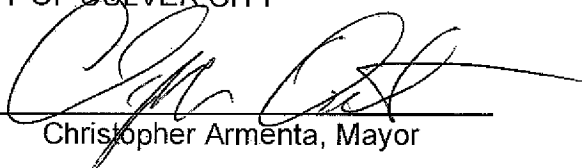
SECTION 8. AUTHORITY

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

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth opposite their signatures below.

CITY OF CULVER CITY

Dated: 7 MAR 2011

By: 

Christopher Armenta, Mayor

CULVER CITY REDEVELOPMENT AGENCY

Dated: 7 MAR 2011

By: 

John Nachbar, Executive Director

APPROVED AS TO FORM:



CAROL SCHWAB, City Attorney

KANE BALLMER & BERKMAN



MURRAY O. KANE, Agency General Counsel

FIRST IMPLEMENTATION AGREEMENT

TO THE

OWNER PARTICIPATION AGREEMENT

by and between

THE CULVER CITY REDEVELOPMENT AGENCY

and

CENTURY WILSHIRE, INC., doing business as “THE CULVER HOTEL”

FIRST IMPLEMENTATION AGREEMENT TO THE
OWNER PARTICIPATION AGREEMENT

This FIRST IMPLEMENTATION AGREEMENT TO THE OWNER PARTICIPATION AGREEMENT ("First Implementation Agreement") is dated as of _____, 2011, and is entered into by and between the CITY OF CULVER CITY ("City"), as ASSIGNEE TO THE CULVER CITY REDEVELOPMENT AGENCY ("Agency"), and CENTURY WILSHIRE, INC., doing business as "THE CULVER HOTEL" ("Participant"), with reference to the following facts:

RECITALS

A. The Agency and Participant entered into that certain Owner Participation Agreement dated as of January 15, 2011 ("OPA"), by providing for certain public improvements associated with certain real property located at 9400 Culver Boulevard, within the City of Culver City, State of California (the "Site"). The Site is currently developed and improved as the "Culver Hotel," a nationally- and historically-recognized hotel which contains forty-six (46) guestrooms and is approximately 29,628 square feet in size. The OPA is incorporated herein by this reference. OPA as used herein shall mean, refer to and include the OPA, as well as any riders, exhibits, addenda, implementation agreements, amendments, acknowledgements, and attachments thereto (which are hereby incorporated herein by this reference), including but not limited to that certain Acknowledgement and Consent dated _____, 2011. Any capitalized term not defined herein shall have the meaning ascribed to such term in the OPA.

B. The Agency has assigned its obligations to the City under the OPA and, by execution of this First Amendment, Participant has expressly consented to the assignment; provided, however, that the City's monetary obligations to Participant, if any, shall be limited to funds pledged or promised to the City from the Agency pursuant to that certain Cooperation Agreement entered into by and between Agency and City, dated February 22, 2011, and in the event that City is deemed as Agency's successor in interest to Agency's assets, liabilities, and legal obligations, by any law or statute, nothing herein shall be deemed or construed to obligate City to make any payments to Participant from its general fund or any of the City's other funds or assets, it being understood and agreed to by Participant that the City is a separate and independent legal entity from the Agency. Subject to the limitations herein, City shall be responsible for all obligations under the OPA, including but not limited to the financial obligations set forth in Section 206 of the OPA. City also represents that it has sufficient funds appropriated from the Agency's assets to pay the financial obligations promised to Participant under Section 206 of the OPA.

C. Participant has requested, and the City has agreed, to make certain clarifications to the OPA.

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

1. Recitals. The Recitals and attachments referenced above are hereby incorporated by reference into this First Implementation Agreement and adopted by the parties to this First Implementation Agreement as true and correct.
2. Clarifications to OPA. Section 205(a) of the OPA shall be deleted in its entirety and replaced with the following:

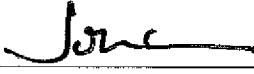
The parties estimate that the cost to the Participant for the privately funded improvements to rehabilitate/redevelop the Site shall be approximately Two Million Eighty Seven Thousand Four Hundred and Ninety-Five Dollars (\$2,087,495) (the "Development Costs"). The Development Costs may be subject to change from time-to-time by the Participant subject to the prior written approval of the City's City Manager or designee (which approval shall not be unreasonably withheld, conditioned or delayed), upon which approval the Development Costs shall be replaced by the approved revised Development Costs. Notwithstanding any provision to the contrary contained in any document, the Participant shall have the right to amend the Development Costs from time-to-time, without City approval but subject to providing written notice to the City, so long as the proposed amendment increases or decreases the total Development Costs by not more than twenty percent (20%) in the aggregate.
3. Attachment No. 5. All references to Attachment No. 5 in the OPA shall be deleted in their entirety as Attachment No. 5 was removed from the final version of the OPA.
4. Binding on Successors and Assigns. This First Implementation Agreement and all of the terms and conditions herein shall be binding upon and inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of the parties.
5. OPA in Full Force and Effect. Except as otherwise expressly provided herein, the terms and conditions of the OPA shall remain unmodified and in full force and effect.
6. Further Assurances. The parties agree to execute such other documents and to take such other action as may be reasonably necessary to further the purposes of this Agreement.
7. Third Party Beneficiaries. The parties to this First Implementation Agreement acknowledge and agree that the provisions of this First Implementation Agreement are for the sole benefit of City and Participant, and not for the benefit, directly or indirectly, of any other person or entity.
8. Effectiveness of this First Implementation Agreement. This First Implementation Agreement shall not be effective unless and until both of the following conditions have been satisfied:
 - a. This First Implementation Agreement has been duly approved by the City; and

- b. This First Implementation Agreement has been duly executed by the City and Participant.

The date of this First Implementation Agreement shall be the date it is signed by the City.

CITY OF CULVER CITY
(City)

Date: 5/9/11

By: 
John M. Nachbar, City Manager

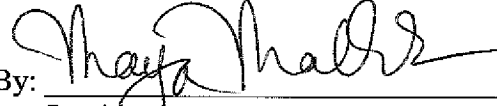
CULVER CITY REDEVELOPMENT AGENCY,
A public body, corporate and politic
(Agency)

Date: 5/4/11

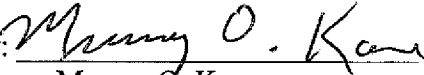
By: 
Sol Blumenfeld
Assistant Executive Director

CENTURY WILSHIRE INC.,
a California corporation
(Participant)

Date: 4/26/11

By: 
President

APPROVED AS TO FORM:
KANE, BALLMER & BERKMAN

By: 
Murray O. Kane
City General Counsel

ACKNOWLEDGMENT AND CONSENT

THIS ACKNOWLEDGMENT AND CONSENT is made as of _____, 2011 by and between the CITY OF CULVER CITY, as ASSIGNEE TO THE CULVER CITY REDEVELOPMENT AGENCY ("Agency") and CENTURY WILSHIRE, INC., a California corporation, doing business as "The Culver Hotel" (the "Participant").

By execution of this Acknowledgment and Consent, the CITY OF CULVER CITY (the "City") and CENTURY WILSHIRE, INC., a California corporation, doing business as "The Culver Hotel" (the "Participant") acknowledge, understand, and agree, as follows:

1. City and Participant have negotiated the terms and conditions of an Owner Participation Agreement ("OPA") regarding property located at 9400 Culver Boulevard in Culver City, California 90232 and known as the "Culver Hotel."
2. The terms and conditions of the OPA were approved by Agency and Participant on January 15, 2011.
3. Participant agrees that Agency has materially relied upon Participant's representations of intent to implement and complete, within one year from execution of the OPA, the remaining interior improvements to the Culver Hotel totaling \$2,087,495 as private improvements listed in the attached Exhibit 1 to this letter ("Private Improvements"). The Private Improvements include improvements to the Culver Hotel including guestrooms, interior spaces, lobby areas, dining rooms, conference rooms, and kitchen facilities. The Private Improvements are not public facilities. The Private Improvements have been or will be funded entirely by Participant without any public funds.
4. Participant agrees that the Agency's reliance on timely completion of the Private Improvements by Participant was a principal inducement for the Agency's execution of the OPA and grant of (i) parking benefits and (ii) payment for certain public improvements (collectively, "Special Benefits"), as provided in the OPA, and that Participant's timely completion of the Private Improvements is a condition to its receipt of Special Benefits.
5. Participant additionally agrees that per the OPA if the Participant fails to complete the Private Improvements within one year of execution of the OPA (by 1/15/12), that Participant shall be deemed to be in default of the OPA, subject to notice and cure rights available to Participant under the OPA.
6. Participant agrees that per Section 207 of the OPA, Participant shall provide quarterly reports to the Agency on the progress of completing the Private Improvements, the first being due on May 15, 2011 following the first quarter ending on April 15, 2011. The progress reports shall be delivered within thirty days following each of the second, third and fourth quarters, and shall include a list summarizing those Private Improvements completed in whole or in part during the prior quarter with their associated costs attached and evidence of payment and supporting documentation. Receipts evidencing payment and corresponding invoices for materials and labor, including payroll receipts or other payroll documentation and/or a schedule of payments shall constitute sufficient evidence of payment. The Agency acknowledges that a portion of the Private Improvements were completed or were in process prior to the execution of

the OPA on January 15, 2011. Participant will provide a final summary of all completed Private Improvements with evidence of payment on or prior to February 15, 2012.

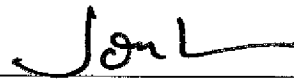
7. Participant agrees that this writing shall not be deemed as a prior agreement to the OPA under California Code of Civil Procedure section 1856 and waives any future claims or assertions that this letter must be excluded as parole evidence under either common law or statute.

IN WITNESS WHEREOF, the parties hereto have caused this Acknowledgement and Consent to be signed by their duly authorized officers as of the day and year first written above.

CITY

THE CITY OF CULVER CITY

Dated: 5/9/11

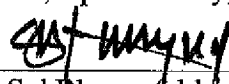
By: 
John M. Nachbar
City Manager

AGENCY

CULVER CITY REDEVELOPMENT

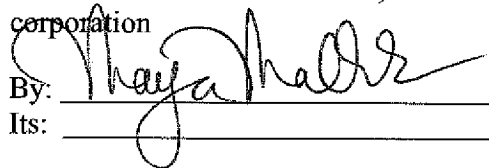
AGENCY, a public body, corporate and politic

Dated: 5/4/11

By: 
Sol Blumenfeld
Assistant Executive Director

PARTICIPANT

CENTURY WILSHIRE INC., a California corporation

By:  4/26/11
Its: _____

APPROVED AS TO FORM:
KANE, BALLMER & MERKMAN

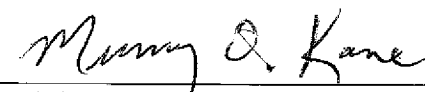
By: 
Murray O. Kane
City Special Counsel

Exhibit 1
Private Improvements

CULVER HOTEL RENOVATIONS:

Guestrooms

- Carpet
- Furniture & fixtures
- Drapery
- Mattresses -- Chatfield II
- Bathroom vanities
- Bathroom mirrors
- Bathroom sconces
- Bathroom upgrades
- Onity Locking System (guest room locks)
- Flat screen televisions
- 1.28 gal water conserving toilets/
- Hallway (lighting, carpet, paint, etc.)
- Safes and refrigerators
- Window and door thresholds for bathrooms
- Painting

General Interior:

- HVAC repairs / first year
- Mitsubishi energy efficient heat/air conditioning system (2-6 floor)
- Electrical upgrade for AC in rooms (Falcon)
- Soffits to cover AC pipes in hallways and painting
- 1st floor HVAC upgrade
- Roof stabilization for rooftop AC units
- Roof repair around units

- Elevator modernization (Liftech+Boca)
- Elevator repairs
- Elevator cab and doors upgrade

- Security surveillance system
- Upgraded internet
- New computers and POS systems

- New sprinklers heads (2-6 floors)
- New upgraded fire safety monitor (alarm system)
- Misc. furniture and fixtures
- Tools and appliances

Lobby/ Private Dining Room

- Bar renovation and upgrades
- New fire safety panel
- Furniture and fixtures lobby
- Sound system / projection
- Painting
- Marble refurbishment bathrooms/
- Marble repair and refurbishment/
- Furniture and fixtures PDR
- Public bathrooms

Mezzanine

- Sound system/ audio/ visual
- Steel staircase for egress off of mezzanine
- Railing and painting
- Glass panels
- Painting
- Furniture and fixtures
- Flooring
- Bar upgrades and décor
- Bar new refrigerator

Exterior:

- Wood windows - energy efficient dual pane
- New front and side display windows, new glass and cranks
- Repaired, and painted historic grand windows, ground floor
- New roof
- New door handles - all entry doors/
- Patio furniture and umbrellas/
- Plants and planters/

Conference Rooms / 2nd Floor

- Flooring conference room, anti room, boardroom lighting, furniture and fixtures
- Banquet chairs, tables, etc.
- Repair and repaint windows/

Kitchen/Basement kitchen:

- Tile basement kitchen floor
- New washer and dryer
- Dumbwaiter repair
- Misc. F and B repairs and renovations
- Walk in repair
- Staff furniture and fixtures / misc. organization

Permits & engineering

- Permits for electrical refrigeration pipes, crane, etc.
- Mechanical permit HVAC
- Engineering fees for roof
- Engineering staircase
- Permits mezzanine stairs interior

TOTAL: \$2,087,495.00

FIRST AMENDMENT

TO THE

OWNER PARTICIPATION AGREEMENT

by and between

THE CULVER CITY REDEVELOPMENT AGENCY

and

CENTURY WILSHIRE, INC., doing business as "THE CULVER HOTEL"

FIRST AMENDMENT TO THE
OWNER PARTICIPATION AGREEMENT

This FIRST AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT ("First Amendment") is dated as of 8/15/2011, 2011, and is entered into by and between the CITY OF CULVER CITY ("City"), as ASSIGNEE TO THE CULVER CITY REDEVELOPMENT AGENCY ("Agency"), and CENTURY WILSHIRE, INC., doing business as "THE CULVER HOTEL" ("Participant"), with reference to the following facts:

RECITALS

A. The Agency and Participant entered into that certain Owner Participation Agreement dated as of January 15, 2011 ("OPA"), by providing for certain public improvements associated with certain real property located at 9400 Culver Boulevard, within the City of Culver City, State of California (the "Site"). The Site is currently developed and improved as the "Culver Hotel," a nationally and historically-recognized hotel which contains forty-six (46) guestrooms and is approximately 29,628 square feet in size. The OPA is incorporated herein by this reference. OPA as used herein shall mean, refer to and include the OPA, as well as any riders, exhibits, addenda, implementation agreements, amendments, acknowledgements, and attachments thereto (which are hereby incorporated herein by this reference), including but not limited to that certain Assignment and Assumption Agreement, dated March 7, 2011, that certain Acknowledgement and Consent, dated May 9, 2011, and that certain First Implementation Agreement, dated May 9, 2011. Any capitalized term not defined herein shall have the meaning ascribed to such term in the OPA.

B. Participant and City have agreed to make certain modifications to the OPA.

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

1. Recitals. The Recitals and attachments referenced above are hereby incorporated by reference into this First Amendment and adopted by the parties to this First Amendment as true and correct.
2. Modifications to the OPA.
 - a. Section 207 of the OPA shall be deleted in its entirety and replaced with the following:

F. [§ 207] Rehabilitation/Redevelopment Schedule

The Participant shall promptly begin and thereafter diligently proceed to completion the rehabilitation/redevelopment of the Improvements to the Culver Hotel on the Site, together with any related off-site public improvements, and the redevelopment thereof as provided in the Scope of Development (Attachment No. 3). The Participant shall

begin and complete all rehabilitation/redevelopment of the Site within the times specified in the Schedule of Performance (Attachment No. 4) with such reasonable extensions of said dates as may be granted by the Agency and subject to events of force majeure. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Participant and the Agency.

The Participant shall provide quarterly written reports to the Agency on the progress of construction, beginning on ~~April 15, 2011~~. The report shall be in such form and detail as may be reasonably required by the Agency and shall include a reasonable number of construction photographs (if requested) taken since the last report by the Participant.

May 15, 2011

During periods of rehabilitation/redevelopment, the Agency shall give reasonable assistance to the Participant in encouraging other governmental entities, including the City, to make prompt, timely inspections in order to keep the development of the Site on schedule.

- b. The Schedule of Performance (Attachment No. 4 to the OPA) shall be replaced in its entirety with the Revised Schedule of Performance, attached hereto as Exhibit "A".
- c. Section 1.1 of the Payment Agreement (Attachment No. 6 to the OPA) shall be deleted in its entirety and replaced with the following text:

1.1 "Agreement Anniversary" shall mean the one-year anniversary dates, beginning from July 15, 2011 (the "Execution Date").

- 3. Binding on Successors and Assigns. This First Amendment and all of the terms and conditions herein shall be binding upon and inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of the parties.
- 4. OPA in Full Force and Effect. Except as otherwise expressly provided herein, the terms and conditions of the OPA shall remain unmodified and in full force and effect.
- 5. Further Assurances. The parties agree to execute such other documents and to take such other action as may be reasonably necessary to further the purposes of this Agreement.
- 6. Third Party Beneficiaries. The parties to this First Amendment acknowledge and agree that the provisions of this First Amendment are for the sole benefit of City and Participant, and not for the benefit, directly or indirectly, of any other person or entity.
- 7. Effectiveness of this First Amendment. This First Amendment shall not be effective unless and until both of the following conditions have been satisfied:
 - a. This First Amendment has been duly approved by the City, and

W36M

b. This First Amendment has been duly executed by the City and Participant.

The date of this First Amendment shall be the date it is signed by the City.

CITY OF CULVER CITY
(City)

Date: 8/10/11

By: John M. Nachbar
John M. Nachbar, City Manager

CENTURY WILSHIRE INC.,
a California corporation
(Participant)

Date: 8/15/11

By: Maya Mallick
Maya Mallick, President

APPROVED AS TO FORM:
KANE, BALLMER & BERKMAN

By: Murray O. Kane
Murray O. Kane
City Special Counsel

EXHIBIT "A"
REVISED SCHEDULE OF PERFORMANCE

- | | |
|--|---|
| 1. <u>Execution of Owner Participation by the Agency.</u> The Agency shall hold a public meeting and consider approval of the Owner Participation Agreement ("OPA"). | As soon as feasible after Participant's execution and submission of the Agreement to the Agency. |
| 2. <u>Submission – Plans and Drawings.</u> The Participant shall submit to the Agency for approval the Plans and Drawings provided for in Section 203 of the OPA. | Within sixty (60) days after the execution of the OPA by the Participant. |
| 3. <u>Approval – Plans and Drawings.</u> The Agency shall approve or disapprove the Plans and Drawings in accordance with Section 204 of the OPA. | Within twenty (20) days after submission of the Plans and Drawings to the Agency. |
| 4. <u>Submission – Project Budget.</u> The Participant shall submit a Project Budget for the rehabilitation/redevelopment of the Improvements and the Site pursuant to Section 205 of the OPA. | Concurrently with its submission of the executed OPA for Agency approval consideration. |
| 5. <u>Approval – Project Budget.</u> The Agency shall approve or disapprove the Project Budget. | On or before approval consideration of the OPA. |
| 6. <u>Commencement of Rehabilitation/ Redevelopment.</u> The Participant shall commence rehabilitation/redevelopment of the Improvements and the Site. | No later than thirty (30) days after Agency approval of the Project Budget, Evidence of Financing and the Plans and Drawings. |
| 7. <u>Completion of Rehabilitation/Redevelopment.</u> The Participant shall complete the rehabilitation/redevelopment of the Improvements and the Site. | No later than July 15, 2012. |

LICENSE AGREEMENT

This License Agreement ("Agreement") is entered into as of _____, 2012, by and between CENTURY WILSHIRE, INC., a California corporation ("Licensee"), whose principal place of business is 9400 Culver Boulevard, Culver City, California 90232 and THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Successor Agency" or "Licensor").

RECITALS

- A. Licensee owns and operates the Culver Hotel located at 9400 Culver Boulevard, Culver City, California 90232 (the "Culver Hotel"), which does not have any on-site parking.
- B. The former Culver City Redevelopment Agency ("Former Agency") and Century Wilshire Inc. entered into that certain Owner Participation Agreement dated as of January 15, 2011 ("OPA"), by providing for certain public improvements associated with certain real property located at 9400 Culver Boulevard, within the City of Culver City, State of California (the "Site"). The OPA is incorporated herein by this reference and shall mean, refer to and include the OPA, as well as any riders, exhibits, addenda, implementation agreements, amendments, acknowledgements and attachments thereto, including but not limited to that certain Assignment and Assumption Agreement dated March 7, 2011, that certain Acknowledgement and Consent Agreement dated May 9, 2011, that certain First Implementation Agreement dated May 9, 2011 and that certain First Amendment dated August 15, 2011. The Site is currently developed and improved as the "Culver Hotel," a nationally and historically recognized hotel which contains forty-six (46) guestrooms and is approximately 29,628 square feet in size.
- C. The Former Agency assigned its obligations to the City of Culver City ("City") under the OPA pursuant to that certain Cooperation Agreement entered into by and between Agency and City, dated January 15, 2011, as amended on February 22, 2011 and March 7, 2011 (collectively the "Cooperation Agreement"), it being understood and agreed to by Licensee that the City is a separate and independent legal entity from the Former Agency.
- D. Licensee desires a license for Licensee's use of parking in the following parking lots (collectively, the "Parking Lots"): (i) the Parcel B parking lot located at 9300 Culver Boulevard in Culver City, California ("Parcel B"), (ii) the Canfield Parking Lot located 3825 Canfield Avenue, Culver City, California ("Canfield"), and (iii) the Venice Parking Lot located at 9415 Venice Boulevard, Los Angeles, California ("Venice"). The Parking Lots are owned by the Licensor and are more specifically described in the Legal Descriptions attached hereto and incorporated herein by reference as Exhibits A, B, and C, respectively.
- E. In furtherance of the Cooperation Agreement and to achieve important public purposes, on March 14, 2011, the Former Agency conveyed Parcel B, Venice and Canfield properties to the City to carry out the duties and obligations of the Former Agency.

- F. On September 24, 2012, the City adopted Resolution No. 2012-R089 and the Successor Agency adopted Resolution No. 2012-SA011 transferring ownership of Parcel B, Venice and Canfield from the City to the Successor Agency.
- G. On October 11, 2012, the Oversight Board of the Successor Agency ("Oversight Board") adopted Resolution No.2012-OB-010 authorizing the transfer of ownership of Venice and Canfield from the Successor Agency to the Culver City Parking Authority ("Parking Authority"), which action is now being considered for approval by the State of California's Department of Finance ("DOF"). If approved by DOF, the Successor Agency will consider ratification of the Oversight Board and DOF actions.
- H. Licensee desires a license for use of up to eleven (11) unreserved single parking spaces at Venice and up to seven (7) reserved single parking spaces at Canfield for use by Culver Hotel employees (the "Employee Parking Spaces"). Concurrently with execution of this Agreement, Licensee will notify Licensor of the total number of Employee Parking Spaces required for immediate use. Licensee understands and agrees that any unused Employee Parking Spaces remaining are non-exclusive and may be unavailable at the time of Licensee's notification to Licensor of Licensee's request for additional spaces. If the requested spaces are unavailable, Licensor agrees to add Licensee's request to a waiting list for use of additional spaces when they become available.
- I. Licensee desires a license for the exclusive use of ten (10) parking spaces on Parcel B (the "Reserved Valet Parking Spaces") in a reserved area of Parcel B (the hereinafter defined "Reserved Valet Parking Section") to be used for valet parking for guests of the Culver Hotel and invitees.
- J. Licensee desires a license for the non-exclusive use of an unspecified number of additional parking spaces from Licensor in an unreserved area on Parcel B to be used by guests of the Culver Hotel who self-park from time to time during special events that occur (the hereinafter defined "Guest Self-Parking Spaces"). Special events are defined as one-time gatherings for a single purpose for a limited and defined time that are held at the Culver Hotel such as large public or private parties, ceremonies, cultural events, fundraising events, auctions, meetings, conferences, exhibitions, or a similar assembly of individuals in which the Culver Hotel provides self-parking spaces to invitees of the special event.
- K. Licensee now desires to enter into this Agreement to enable Licensee and Licensor to accomplish the purposes described herein.

NOW THEREFORE, in consideration of the granting of the foregoing, the mutual promises, covenants, conditions and agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **Recitals.** The recitals and exhibits referenced herein are hereby incorporated by this reference.

2. **Grant of License.** Licensors hereby grants Licensee a license (the “License” or “Agreement”) for the Licensee’s use of: (i) the Reserved Valet Parking Spaces, (ii) the Guest Self-Parking Spaces and (iii) the Employee Parking Spaces located within the Parking Lots as set forth herein. The Reserved Valet Parking Spaces, Employee Parking Spaces and Guest Self-Parking Spaces are collectively referred to hereinafter as the “Parking Spaces.” The License shall commence on the Effective Date (as defined in Section 15 below) and shall terminate upon the termination of Licensee’s use of all Parking Spaces (the “License Term”), as set forth in this Section 2, unless extended as provided herein. Licensee’s use of the Employee Parking Spaces shall terminate upon expiration of the OPA, upon the transfer of Venice and/or Cardiff to the Parking Authority, or upon the sale or change of use of Canfield and/or Venice. Licensee’s use of the Guest Self-Parking Spaces and Reserved Valet Parking Spaces shall terminate upon the transfer of ownership or change of use of Parcel B.

3. **Purpose of License.** During the License Term, Licensee and its employees, owners, agents and representatives (“Licensee Parties”) shall be allowed to enter the Parking Lots and use the Parking Spaces for the following purposes (the “Purposes”):

a) Licensee Parties will be permitted use of the Guest Self-Parking Spaces, the Reserved Valet Parking Spaces and the Employee Parking Spaces in the Parking Lots as set forth herein.

b) Licensee agrees to adhere to all City policies, rules and regulations for use of the Parking Spaces.

c) Valet staff serving guests of the Culver Hotel shall be permitted exclusive use of the ten (10) Reserved Valet Parking Spaces located in a reserved section of Parcel B as depicted on the illustration attached hereto as Exhibit D and incorporated herein by this reference (the “Reserved Valet Parking Section”).

d) Valet staff serving guests of the Culver Hotel shall be permitted exclusive access to the Reserved Valet Parking Section twenty four (24) hours a day, seven (7) days a week subject to the terms and conditions herein.

e) Based strictly upon availability and upon a minimum two (2) business days prior approval by Licensors, Licensee shall be temporarily granted non-exclusive use of a certain number of Guest Self-Parking Spaces on Parcel B from time to time during special events that occur for use by guests of the Culver Hotel who self-park.

f) Licensee shall provide and pay for valet services for the guests of the Culver Hotel, whether provided by Licensee or a third party valet operating service hired by Licensee. Provided the Downtown Business Association and City agree to do so, Licensee may provide such valet services in cooperation with the Downtown Business Association valet program.

g) Licensee Parties are not authorized by this License to use the Reserved Valet Parking Spaces except to the extent necessary to provide valet parking services to guests of the Culver Hotel during the License Term.

h) Licensee's non-exclusive use of the reserved Employee Parking Spaces on Canfield during Canfield's normal business hours of operation and non-exclusive use of the unreserved Employee Parking Spaces at Venice are to be used by employees of the Licensee up to twenty four (24) hours a day, seven (7) days a week. Licensor reserves the right to reserve and assign the eleven (11) parking spaces at Venice to Licensee in the future.

i) Licensee Parties shall be permitted access to Venice and Parcel B twenty four (24) hours a day, seven (7) days a week subject to the terms and conditions herein. No overnight parking is permitted at Canfield.

4. **Unreserved Guest Self-Parking Spaces.** In addition to the use of the Reserved Valet Spaces and Employee Parking Spaces, Licensee desires non-exclusive use of additional unreserved parking spaces on Parcel B for Culver Hotel guests who self-park for special events from time to time under the following terms and conditions:

a) Licensee will purchase booklets of 100 one-hour stickers to affix upon guest pass placards ("Placards") from Licensor in advance of their use. Licensee agrees not to reproduce the stickers or Placards provided by Licensor.

b) Licensee agrees to instruct guests of the hotel to place the Placard face-up on the dashboard of the guest's vehicle.

c) Licensee agrees that for each special event, Licensee will affix the amount of one-hour stickers necessary onto each Placard, along with the date and timeframe for their use.

d) At least two (2) business days prior to the commencement of the special event, Licensee shall submit to Licensor for approval, a written request stating the desired number of Guest Self-Parking Spaces to be used by Licensee for the specified date(s) of the special event and Licensor shall respond within one (1) City Hall business day of the special event. If Licensee notifies Licensor of their request to use the Guest Self-Parking Spaces four (4) or more business days prior to the special event and if the request is approved by Licensor, Licensee understands and agrees that such approval is tentative and is subject to cancellation pursuant to Paragraph 11 of this Agreement.

e) Licensee's use of the Guest Self-Parking Spaces shall be temporary and limited in duration to the time period approved by Licensor.

f) Licensee acknowledges and agrees that Licensee's access to Guest Self-

Parking Spaces is at the sole and absolute discretion of the Licensor and will be based strictly upon availability on Parcel B and Licensor does not covenant or guarantee to provide Licensee use and access to the total number of Guest Self-Parking Spaces requested.

g) Licensee acknowledges and agrees that use of the Guest Self-Parking Spaces by anyone other than a guest of the Culver Hotel is strictly prohibited.

5. **Fees.** Upon commencement of Licensor's use of the Parking Spaces, the following rates apply and are subject to change per Section 28 of the OPA Parking License Agreement:

a) **Reserved Valet Parking Spaces.** Upon commencement of Licensee's use of the Reserved Valet Parking Spaces, Licensee shall be required to pay to Licensor a fee of 50% off the 7-day monthly rate amounting to forty (\$40) dollars per Reserved Valet Parking Space each month, for a total payment of four hundred dollars (\$400) per month.

b) **Guest Self-Parking Spaces.** Licensee shall be required to pay to Licensor a fee of fifty dollars (\$50.00) for a booklet containing 100 one-hour stickers; equating to a rate of fifty cents (50¢) per hour.

c) **Employee Parking Spaces.** Licensee shall be required to pay to Licensor a fee of fifty percent (50%) off the 5-day monthly rate amounting to thirty (\$30) dollars per Employee Parking Space each month. If all eighteen (18) Employee Parking Spaces are used by Licensee, then a total payment of five hundred and forty dollars (\$540.00) will be provided to Licensor per month.

d) All fees shall be paid in full on or before the 1st of the month for which the fee is being paid.

e) Section 28(b) of the OPA Parking License shall be replaced in its entirety by the following:

Temporary Special Event Reserved Areas. If Licensee requests and is granted the right to park vehicles in any Temporary Special Event Reserved Areas, Licensee shall be required to pay to Licensor a fee of fifty cents (50¢) per hour up to a total of six dollars (\$6.00) per parking space so designated as reserved per day. This rate will automatically adjust to 50% of the first billable hourly rate the City, Parking Authority or Successor Agency may establish from time to time, effective upon the extension of the License Term, if such term is extended in accordance with this Agreement.

6. **Transient Occupancy Taxes:** For the term of this License, Licensee agrees to increase the \$390,000 minimum Transient Occupancy Taxes remitted to the City as required in Section 19 of the OPA Parking License Agreement to \$510,000 (a \$120,000 increase).

7. **Licensee Hiring of Third Party Valet Operating Service.** In the event that Licensee hires a third party valet operating service (the "Third Party Valet Operating Service") to provide valet services for the Culver Hotel within the Reserved Valet Parking Section, Licensee acknowledges and agrees that as a condition to permitting the Third Party Valet Operating Service entry onto Parcel B, including the Reserved Valet Parking Section, the following conditions shall be satisfied by the Third Party Valet Operating Service prior to its entry onto Parcel B and commencement of valet parking services and shall be maintained throughout the License Term:

a) The Third Party Valet Operating Service shall be required to indemnify, defend, protect and hold the City, the Successor Agency, the Parking Authority and Modern Parking, and each of its respective officers, boards, officials, employees, attorneys, agents, insurers, and tenants (each an "Indemnitee"; collectively "Indemnities"), free and harmless from any and all loss, liability, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and costs) arising from the exercise of the License and/or right of entry granted under this Agreement, except to the extent that such loss, liability, claims, damages and expenses were in part contributed to by the gross negligence or willful misconduct of an Indemnitee; and

b) The Third Party Valet Operating Service shall obtain, at its sole cost and expense, and keep in full force and effect, during the term of this Agreement, and in the form acceptable to Licensor, in its sole discretion those certain insurance policies set forth in Section 17, below.

Indemnities shall be named as the "Certificate Holder" and as additional insureds for each insurance policy required herein. Each such policy shall contain a provision that: (a) provides primary coverage without contribution from any other insurance carried by or for the benefit of Licensor, (b) the policy shall not be canceled and the amount thereof shall not be reduced unless thirty (30) days' written notice shall have been given to Licensor by certified mail, return receipt requested, which notice shall contain the policy number and the names of the insured and additional insureds, except that the policy shall not be canceled for non-payment of premiums unless ten (10) days' written notice shall have been given to Licensor in the manner set forth herein. All insurance required to be carried by the Third Party Valet Operating Service pursuant to the terms of this Agreement shall be effected under valid and enforceable policies issued by reputable and independent insurers licensed in the State of California with a current A.M. Best's rating of no less than A:VII.

The Third Party Valet Operating Service shall deliver to Licensor appropriate certificates of insurance and endorsements evidencing the insurance required to be carried pursuant to this Agreement prior to such Third Party Valet Operating Service's entry onto Parcel B and commencement of any valet parking services.

If the Third Party Valet Operating Service fails or refuses to procure or maintain insurance as required by this Agreement and if Licensee fails to procure or maintain such insurance in lieu of the Third Party Valet Operating Service, Licensor may terminate this Agreement subject to notice and cure provisions herein; and

c) The Third Party Valet Operating Service shall obtain a business license and an operating permit from the City of Culver City's Public Works Department prior to such Third Party Valet Operating Service's entry onto Parcel B and commencement of any valet parking services.

d) Licensee acknowledges and agrees that nothing contained in this Section 7 is intended to or shall be construed as (i) limiting in any way the extent to which Licensee may be held responsible for liability under the terms of this Agreement and applicable statutory or common law, and (ii) relieving Licensee of any of its obligations under this Agreement, including, but not limited to (1) Licensee's obligation to indemnify and hold harmless Indemnitees and each of their respective officers, boards, officials, employees, attorneys, agents, insurers, and tenants as set forth in Section 9 below, and (2) Licensee's obligation to acquire and maintain those certain insurance policies set forth in Section 17, below.

8. **Installment of Signage and Pavement Markings.** Licensee shall obtain approval by Licensor on the design, size and style of the reserved parking signage and pavement markings for the Reserved Valet Parking Section. The design and style of signage which is consistent with Exhibit E is hereby approved by Licensor. Licensee shall install said signage as depicted on the illustration attached hereto part of as Exhibit E and incorporated herein by this reference. In addition, Licensee shall pay for the purchase, installation and maintenance of pavement markings and signage identifying the location of the Reserved Valet Parking Section. Such signage shall be placed above each Reserved Valet Parking Space and shall read, "Culver Hotel Valet Parking Only At All Times." Licensee shall obtain the approval by Licensor on the design, size and style of two "Exit" signs for egress to Parcel B's driveway that are to be mounted on the backside of two existing "Parking by Permit Only" signs. Licensee shall be solely responsible for the purchase and installation of the Exit signs. Licensee shall obtain Licensor's approval on the design, size and style of chevron reflective striping to be mounted on the concrete light foundations located on Parcel B. Licensee shall be solely responsible for the purchase and installation of the chevron reflective striping.

9. **Prohibited Uses.** With the exception of the Purposes described in this Agreement and other uses first approved in writing by the Licensor, Licensee shall not be authorized to use the Parking Spaces for any other purpose whatsoever.

10. **Prior Licensor Approval.** Licensee shall obtain the express written consent of Licensor's Community Development Director (which consent shall be in the Community Development Director's sole and absolute discretion) prior to performing any of the following

acts:

a) Allowing the entry and use by any person into the Parking Spaces or Reserved Valet Parking Section other than employees, guests and invitees of the Culver Hotel or the Third Party Valet Operating Service;

b) Except as otherwise provided in this Agreement, posting, erecting or otherwise installing, within public view, signage anywhere upon the Reserved Valet Parking Section, the Parking Lots, and/or any of Licensor's facilities;

c) Alienating, selling, encumbering, moving, altering, modifying, destroying, removing, tampering, or otherwise transferring any improvements and/or equipment owned by Licensor from or within Ince or the Parking Lots.

11. **Limited Use.** Licensee acknowledges and agrees that Licensor has the sole and absolute discretion to temporarily discontinue access to, and use of, the Parking Spaces by Licensee for the purpose of performing maintenance related activities, including but not limited to regular sweeping, steam cleaning, reinstallation of pavement markings, signage, painting of walls and related activities, provided that Licensor gives Licensee five (5) business days advance written notice.

Licensee understands and agrees that Licensor, at its sole and absolute discretion, may temporarily suspend use of the Guest Self-Parking Spaces and Reserved Valet Parking Section to allow alternative uses for special events, entertainment companies and for prospective developers of Parcel B to perform pre-development activities. Licensee further agrees to share Parcel B with Farmers' Market trucks each Tuesday afternoon and evening as depicted on the illustration attached hereto as Exhibit D and incorporated herein by this reference. Three (3) business days' notice will be provided to Licensee by Licensor if use of the Reserved Valet Parking Section will be temporarily suspended and a pro rata credit will be applied to the monthly rate fee or, alternatively, Licensor will use best efforts to offer substitute parking elsewhere at the same rate.

If necessary Licensor reserves the right to relocate the Canfield and Venice parking spaces during the term of the License to other City, Parking Authority or Successor Agency facilities downtown at the same rates.

12. **Indemnification and Hold Harmless.** Licensee agrees to indemnify, defend, protect and hold the City, the Successor Agency and the Parking Authority and each of their respective officers, boards, officials, employees, attorneys, agents, insurers, and tenants (each an "Indemnitee"; collectively, "Indemnities") free and harmless from any and all loss, liability, claims, damages and expenses, including personal injury or death arising or resulting directly or indirectly from Licensee's use of this Agreement (including, but not limited to, reasonable attorneys' fees and costs) arising from the exercise of the License and/or right of entry granted under this Agreement, except to the extent that such loss, liability, claims, damages and expenses were in part contributed to by the gross negligence or willful misconduct of an Indemnitee.

13. **Liens and Claims.** Licensee shall not permit any mechanics', materialmen's, or similar liens or claims to stand against the Parking Lots or Ince for labor or material furnished in connection with any work performed by Licensee under this Agreement. Upon reasonable and timely notice of any such lien or claim delivered to Licensee by Licensor, Licensee may bond and contest the validity and the amount of such lien, but Licensee will immediately pay any judgment rendered, will pay all proper costs and charges, and will have the lien or claim released at its sole expense.

14. **Operating Expenses.** During the License Term, Licensee shall be responsible for paying expenses and costs for the Reserved Valet Parking Spaces including, but not limited to the following; all costs associated with pavement markings, the purchase, installation and removal of signage that identifies the Reserved Valet Parking Spaces and the purchase of other signage required by Section 8, herein. If damage is sustained to any wall or surface upon which a sign was placed by Licensee arising out of or as a result of the installation or removal of such signage, Licensee shall be required to repair such damage as Licensee's sole expense. During the License Term, Licensee shall not be responsible for cleaning the area surrounding and including the Reserved Valet Parking Section or the Parking Lots, or for paying any operating expenses associated therewith. Licensor will maintain the Reserved Valet Parking Section and the Parking Lots to a standard established solely by the Licensor. If Licensee determines that the Parking Lots and Reserved Valet Parking Section are not maintained by Licensor in a manner acceptable to Licensee, then Licensee may perform enhanced maintenance activities themselves at Licensee expense, provided Licensee obtains the written permission from the Assistant Executive Director prior to performing any enhanced maintenance activities.

15. **Compliance with Laws.** The Licensee shall comply with all federal, state and local laws, statutes and ordinances in connection with Licensee's rights and obligations under this Agreement.

16. **Effective Date and Term.** The effective date of this Agreement shall be that certain date upon which the Licensor's authorized representative executed this Agreement (the Effective Date"); provided, however that the License shall have no operative effect unless and until Licensee demonstrates proof of the insurance required by Section 18, herein. This Agreement will terminate upon the expiration of the License Term as defined in Section 2 above.

17. **Hazardous Materials.** Licensee shall not store or use or consent to the storage or use of any Hazardous Materials within the Parking Lots or at Ince. As used in this Agreement, "Hazardous Materials", means any substance, material or waste which is or becomes regulated by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance or waste which is (i) defined as a "hazardous waste", "acutely hazardous waste", "restricted hazardous waste", or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code; (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iii) defined as a "hazardous material",

“hazardous substance”, or “hazardous waste” under Section 25501 of the California Health and Safety Code; (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) a polychlorinated biphenyl; (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (ix) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xi) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); or (xii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as “hazardous” or is harmful to the environment or capable of posing a risk of injury to public health and safety. Licensor acknowledges that cars and vehicles contain gasoline, oil and other Hazardous Materials but the presence of the same in normal usage of such cars and vehicles shall not violate the provisions of this paragraph.

18. **Insurance.** Licensee shall obtain, at its sole cost and expense, and keep in full force and effect, during the term of this Agreement, and in the form acceptable to Licensor, in its sole discretion, the following insurance policies:

a) An occurrence based Comprehensive General Liability ("CGL") policy, at least as broad as ISO Form CG 0001, in the minimum amount of Two Million Dollars (\$2,000,000) each occurrence, with not less than Two Million Dollars (\$2,000,000) in annual aggregate coverage, to protect against loss from liability imposed by law for damages on account of personal injury, including death, suffered or alleged to be suffered by any person or persons on or about Ince, the Parking Lots and Parcel B in connection with this License, resulting directly or indirectly from any acts or activities of Licensee, or any person acting for Licensee, or under its respective control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person occurring on or about Ince, the Parking Lots and Parcel B in connection with this License caused directly or indirectly by or from acts or activities of Licensee, or any person acting for Licensee, or under its control or direction. Such property damage and personal injury insurance shall also provide for and protect the City, the Successor Agency, the Parking Authority and Modern Parking against incurring any legal cost in defending claims for alleged loss.

b) Automobile Insurance in an amount of not less than Two Million Dollars (\$2,000,000) per accident; and

c) Workers' Compensation Insurance in an amount and form sufficient to meet all applicable governmental requirements.

Indemnitees shall be named as the "Certificate Holder" and as additional insureds for each insurance policy required herein. Each such policy shall contain a provision that: (a) for all claims, accidents, injuries and damages occurring in or about the Parking Lots, provides primary coverage without contribution from any other insurance carried by or for the benefit of Licensor, (b) the policy shall not be canceled and the amount thereof shall not be reduced unless thirty (30) days' written notice shall have been given to Licensor by certified mail, return receipt requested, which notice shall contain the policy number and the names of the insured and additional insureds, except that the policy shall not be canceled for non-payment of premiums unless ten (10) days' written notice shall have been given to Licensor in the manner set forth herein. All insurance required to be carried by Licensee pursuant to the terms of this Agreement shall be effected under valid and enforceable policies issued by reputable and independent insurers licensed in the State of California with a current A.M. Best's rating of no less than A:VII.

Licensee shall deliver to Licensor appropriate certificates of insurance and endorsements evidencing the insurance required to be carried pursuant to this Agreement prior to the Effective Date of this Agreement.

If Licensee fails or refuses to procure or maintain insurance as required by this Agreement, either (i) this Agreement shall not become effective, or (ii) this Agreement shall immediately terminate.

19. **Default.** Failure or delay by any party to perform any term or provision of this Agreement constitutes a default under this Agreement. The non-defaulting party shall give written notice of default to the defaulting party, specifying the default complained of. The defaulting party must cure, correct or remedy such failure or delay within ten (10) days after receipt of such written notice of default. Notwithstanding the foregoing, Licensor shall make reasonable efforts to prevent the unauthorized use of any of the Reserved Valet Parking Spaces and/or the Reserved Spaces within seventy-two (72) hours of written notice by Licensee. Failure or delay in giving such notice of default shall not constitute a waiver of any default, nor shall it change the time of default. Delays by any party in asserting any of its rights and remedies shall not deprive any 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.

20. **Remedies.** If the defaulting party fails or does not commence to cure the default within ten (10) days of service of the notice of default, then the non-defaulting party may: (i) terminate this Agreement in writing; (ii) institute an action for specific performance of the terms of this Agreement; (iii) 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. The defaulting party shall be liable to the other party for any actual and direct damages caused by such default. Notwithstanding any provisions in this Agreement to the contrary, Licensor and Licensee agree neither Licensee nor Licensor shall be liable for consequential damages as a result of any breach of any other obligation under this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State

of California, in an appropriate Municipal Court in that County, or in the Federal District Court in the Central District of California.

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

21. **Termination.** This Agreement is subject to termination pursuant to the terms set forth in the OPA's "Remedies and Rights of Termination" Section IV C [§409, §410, and §411]. The Successor Agency reserves the right to terminate this Agreement upon the transfer, sale or change of use of Parcel B, Canfield or Venice.

22. **Attorneys' Fees.** In any action between any of the parties seeking enforcement or interpretation of any of the terms and provisions of this Agreement or a declaration as to the meaning hereof, or in connection with this License, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorneys' fees and reasonable fees of expert witnesses.

23. **Notices.** Any notice provided for herein or otherwise required to be given hereunder that: (i) is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; (ii) is transmitted by electronic facsimile transmission during regular business hours of regular business days followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission by electronic facsimile; and (iii) is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

Any notice provided for herein or otherwise required to be given hereunder shall be addressed as follows:

To Licensor: The Successor Agency to the Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90232-0507
Attention: Assistant Executive Director
Phone: (310) 253-5700
Facsimile: (310) 253-5779

To Licensee: Century Wilshire, Inc.
9400 Culver Boulevard
Culver City, CA 90232
Attention: Maya Mallick
Phone: (310) 558-9400

Facsimile: (310) 815-9618

The person and the place to which notices are to be mailed may be changed by either party by providing written notice of same to the other.

24. **Assignments.** The License granted herein may not be assigned by Licensee without the prior written consent of Licensor, which consent may be withheld in Licensor's sole discretion.

25. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns.

26. **Amendments.** No provision of this Agreement may be amended or added to except by an Agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

27. **Further Assurances.** Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent and agreements of the parties hereto.

28. **Governing Law.** This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

29. **Authority to Enter Into Agreement.** The individual(s) executing this Agreement on behalf of each party is (are) authorized to execute this Agreement on behalf of said party. Each party has taken all actions required by law to approve the execution of this Agreement.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representative on the dates shown below.

LICENSOR: THE SUCCESSOR AGENCY TO THE CULVER CITY REDEVELOPMENT AGENCY By: <u>Jon</u> John Nachbar Executive Director Date: <u>3/13/13</u>	LICENSEE: CENTURY WILSHIRE INC., a California corporation By: <u>Maya Mallick</u> Maya Mallick Owner Date: <u>3/13/2013</u>
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APPROVED AS TO FORM:

By: Carol Schwab
Carol Schwab
for Successor Agency Counsel

APPROVED AS TO CONTENT:

By: Sol Blumenfeld
Sol Blumenfeld
Assistant Executive Director

EXHIBIT A

9300 CULVER BOULEVARD "PARCEL B"
PARKING LOT LEGAL DESCRIPTION

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

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

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

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

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

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

JULY 30, 1980 AS INSTRUMENT NO. 80-723166.

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT B

3825 CANFIELD AVENUE
PARKING LOT LEGAL DESCRIPTION

APN No. 4206-030-901

LOTS 22, 23 AND 24 ON BLOCK 16 OF TRACT NO. 2444

EXHIBIT C

9415 VENICE BOULEVARD
PARKING LOT LEGAL DESCRIPTION

APN No. 4313-019-[900-thru-903]

LOTS 20, 21, 22 AND 23 IN BLOCK 8 OF TRACT 2444 IN THE CITY OF LOS ANGELES,
CALIFORNIA

EXHIBIT D

LOCATION OF RESERVED VALET PARKING SECTION
AND FARMERS' MARKET VEHICLE PARKING
AT 9300 CULVER BOULEVARD (PARCEL B)

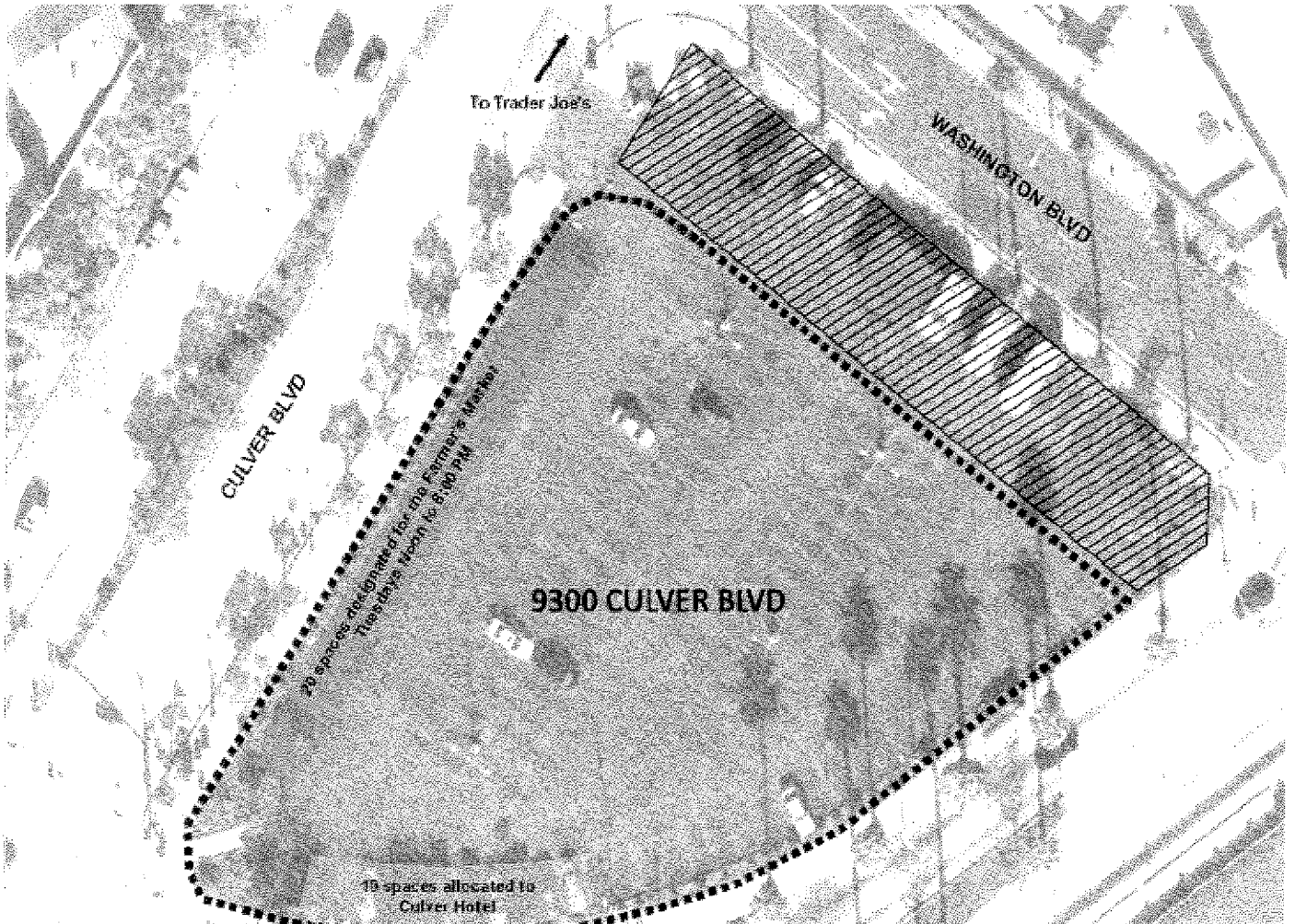
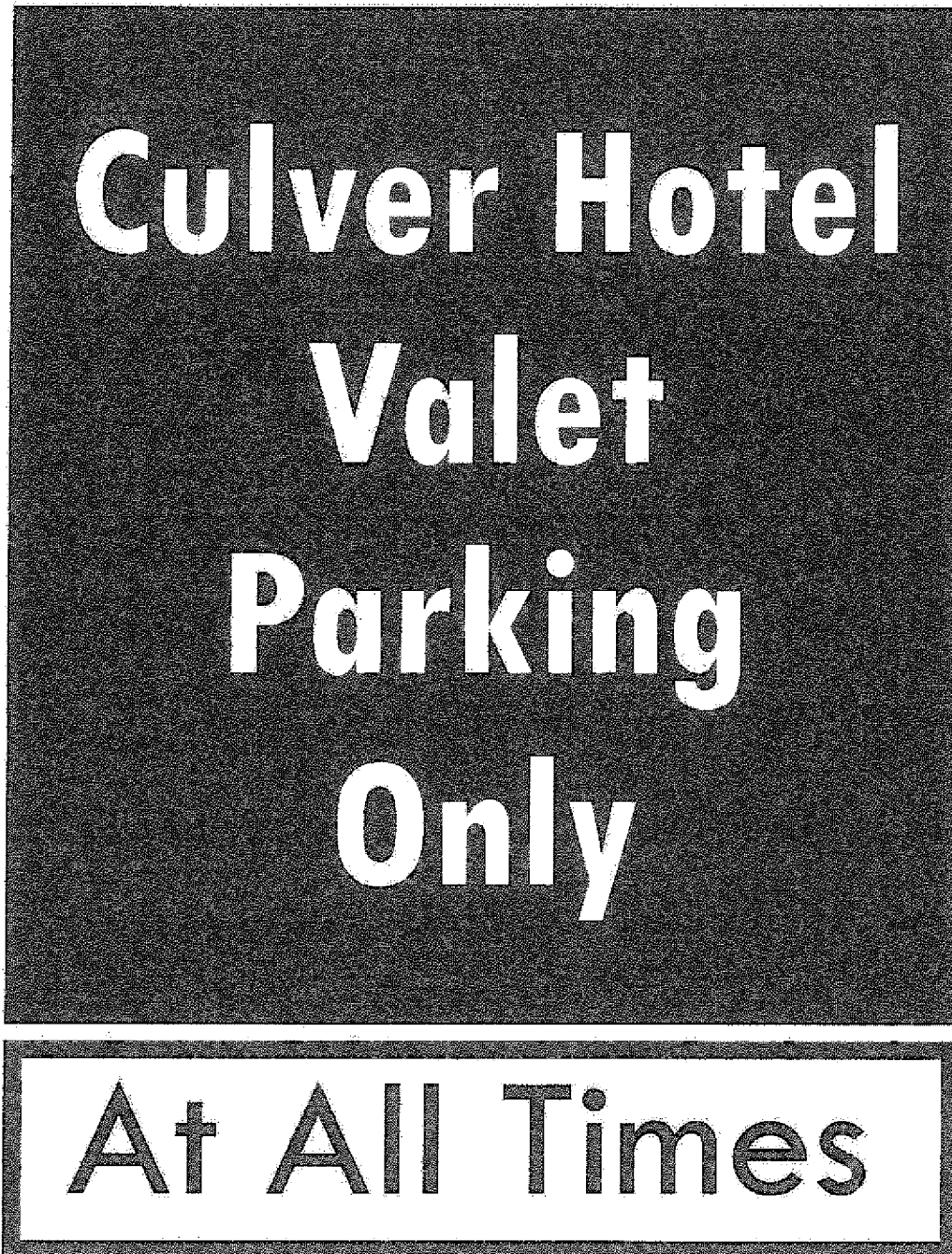


EXHIBIT E

SIGNAGE DESIGN AND TEXT FOR RESERVED VALET PARKING SPACES



PARKING AGREEMENT

This Parking Agreement is entered into by and between the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, ("Agency") and OLIVERMcMILLAN CULVER CITY LLC, a Delaware limited liability company, ("OM") (successor-in-interest to DDR OLIVERMcMILLAN CULVER CITY LLC, a Delaware limited liability company ("DDR-OM") ("Developer").

I. [100] PURPOSE OF PARKING AGREEMENT

Agency and DDR-OM, have entered into that certain Disposition and Development Agreement dated September 23, 1999 and Agency and Developer have entered into an amendment to that agreement dated March 28, 2001, (collectively, the "DDA"), which provides for the disposition of that certain real property designated in the DDA as the Site. Pursuant to the DDA, Agency has conveyed title to the Site to Developer by Grant Deed recorded concurrently with execution of this Parking Agreement; and Developer shall construct the Development.

Agency is undertaking activities necessary and appropriate to redevelop downtown Culver City of which the Site is part and adjacent. In connection with those activities Agency directly or in cooperation with the City of Culver City ("City"), has undertaken to provide, or cause to be provided, various public parking facilities for the use of the general public, and employees, patrons, customers and invitees of the businesses, establishments and facilities within the downtown area. Agency and Developer have determined public parking facilities located with a certain perimeter around the Site, illustrated and designated as the "Parking Perimeter" on the Map of Parking Perimeter (which is attached hereto and incorporated herein as Exhibit A, will adequately serve the proposed uses on the Site.

The purpose of this Parking Agreement is to set forth the terms and conditions in accordance with which Agency will provide such public parking facilities.

II. [200] PROVISION OF AREAS FOR PARKING

Agency agrees to provide, within the Parking Perimeter, approximately 1680 parking spaces (the "Parking Areas"). The Parking Areas shall be constructed and improved to customary City standards for public parking facilities (including without limitation, adequate security lighting), at the sole capital cost and expense of Agency.

In addition to the initial capital costs and expenses, Agency, or others, but not Developer, shall be responsible, at their respective cost and expense, for any capital replacement and/or restoration required within the Parking Areas due to damage or destruction.

In the event Agency elects to reconfigure parking spaces in any part of the Parking Areas (including without limitation the construction or remodeling of a parking structure or structures therein), which Agency may elect to do at any time and from time to time in its sole discretion, then any such reconfiguration shall be accomplished, and the capital costs and expenses thereof shall be borne, by Agency, or others than Developer; provided, that during such reconfiguration (and as a condition precedent to such right to reconfigure) reasonable replacement parking shall be provided which is reasonably acceptable to Agency, Developer, Developer's tenants and the businesses located in the downtown area, unless such reconfiguration is the result of damage or destruction of the Parking Areas due to a cause not in the control of Agency and Agency uses reasonable good faith efforts to provide replacement parking.

In addition to the foregoing, and without any express or implied limitation on the obligations of Agency contained in this Parking Agreement, Agency commits to establish, within the Parking Perimeter and using parking spaces under Agency or City's control, an employee parking strategy for employees of the theater, retail and restaurant users on the Site. The purpose of such strategy is to minimize the impact that employee parking may have on availability of parking for patrons of the theater, retail and restaurant uses on the Site.

III. [300] USE AND OPERATION OF PARKING AREAS

1. The Parking Areas shall be operated in accordance with customary City standards for public parking facilities, for the non-exclusive use of the general public, and employees, patrons, customers and invitees of the businesses, establishments and facilities within and near the downtown area. The employees, patrons, customers and invitees of Developer and its tenants with uses on the Site, shall be provided access to and use of (unrestricted by users of term parking permits) (i) all the parking spaces within the Parking Areas to park passenger vehicles after 6:00 p.m. on weekdays and all day on weekends and holidays and (ii) at least 1250 spaces within the Parking Areas to park passenger vehicles during all other periods when such uses are open for business.

2. If the operation of the Parking Areas, or any portion thereof, includes the imposition of any parking fee or charge for the use thereof, any such parking fee or charge shall be consistent with the general policies and practices of City at the time any such fee or charge is imposed, shall not be discriminatory against Developer and its tenants, or their respective employees, patrons, customers and invitees of uses on the Site and shall be set at a rate which shall not discourage patrons, customers or invitees to use the Parking Areas or businesses at the Site. Any and all receipts from such a parking fee or charge system shall be retained by Agency (and/or City as applicable) as its property. Notwithstanding the foregoing, for the five (5) calendar years immediately following the issuance of a certificate of occupancy for the theater complex Agency shall provide a four (4) hour free parking validation system for the patrons and customers of the restaurant, food tenant, retail and theater uses on the Site, including for cars which were valet parked. For the next five (5) years, Agency may, with Developer and the theater operator's reasonable approval, charge a fee to all users of the Parking Areas, including cars which were valet parked; and

provided, that such fee shall not exceed Two Dollars and Fifty Cents (\$2.50) per car for each use of the Parking Areas. During the tenth (10th) through twentieth (20th) years, Agency may charge a fee, without any cap, but such charge would also be subject to the Developer and theater operator's reasonable approval. Thereafter, Agency may charge a reasonable fee for use of the Parking Area, so long as such fee does not place the Development in a situation where other comparable/competitive projects have a competitive advantage. Prior to deciding whether any charge for parking would be imposed anywhere in the downtown area, including the Parking Areas and the Street Parking, Agency and Developer shall meet and negotiate, in good faith, with the downtown business and property owners.

3. As long as a grocery store is a tenant of Parcel C, Agency shall mark at least sixty (60) spaces within the Parking Structure in close proximity to Parcel C as "45 minute only" from 9:00 a.m. until 9:00 p.m. on weekdays and weekends. Agency agrees to provide a maximum of twenty (20) spaces within the Parking Structure for the use of the grocery store employees without charge during their working hours.

4. Developer shall not include in any lease any rental charge, or other charge, for parking. This paragraph is not intended to prevent or limit the amount Developer can charge as rent for leaseable space on the non-theatre portions of Parcel A, on Parcel B, and on Parcel C, as long as such rent does not include any value for parking. Within the Parking Structure Lot, Agency agrees to provide Developer, for Developer's lessees (i) three and sixth-tenths (3.6) parking spaces per one thousand (1000) square feet of gross leaseable office area from 8:00 a.m. until 6:00 p.m. on non-holiday Mondays through Fridays, (ii) one and one half (1.5) parking spaces per one thousand (1000) square feet of gross leaseable office area at all other times. Additional parking spaces will be made available to the lessee in the Parking Structure Lot at the then current monthly rate then generally charged by Agency for rental of a surface parking space.

5. Agency and Developer by this Parking Agreement do not intend to create a possessory interest by Developer in the Parking Areas, or any portion thereof, but only a covenant by Agency to provide the Parking Areas for the general public, including the uses on the Site. Nevertheless, in accordance with California Revenue and Taxation Code Section 107.6(a), Agency states that by entering into this Parking Agreement, a possessory interest subject to property taxes could be determined to be created. In such case, Developer or other party in whom the possessory interest might be determined to be vested could be subject to payment of property taxes levied on such interest. If such tax is levied, Developer or the other party shall be solely responsible to make the payment, thereof, and Agency shall reimburse Developer for such tax paid.

IV. [400] MAINTENANCE OF PARKING AREAS

Agency, at its sole cost and expense (except as expressly provided in Article V, below), shall perform, or cause to be performed, all maintenance of the Parking Areas. Agency shall keep the same in good condition and repair, well striped and without potholes, and clean and free of rubbish and other hazards to persons using the Parking Areas. Maintenance as used herein shall include (without limitation) the repair of improvements and landscaping on the Parking Areas, and the replacement thereof, due to ordinary wear and tear, as well as due to casualty or vandalism.

V. [500] GENERAL PROVISIONS

A. [501] Effective Date and Duration of Parking Agreement

This Parking Agreement shall be effective upon the date that the Grant Deed for conveyance of title to the Site to Developer is recorded in the Official Records of Los Angeles County, California. This Parking Agreement shall continue only as long as such Parking Areas are used for the Development; provided, that if due to causes beyond the reasonable control of Developer, or its tenants, the Site or the Parking Areas are unable to be used, this Parking Agreement shall continue in effect during that period of non-use and for the reasonable time afterward necessary for such use to recommence.

B. [502] Severability

If any clause, sentence, or other portion of the terms, conditions, covenants, and restrictions of this Parking Agreement becomes or is declared to be illegal, null, or void for any reason, or be held by any court of competent jurisdiction to be so, the remaining portions of this Parking Agreement shall remain in full force and effect.

C. [503] Notices

All notices, statements, demands, approvals, or other communications to be given under or pursuant to this Parking Agreement shall be in writing, addressed to the parties at their respective addresses as provided below, and will be delivered in person, or by certified or registered mail, postage pre-paid, or by telegraph or cable, charges pre-paid. If mailed or telegraphed, the notice will be deemed to have been given twenty-four (24) hours after the date of mailing or the date of delivery to the telegraph or cable company. The address of the parties to which such notices are to be sent, until further notice, are as follows:

Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90232-0507
Attention: Executive Director

Developer:
OliverMcMillan Culver City, LLC
733 Eighth Avenue
San Diego, CA 92101
Attention: CEO
Copy to: General Counsel

D. [504] Non-Discrimination

By its signature on this Parking Agreement, each party covenants for itself, and its successors and assigns, and all persons claiming under and through them, that there shall be no discrimination or segregation of any person or group of persons on account of sex, marital status, disability, race, color, creed, religion, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of any portion of the Parking Areas, nor shall any occupant of any portion of the Parking Areas, 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 vendors in any portion of the Parking Areas.

E. [505] Assignment of Parking Agreement; Obligation of Successors

This Parking Agreement may only be assigned, and shall be assigned, to any grantee of Developer's entire fee title interest in the Site, and the improvements thereon and to Developer's lender(s) for security for loans for the Site, or the improvements thereon. Developer covenants that in each instance in which Developer ever conveys the Site to a grantee who will become thereby a new party, Developer in such instance shall require the prospective new party to agree not to use, occupy, or allow any lessees of such to use or occupy in any manner which would constitute a violation or breach of any of the DDA, and require the new party to assume and agree to perform each and all of the obligations of Developer under this Parking Agreement, in each case by a written instrument satisfactory to Agency. Notice of each such conveyance and agreement shall be given to Agency at least ten (10) days before making, which notice is to be accompanied by a copy of the proposed conveyance and agreement. On such assumption by a new party and notice of such, Developer shall thereafter be released from any further obligation under this Parking Agreement.

F. [506] Agreement for Exclusive Benefit of Parties

The provisions of this Parking Agreement are for the exclusive benefit of Agency and Developer, and not for the benefit of any other person, nor shall this Parking Agreement be deemed to have conferred any rights, express or implied, upon any other person.

G. [507] Application of Terms to Tenancy Agreements

All lease agreements, tenancy agreements, license agreements or similar arrangements concerning all or part of the Site, (each a "tenancy agreement") entered into by Developer and any third party shall be subject to the provisions of this Parking Agreement. In case of a conflict in the provisions of this Parking Agreement and any such tenancy agreement, this Parking Agreement shall prevail and control. Each tenancy agreement shall contain a provision that it is subject in all respects to the terms and conditions of this Parking Agreement.

H. [508] Governing Laws

This Parking Agreement shall be construed, interpreted, governed and enforced in accordance with the laws of the State of California.

I. [509] No Partnership, Joint Venture or Principal - Agent Relationship

Nothing contained in this Parking Agreement shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of joint venture, or a partnership between or among any of the parties under this Parking Agreement.

J. [510] Successors

This Parking Agreement shall be binding upon and insure to the benefit of the parties hereto and the respective successors and assigns of the parties.

K. [511] Waivers and Amendments

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

IN WITNESS WHEREOF, the parties hereto have caused this Parking Agreement to be executed as of the day set forth opposite their signatures.

CULVER CITY REDEVELOPMENT AGENCY

Date: 7/16/01 By: [Signature]
Executive Director

APPROVED AS TO FORM:
Agency General Counsel

By: [Signature]

OLIVER MCMILLAN CULVER CITY, LLC, a Delaware
limited liability company

Date: 7.12.01 By: [Signature]
Jim McMillan, President

Date: 7.12.01 By: [Signature]
William Persky, Chief Financial Officer

parking agmt11
7/12/01

AMENDMENT TO PARKING AGREEMENT

This Amendment to Parking Agreement is entered into by and between the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic, ("Agency") and OLIVERMcMILLAN CULVER CITY THEATERS LLC, a California limited liability company, ("OM") (successor-in-interest to DDR OLIVERMcMILLAN CULVER CITY LLC, a Delaware limited liability company ("DDR-OM") and OLIVERMcMILLAN CULVER CITY LLC, a Delaware limited liability company ("OMCC")).

WHEREAS, Agency and DDR-OM, entered into that certain Disposition and Development Agreement dated September 23, 1999 ("DDA");

WHEREAS, Agency, and OMCC entered into an amendment to the DDA dated March 28, 2001 ("Amended DDA");

WHEREAS, OM, Agency and the City of Culver City ("City") entered into an amendment to the Amended DDA dated ~~March 10~~^{APRIL}, 2002 (the "Second Amendment") (collectively, the DDA, Amended DDA and the Second Amendment are hereinafter referred to as the "2002 Amended DDA")

WHEREAS, pursuant to the DDA and Amended DDA, OMCC and Agency entered into that certain Parking Agreement dated July 16, 2001 (the "Parking Agreement")

WHEREAS, the purpose of this Amended Parking Agreement is to amend the Parking Agreement to set forth the terms and conditions in accordance with which Agency will provide such public parking facilities in accordance with the 2002 Amended DDA.

NOW, THEREFORE, the parties agree as follows:

I. Unless expressly set forth herein or required by the context hereof, all capitalized terms shall be as defined in the 2002 Amended DDA; provided, that whenever the Parking Agreement referred to Developer it shall be intended to refer to OM, as defined herein.

II. Section 100 of the Parking Agreement is hereby replaced in its entirety with the following:

[§100] PURPOSE OF PARKING AGREEMENT

Agency and DDR-OM, entered into that certain Disposition and Development Agreement dated September 23, 1999 ("DDA") and Agency, and OMCC entered into an amendment to that agreement dated March 28, 2001 ("Amended DDA"), and Developer, Agency and City entered into an amendment to the Amended DDA dated ~~March 10~~^{APRIL}, 2002

(the "Second Amendment") (collectively, the DDA, Amended DDA and Second Amendment are hereinafter referred to as the "2002 Amended DDA"), which 2002 Amended DDA provides for the disposition of that certain real property designated in the 2002 Amended DDA as the Site. Pursuant to the 2002 Amended DDA, Agency has conveyed to the Developer title to Parcel C, and City has conveyed to the Developer title to the Food Tenant/Retail Portion of Parcel A and has leased the Theater Portions of Parcel A to Developer; and Developer has agreed to construct the Development.

Agency is undertaking activities necessary and appropriate to redevelop downtown Culver City of which the Site is part and adjacent. In connection with those activities Agency, directly or in cooperation with City, has undertaken to provide, or cause to be provided, various public parking facilities for the use of the general public, and employees, patrons, customers and invitees of the businesses, establishments and facilities within the downtown area. Agency and Developer have determined public parking facilities located within a certain perimeter around the Site, illustrated and designated as the "Parking Perimeter" on the Map of Parking Perimeter (which is attached hereto and incorporated herein as Exhibit A, will adequately serve the proposed uses on the Site.

The purpose of this Amended Parking Agreement is to set forth the terms and conditions in accordance with which Agency will provide such public parking facilities.

III. Subparagraph 4 of Section 300 of the Parking Agreement is hereby replaced in its entirety by the following:

4. Developer shall not include in any lease any rental charge, or other charge, for parking; provided, that the forgoing sentence is not intended to prevent or limit the amount Developer can charge as rent for leaseable space on the Food Tenant Portion of Parcel A and Parcel C, as long as such rent does not include any value for parking. Within the Parking Structure and for use by employees of the Theater and lessees of businesses on the Food Tenant/Retail Portion of Parcel A, Agency agrees to provide Developer 1.6 parking spaces per one thousand (1000) square feet of gross leasable area of the buildings on Parcel A. Additional parking spaces in the Parking Structure will be made available to the Theater and businesses on the Food Tenant/Retail Portion of Parcel A at the then current monthly rate then generally charged by Agency for rental of a surface parking space.

IV. Section 501 of the Parking Agreement is hereby replaced in its entirety by the following:

A. [§ 501] Effective Date and Duration of Parking Agreement

This Parking Agreement shall be effective upon the Effective Date (as defined in Section 1315 of the Lease). This Parking Agreement shall continue only as long as such Parking Areas are used for the Development; provided, that if due to causes beyond the

reasonable control of Developer, or its tenants, the Site or the Parking Areas are unable to be used, this Parking Agreement shall continue in effect during that period of non-use and for the reasonable time afterward necessary for such use to recommence.

IV. Section 503 of the Parking Agreement is hereby replaced in its entirety by the following:

C. [\$503] Notices

All notices, statements, demands, approvals, or other communications to be given under or pursuant to this Parking Agreement shall be in writing, addressed to the parties at their respective addresses as provided below, and will be delivered in person, or by certified or registered mail, postage pre-paid, return receipt requested, by overnight delivery, charges prepaid, or by facsimile. Notices, statements, demands, approvals and other communications shall be deemed given, received, made or communicated on the earlier of the date personal delivery is effected or on the delivery date or attempted delivery date shown on the return receipt, airbill or facsimile. The address of the parties to which such notices are to be sent, until further notice, are as follows:

Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90232-0507
Attention: Executive Director
Facsimile: 310.253.5779

Developer:
OliverMcMillan Culver City Theaters LLC
733 Eighth Avenue
San Diego, CA 92101
Attention: CEO
Facsimile: 619.321.1234

V. Section 505 of the Parking Agreement is hereby replaced in its entirety by the following:

[\$505] Assignment of Parking Agreement; Obligation of Successors

This Parking Agreement may only be assigned in the same manner as the 2002 Amended DDA.

VI. Except as expressly set forth herein, the terms and conditions of the Parking Agreement shall remain in full force and effect.

VII. The effective date of this Amended Parking Agreement is the date it is signed on

behalf of Agency

IN WITNESS WHEREOF, the parties hereto have caused this Amended Parking Agreement to be executed as of the day set forth opposite their signatures.

CULVER CITY REDEVELOPMENT AGENCY

Date: 4/3/02

By: Mike Thompson
Executive Director

APPROVED AS TO FORM:
Agency General Counsel

By: Joseph W. Ramm

OLIVER MCMILLAN CULVER CITY THEATERS LLC,
a California limited liability company

Date: 3.28.02

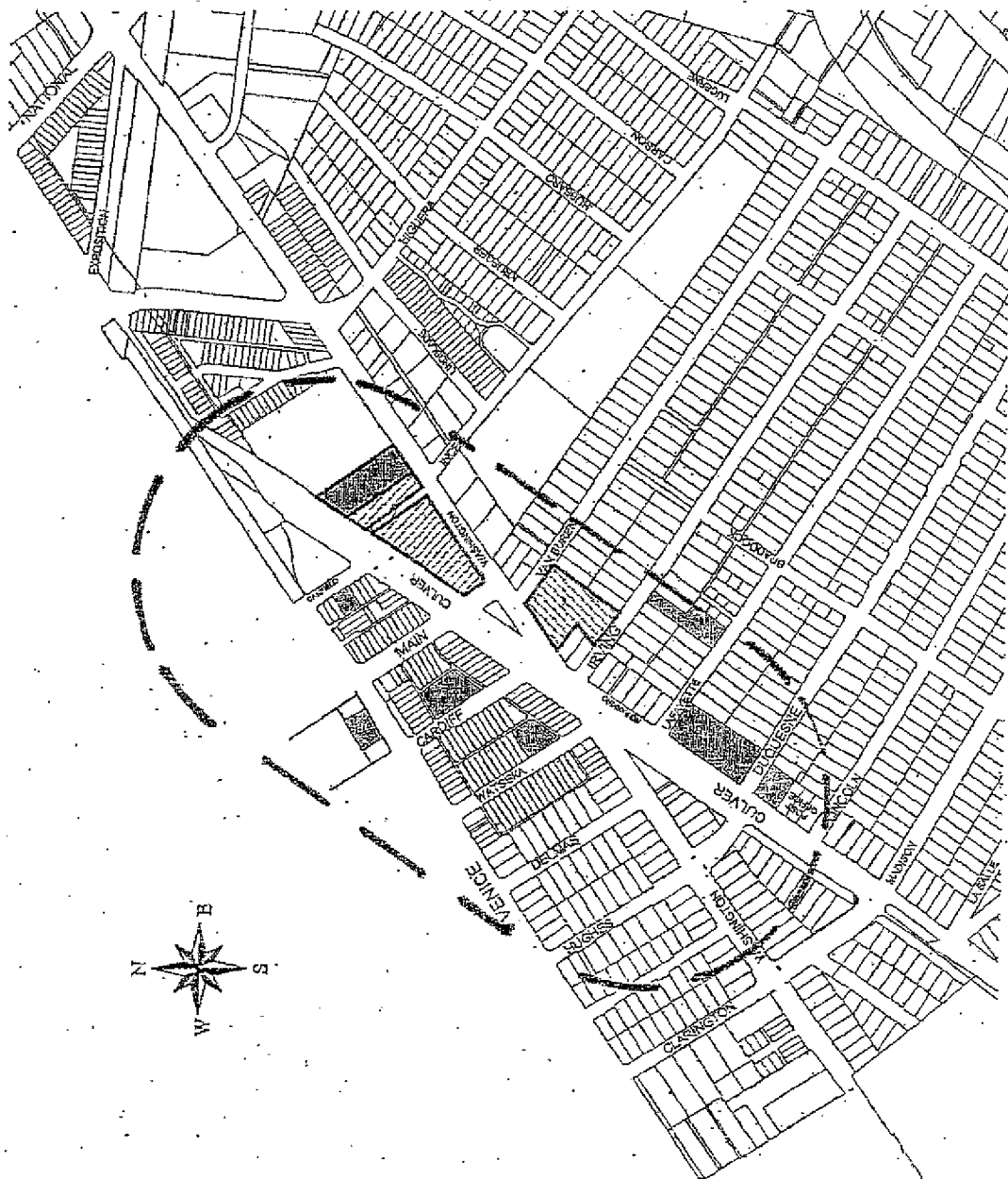
By: [Signature]
James L. McMillan
Its: president

Date: _____

By: _____
Its: _____

parking agrmt1 - amend-2
3/13/02

Exhibit A. Parking Perimeter



Proposed
Garage

Parking Structures

Surface Parking Lots

Proposed Development:

LEASE AGREEMENT

by and between

CULVER CITY REDEVELOPMENT AGENCY

AGENCY,

and

KEIZO AND YUKI ISHIBA
DBA K-ZO,

LESSEE.

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9240 Culver Boulevard

Lease Agreement

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LEASE

This Lease Agreement ("Lease"), dated for reference purposes as ~~November~~⁴ 2010, is made by and among the Culver City Redevelopment Agency, a public body, corporate and politic ("Agency" or "Lessor"), and Keizo Ishiba and Yuki Ishiba, as individuals doing business as K-ZO (all of which are collectively referred to herein as "Lessee").

I. [§100] SUBJECT OF LEASE

A. [§ 101] Purpose of the Lease

The purpose of this Lease is to (i) memorialize a pre-existing lease arrangement ("Pre-Existing Lease") between the Agency, as Lessor, and Lessee with respect to that certain real property located within a portion of the Agency's Ince Parking Structure with the street address 9240 Culver Boulevard (the "Premises"); and (ii) set forth such additional terms and conditions for continuing the leasing arrangement between Agency and Lessee for the remaining term of the Lease in accordance with Section 202, herein. Agency and Lessee acknowledge, understand and agree that the purpose of the Pre-Existing Lease was to cause Lessee to install certain tenant improvements and to operate a high quality, sushi and French-Japanese fusion food service facility, including the Improvements, as defined in Section 103, below. The continued leasing of the Premises and the maintenance and operation of the Improvements pursuant to this Lease are in conformance with Agency's Redevelopment Plan and the Town Plaza Project, and are in the vital and best interests of the City of Culver City ("City") and the health, safety, morals, and welfare of the City's residents and businesses, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

B. [§ 102] The Premises

The Premises is that certain real property illustrated and designated as such on the "Map of the Premises" (which is attached hereto and incorporated herein as Exhibit A) and having the legal description set forth in the "Description of the Premise" (which is attached hereto and incorporated herein as Exhibit B). For purposes of determining Lessee's obligations under this Lease, including tax obligations, the parties agree the Premises is limited to the specific area described in Exhibit A.

C. [§ 103] The Improvements

The Improvements as used in this Lease means any and all physical installations by Lessee at or near the Premises, including, but not limited to, installation of a concrete floor, floor covering, interior walls, painting, wiring, finished electrical with fixtures, two bathrooms, all utilities, a hot water heater, finished plumbing with fixtures, a kitchen, fire sprinklers, HVAC, and a glass window in the door, (i) for the operation of a high quality facility known as the K-ZO

Restaurant ("Lessee's Use") and (ii) for signage only as reasonably approved by Agency's Assistant Executive Director, or her written designee. The portion of the Improvements consisting of the concrete floor, HVAC, fire sprinklers, two bathrooms and a third door to the exterior of the Premises shall be referred to as Lessor Improvements. All other portions of the Improvements shall be referred to as Lessee Improvements. Lessee agrees that as of the date of this Lease, all Lessor Improvements have been safely and satisfactorily completed.

D. [§ 104] Hazardous Substances

1. For purposes of this Lease, "Hazardous Substances" 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 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 Lessee's testing for hazardous materials shall be made available to Agency upon Agency's request.

2. The development, construction and uses of the Premises permitted under this Lease do not require the presence of any Hazardous Substance on the Premises, except for those customarily used in the ordinary course of business for such development, construction and use.

3. Lessee shall not bring or allow to be brought onto the Premises or use or store on the Premises any Hazardous Substances without the prior express written consent of Agency, except for those Hazardous Substances customarily used in the ordinary course of business in the use and operation of the Premises for a restaurant and the Improvements.

4. The following covenants pertain to Lessee's occupancy and use of the Premises and Improvements except for those Hazardous Substances customarily used in the ordinary course of business or on, in or under the Premises which were present prior to the date this Lease is signed by Lessee:

a. No underground storage tanks for Hazardous Substances shall be installed without the prior written approval of Agency's Executive Officer or Assistant Executive Officer.

b. Agency, or its officers, employees, contractors or agents, shall at all times have the right to go upon and inspect the Premises and Improvements and the operations conducted thereon to assure compliance with the requirements herein stated. Agency shall provide reasonable prior notice to Lessee of such entry, and shall seek to minimize interference with Lessee's Use at the Premises as much as is reasonably feasible. Such entry shall be in compliance with all applicable safety rules and regulations. This inspection may include taking samples for testing of substances and materials present and/or testing soils on the Premises and Improvements. Agency shall indemnify, defend, and hold harmless Lessee from and against any claims, liabilities, losses, and damage caused by Agency during any such inspections, and shall be responsible for the prompt repair and/or restoration of any such damage caused by Agency during any such inspection.

c. Lessee shall be responsible for posting on the Premises and Improvements any signs required by Section 25249.6 of the California Health and Safety Code and regulations promulgated pursuant thereto. Lessee shall also complete and file any business response plans or inventories required by Chapter 6.95 of the California Health and Safety Code and regulations

promulgated pursuant thereto. Lessee shall concurrently file a copy of any such business response plan or inventory with Agency.

d. Lessee shall immediately notify Agency in writing of any Hazardous Substance on the Premises and Improvements in violation of applicable law.

e. Lessee shall, to the extent required by applicable law, immediately remove any Hazardous Substances located on the Premises and Improvements and shall dispose of such Hazardous Substances in a safe and legal manner. Lessee shall immediately disclose to Agency its disposal of any Hazardous Substance located on the Premises and Improvements and upon Agency's written request shall provide written documentation of its safe and legal disposal.

5. Lessee shall be responsible for and bear the entire cost of removal and disposal of Hazardous Substances at the Premises related to Lessee's Use, except for any portion, thereof, which were present prior to the date this Lease is signed by Lessee. Agency may also pass through to Lessee any and all clean up costs incurred by Agency as a result of Lessee's activities on the Premises and Improvements or the presence of any Hazardous Substance(s) on, in or under the Premises and Improvements, unless that presence occurred prior to the date this Lease is signed by Lessee. Upon termination of this Lease, Lessee is required, in accordance with all applicable laws, to remove from the Premises and Improvements any equipment or improvement to the property contaminated by Hazardous Substances as result of Lessee's activities on the Premises or the Improvements.

6. Lessee hereby agrees to indemnify, defend and hold harmless Agency and its respective members, officers, agents, employees, contractors and consultants, from any claims, actions, suits, legal and administrative proceedings, liability, injury, deficiency, damages, fines, penalties, punitive damages, costs and expenses (including, without limitation, the cost of any cleanup, remediation, removal, mitigation, monitoring or testing of Hazardous Substances, except for Hazardous Substances on, in or under the Premises which were present prior to the date this Lease is signed by Lessee, and reasonable attorneys' fees) resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Substances on, under, in or about, or the transportation of any Hazardous Substances to or from, the Premises, except for Hazardous Substances on, in or under the Premises which were present prior to the date this Lease is signed by Lessee; or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Substances on, under, in or about, to or from, the Premises, except for Hazardous Substances on, in or under the Premises which were present prior to the date this Lease is signed by Lessee.

7. Beginning from the Effective Date, Lessee hereby waives, releases and discharges Agency and its respective members, officers, employees, agents, contractors and consultants, from any and all present and future claims, demands, suits, legal and administrative proceedings, and from all liability for damages, losses, costs, liabilities, fees and expenses (including, without

limitation, attorney's fees) arising out of or in any way connected with Agency's or Lessee's Use, maintenance, ownership or operation of the Premises, any Hazardous Substances on the Premises, or the existence of Hazardous Substances contamination in any state on the Premises, however the Hazardous Substances came to be placed there, except that arising out of the intentional misconduct of Agency or any of its employees, officers or agents. Lessee acknowledges it is aware of and familiar with the provisions of Section 1542 of the California Civil Code that provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

As such relates to this Section 104, Lessee hereby waives and relinquishes all rights and benefits they may have under Section 1542 of the California Civil Code. By agreeing to the release of this paragraph, Lessee is not thereby assuming any liability whatsoever to any person or entity for any claims, demands, suits, legal and administrative proceedings and for any liability for damages, losses, costs, liabilities, fees and expenses, including attorney's fees and costs of remediation of Hazardous Substance(s), where such Hazardous Substance(s) were present on the Premises prior to the date on which Lessee signs this Lease.

8. Lessee shall not be legally responsible under this Lease, and shall not be obligated in indemnity or apportionment under this Lease, for any claims, demands, suits, legal and administrative proceedings and for any liability for damages, losses, costs, liabilities, fees and expenses, including attorney's fees and costs of remediation of Hazardous Substance(s), where such Hazardous Substance(s) did not originate on the Premises but migrated onto, into or under the Premises through run-off, osmosis or any other process by which such Hazardous Substance(s) originated elsewhere and not by any action or action of Lessee or Lessee's employees or agents.

E. [§ 105] Parties to the Lease

1. [§ 106] Agency

Agency is a public body, corporate and politic, existing and operating pursuant to its by-laws and the constitution and laws of the State of California.

The principal office of Agency is located at 9770 Culver Boulevard, Culver City, California 92032-0507.

"Agency" as used in this Lease, includes any assignee of or successor to its rights, powers and responsibilities, including, but not limited to the City of Culver City.

2. [§ 107] Lessee

Lessee is Keizo and Yuki Ishiba, as individuals, doing business as K-ZO, existing and operating in accordance with the laws of the States of California, as applicable.

For purposes of this Lease, the principal office of Lessee is located at 9240 Culver Blvd., Culver City, Ca 90232..

Wherever the term "Lessee" is used herein, such term shall also include any permitted nominee or assignee as herein provided.

II. [§ 200] LEASE OF THE PREMISES

A. [§ 201] Lease

For and in consideration of the conditions, covenants and agreements set forth herein, Agency hereby leases and demises the Premises to Lessee and Lessee does hereby take and lease the Premises from Agency.

B. [§ 202] Term of the Lease

1. Unless extended or sooner terminated as provided herein, the term of this Lease (the "Term") shall begin on the Effective Date (as defined below) and expire on the tenth annual anniversary of the Effective Date; provided, however, that Lessee shall have the option of extending the Term for two additional (2) periods of five (5) years each (an "Extended Term,"), commencing on the first day following the date the Term or Extended Term expires, as applicable, and upon the same terms and conditions previously applicable and Rent (as defined below). The extension to the Term and an Extended Term, may be exercised only by Lessee's actual delivery of written notice to Agency ("Option Notice") not later than six (6) months prior to the expiration of the Term or an Extended Term, as applicable. The option to extend may be validly exercised only if Lessee is not then in material default hereunder, as reasonably determined by Agency. For purposes of this Lease, the term "Effective Date" shall mean March 1, 2007.

2. At the expiration or earlier termination of this Lease, Lessee shall execute, acknowledge and deliver to Agency, within thirty (30) days after written demand by Agency, a valid and recordable quitclaim deed covering the Premises and the Improvements, free and clear of all liens and encumbrances.

III. [§ 300] RENT AND DEPOSIT

A. [§ 301] Amount and Commencement of Rent

Beginning from the date of this Lease, and on the first day of each calendar month thereafter, for the entire Term, and each Extended Term, if any, Lessee shall pay to Agency a sum of Five Thousand Ten Dollars (\$5010.00) per month (which is equal to Two Dollars and

Twenty One Cents (\$2.21) times two thousand two hundred seventy-six (2,267) square feet of leaseable floor space of the Premises) (the "Rent"); Provided that, during the Term and each Extended Term, if any, on each annual anniversary date of the Effective Date, the then applicable Rent shall be increased, cumulatively, as shown in Exhibit C, attached hereto and incorporated herein by this reference, adjusted by any increases in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI-U) for the Los Angeles – Riverside – Orange County area, up to a maximum adjustment of three percent (3.0%) per year.

B. [§ 302] Additional Rent

1. All other amounts required to be paid by Lessee to Agency, hereunder, including, without limitation, Lessee's share of Operating Expenses (as defined in Section 302 B. 3., below), shall be deemed and referred to as "Additional Rent." Any Additional Rent attributable to a period which falls only partially within the Term, or an Extended Term, if any, shall be prorated between Agency and Lessee based on the actual number of days elapsed so Lessee shall pay only that proportion thereof which the part of such period within the Term or an Extended Term, bears to the entire period.

Additional Rent due hereunder shall be invoiced annually on August 1 of each year of the Term and any Extended Term, and shall be due in full not more than thirty (30) days thereafter.

2. Beginning on August 1, 2010, Lessee shall pay to Agency a share ("Lessee's Proportionate Share"), equal to the square footage of the floor area of the Premises (i.e., two thousand two hundred seventy-six (2,267) square feet) divided by the floor area of Ince Parking Structure (two hundred eighty-two thousand three hundred sixteen (282,316) square feet) of the Operating Expenses (as defined and limited below).

3. Subject to the limitations set forth in Section 302 B. 4., below, "Operating Expenses" shall mean all costs of operating and maintaining the Common Areas, as defined, below, including, without limitation, (i) all actual and direct costs of maintaining, repairing and servicing the Common Areas, such as cleaning, sweeping, replacements, repairs, resurfacing, line painting, lighting, sanitary control, removal of trash, rubbish, garbage and other refuse, and the gardening, weeding and landscaping and costs of supplies in connection therewith; (ii) reasonable charges for heat, water, gas, electricity and other utilities used or consumed in the Common Areas; (iii) rental charges for or the amortized cost of acquisition of maintenance equipment, tools and supplies to the extent used in the Common Areas; (iv) the cost of personnel to implement such services, to direct parking, to police, supervise or provide security protection (except typical City Police Department services) for the Common Areas and to otherwise discharge Agency's obligations with regard to the Common Areas (including salaries, payroll taxes, medical and worker's compensation insurance premiums and similar costs incurred for such personnel); and (v) a fee (the "Management Fee") equal to three percent (3%) of the Operating Expenses for the relevant period (specifically excluding the Management Fee). For purposes of this Lease, "Common Areas" shall include all parking areas along Culver Boulevard

adjacent to the Premises and within the Ince Parking Structure, landscaped areas, streets, sidewalks, driveways along Culver Boulevard adjacent to the Premises, loading platforms areas along Culver Boulevard adjacent to the Premises used by Lessee or Lessee's employees, customers, vendors or invitees, washrooms, lounges and shelters within the Ince Parking Structure, and other facilities available for use by Lessee or Lessee's employees, customers, vendors or invitees within the Ince Parking Structure and immediately abutting the Ince Parking Structure along Culver Boulevard.

4. Operating Expenses shall not include the following: (i) legal fees, brokerage commissions, advertising costs or other related expenses incurred in connection with leasing of space in the Premises; (ii) structural repairs to any improvement or building upon the Premises (including, without limitation, foundations, walls, roof and roof coverings); (iii) repairs, alterations, additions, improvements or replacements made to rectify or correct any defect in design, materials, or workmanship or to comply with any requirements of any governmental authority in effect as of the Effective Date; (iv) any capital improvements or expenditures; (v) damage and repairs attributable to fire or other casualty; (vi) damage and repairs covered under any insurance policy carried by Agency; (vii) damage caused by and repairs necessitated by the negligence or willful misconduct of Agency or Agency's employees, contractors or agents; (viii) any costs incurred in complying with any applicable law; (ix) executive salaries or salaries of service personnel to the extent such service personnel perform services not directly attributable to the management, operation, repair or maintenance of the Premises or Ince Parking Structure; (x) Agency's general overhead expenses not directly attributable to the management, operation, repair or maintenance of the Premises or Ince Parking Structure; (xi) ground lease rental and payments of principal or interest on any mortgage or other encumbrance; (xii) legal fees, accountants' fees and other expenses incurred in connection with disputes with tenants or other occupants or associated with the enforcement of any leases or defense of Agency's title to or interest in the Premises or the Ince Parking Structure or any part thereof; (xiii) costs (including permit, license and inspection fees) incurred in renovating or otherwise improving, decorating, painting or altering space for other tenants or other occupants or vacant space in the Ince Parking Structure; (xiv) costs incurred due to violation by Agency; (xv) all costs are actually reimbursed by insurance or chargeable to another user of the Ince Parking Structure; (xvi) the cost of any utilities unless such utilities were consumed solely in the Common Areas; (xvii) any management fees or administrative or overhead expenses (other than the Management Fee) (xviii) any costs or expenses associated with the remediation or clean-up of any Hazardous Substances (as defined herein), except to the extent required by Section 104; and (xix) any other expense which is not a normal maintenance or operating expense.

C. [§ 303] Security Deposit.

Agency hereby acknowledges that in connection with the Pre-Existing Lease, Lessee has deposited with Agency a security deposit in the amount of \$4,874.35. ("Deposit") as security for the full and faithful performance of Lessee's obligations under this Lease. In the event of an Event of Default, then Landlord may use the Deposit, or any portion of it, to the extent necessary

to cure or remedy the Event of Default. Lessee shall pay to Landlord, on thirty-days' (30-days') written notice, the amount so applied in order to restore the Deposit to its original amount, and Lessee's failure to do so shall constitute a Monetary Default. If Lessee is not in default with respect to the obligations set forth in this Lease at the expiration or termination of this Lease, then Agency shall return the Deposit to Lessee within thirty (30) days after expiration or termination of this Lease, whichever is applicable.

D. [§ 304] Non Subordination of Rent or Other Sums

Lessee hereby covenants and agrees there shall be no subordination or encumbrance of any kind under this Lease or otherwise of (i) Agency's fee title ownership of the Premises; (ii) Agency's interest in this Lease; and (iii) Agency's right to receive Rent and Additional Rent under this Lease.

E. [§ 305] Delinquency In Rental Payment; Collection of Rents

The failure of Lessee to pay rent by the due date shall constitute a default. In the event Lessee fails to pay the applicable rent on or before the due date, in addition to any other remedy provided by this Lease, Lessee shall pay Agency the delinquent Rent, Additional Rent and interest on the total delinquent Rent and Additional Rent at the rate of five percent (5%) per annum from the date of each delinquency. The interest shall accrue from the due date of the Rent and Additional Rent to the date the Rent and Additional Rent is actually received by Agency. It is the intent of this provision for Agency to be compensated by such additional sums for loss resulting from rental delinquency including costs to Agency for servicing the delinquent account. Agency, at its option, may waive any such delinquency compensation required herein, upon written application of Lessee.

IV. [§ 400] DEVELOPMENT OF SITE

A. [§ 401] No Construction Before Notice

No work of any kind shall be commenced on the Premises and no building or other materials shall be delivered to the Premises for construction of any improvements, nor shall any other building or land development work be commenced on or building materials be delivered to the Premises at any time during the Term or an Extended Term, if any, of the Lease, until at least ten (10) days following notice by Lessee to Agency of the intended commencement of such work or the delivery of such materials.

B. [§ 402] Notice of Non Responsibility

Agency shall, at any and all times during the Term and each Extended Term, if any, of this Lease, have the right to post and maintain on the Premises and to record as required by law any notice or notices of non responsibility provided for by the mechanics' lien laws of the State

of California. The work for which said ten (10) days written notice is required shall include, in addition to actual construction work, any site preparation work, installation of utilities, street construction or improvement, or any grading or filling of the Premises.

C. [§ 403] Mechanic, Materialman, Contractor or Subcontractor's Liens

Subject to Lessee's right to contest as hereinafter provided, at all times during the Term and each Extended Term, if any, of the Lease, Lessee shall keep the Premises, including all buildings and improvements now or hereafter located on the Premises, free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises. Lessee shall promptly (i) pay and discharge, or cause the Premises to be released from, any such lien or claim of lien, or (ii) contest such lien and furnish Agency such bond as may be required by law to free the Premises from the effect of such lien and to secure Agency against payment of such lien and against any and all loss or damage whatsoever in any way arising from Lessee's failure to pay or discharge such lien. In the event Lessee provides a bond in lieu of paying or discharging a lien as set forth herein, and Agency is unable despite reasonably diligent effort to obtain an endorsement to any existing title policy in favor of Agency insuring Agency's interest in the Premises free and clear of any such liens that have not been paid or discharged, Lessee shall, at Lessee's sole cost and expense, within thirty (30) days after Agency's written request therefore, provide Agency with such endorsement.

If Lessee fails to pay and discharge, or cause the Premises to be released from, any such lien or claim of lien or to provide a bond as permitted hereunder within thirty (30) days after service on Lessee by Agency of a written request to do so, then Agency may pay, adjust, compromise and discharge any such lien or claim of lien on such terms and in such manner as Agency may reasonably deem appropriate. In such event, Lessee shall, on or before the first day of the next calendar month following any such payment by Agency, reimburse Agency for the full amount so paid by Agency, including any actual and reasonable attorneys' fees or other costs expended by Agency, together with interest thereon at the annual rate of interest equal to five percent (5%) per annum from the date of payment by Agency to the date of Lessee's reimbursement of Agency.

On substantial completion of any work of improvement during the Term and each Extended Term, if any, of the Lease, Lessee shall record or cause to be recorded in the Official Records of Los Angeles County a notice of completion. Lessee hereby appoints Agency as Lessee's attorney in fact to record the notice of completion, which appointment shall only become effective on ten (10) days' notice upon Lessee's failure to record such a notice of completion after the work of improvement has been substantially completed; provided, that Agency shall not be obligated to record such a notice of completion and the failure of Agency to record said notice shall not excuse the failure of Lessee to discharge its obligation to record said notice of completion.

D. [§ 404] Rights of Access

Representatives of Agency shall have the reasonable right of access to the Premises without charges or fees, at normal construction hours during the period of construction for the purposes of this Lease, including, but not limited to, the inspection of the work being performed in constructing the Improvements. Such representatives of Agency shall be the Agency's Executive Director and Assistant Executive Director and those who are so identified in writing by either. Agency shall provide reasonable prior notice to Lessee of such entry, and shall seek to minimize interference with Lessee's Use at the Premises as much as is reasonably feasible. Such entry shall be in compliance with all applicable safety rules and regulations. City shall indemnify, defend, and hold harmless Lessee from and against any claim, liability, losses and damages caused by Agency during any such inspections, and shall be responsible for the prompt repair and/or restoration of any such damage caused by Agency during any such inspection.

E. [§ 405] Local, State and Federal Laws

Lessee hereby agrees to carry out development, construction (as defined by applicable law) and operation of the Improvements on the Property, 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). Lessee hereby expressly acknowledges and agrees neither City nor Agency has ever affirmatively represented to Lessee or its contractor(s) for the Improvement 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. Lessee hereby agrees Lessee 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. Lessee hereby agrees Lessee 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. Lessee hereby agrees Lessee shall have the obligation, at Lessee'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. Lessee 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 Improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Lessee 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 Lessee 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 Lessee 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 Lessee 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 Improvements, including, without limitation, any public work (as defined by applicable law), Lessee 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 and shall continue after recordation of the Certificate of Completion.

F. [§ 406] Nondiscrimination During Construction

Lessee for itself and its successors and assigns agrees that in the construction of the improvements on the Premises provided for in this Lease, Lessee will not discriminate against any employee or applicant for employment because of sex, marital status, race, color, creed, disability, age, religion, national origin, or ancestry.

V. [§ 500] USE OF THE PREMISES AND IMPROVEMENTS

A. [§ 501] Use of the Premises and Improvements

Lessee covenants and agrees for itself, its successors, its assigns and every successor in interest to the Premises and Improvements or any portion thereof, that during construction and thereafter through the remainder of the Term and each Extended Term, if any, of this Lease, Lessee, such successors and such assignees shall:

1. Develop, use, and maintain the Premises solely for Lessee's Use in accordance with this Lease and all plans approved by Agency pursuant thereto.

2. Subject to Sections 706-710, and 1314 of this Lease, operate, in substantially complete fashion, or cause the Improvements to be constructed on the Premises to be operated, in substantially complete fashion, and continuously open for business to the general public in accordance with the standards set forth in this Lease; provided, however, that the requirements of

this subparagraph for continuous operation shall not apply temporarily for the period required for bona fide major remodeling or repairs.

3. a. Maintain, repair and operate the Premises and all Improvements constructed or to be constructed thereon (including landscaping, lighting and signage), or cause the Premises and all such Improvements to be maintained, in a first quality condition, free of debris, waste and graffiti, and in compliance with the terms of City's Municipal Code, and the following:

(1) All Improvements on the Premises shall be maintained in good condition in accordance with the custom and practice generally applicable to the high quality retail space, and in conformance and compliance with all plans, drawings and related documents approved by Agency pursuant to this Lease, all reasonable conditions of approval of land use entitlements adopted by Agency, including painting and cleaning of all exterior surfaces of all private improvements.

(2) Lessee's clean-up and maintenance obligations shall include, without limitation, maintenance of all outdoor dining areas, if any, in a clean condition, including, keeping all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from such areas and the Premises.

(3) Lessee's clean-up and maintenance obligations shall also include, without limitation, skimming the interior and exterior grease traps at least three (3) times annually. The traps shall be completely pumped out and thoroughly cleaned at least semiannually. Within 72 hours of any cleaning or skimming, Lessee shall mail documentary proof thereof satisfactory to the Agency, such as an invoice or bill for said service, to the following address:

City of Culver City
Department of Public Works
Facilities Maintenance Manager
9505 Jefferson Boulevard
Culver City, CA 90232

Within the same 72-hour time period, Lessee shall fax the documentary proof to the Agency at (fax) 310-253-5779. If the Agency, in its sole discretion, deems such proof to be insufficient, it shall have the right to require reasonable further documentation.

If a sanitary sewer overflow, blockage, or other damage occurs that is a result the failure to comply with the provisions hereof, Lessee is liable for any fines, damages, or cleanup costs arising to the point of the external grease trap.

(4) Lessee's maintenance and operation obligations for the Improvements

shall include providing or paying for (a) all necessary utilities such as heat, light, water, gas, air conditioning, sewer service, telephone and other communications services for the Premises; and (b) all security, custodial and janitorial services for the Premises.

(5) Lessee shall maintain and preserve the Improvements in excellent condition and working order, accomplishing the necessary preventative maintenance and repair or replacement of any items which are not in excellent working order and condition

(6) Lessee shall make necessary and appropriate capital improvements to preserve the Improvements and their ability to be utilized by the public and Lessee, including, but not limited to, from time to time making capital improvements and replacements which, to the extent reasonable and practicable in light of the cost to Lessee of any proposed replacements or upgrades of the Improvements and the remaining Term and each Extended Term, as applicable, of this Lease, take into account technological and other changes in the maintenance and operation of high quality retail operations.

(7) Lessee shall assume responsibility, subject to the provisions of this Lease, for the operation and maintenance (including repair, restoration and reconstruction) of all of the Improvements and the costs thereof, and the Agency shall have no liability for costs of such operation and maintenance by Lessee or for any claims arising from the operation and maintenance (including repair, restoration and reconstruction) of the Improvements.

b. If Agency gives written notice to Lessee the maintenance or condition of the Premises or any portion thereof or any of the Improvements does not comply with this Lease and such notice describes the deficiencies, Lessee shall correct, remedy or cure the deficiency within thirty (30) days following the submission of such notice, unless the notice reasonably states the deficiency is an urgent matter relating to public health and safety in which case Lessee shall cure the deficiency with all due diligence and shall complete the cure at the earliest possible time but in no even more than forty-eight (48) hours following the submission of the notice. In the event Lessee fails to maintain the Premises or any portion thereof or any of the Improvements thereon in accordance with this Lease and fails to cure any deficiencies within the applicable period described above, Agency shall have, in addition to any other rights and remedies hereunder, the right to maintain the Premises and the Improvements, or portion thereof, or to contract for the correction of any deficiencies, and Lessee shall be responsible for payment of all such costs actually and reasonably incurred by Agency.

4. a. Pay when due all property taxes, including but not limited to possessory interest taxes, and assessments assessed and levied on the Premises or any portion thereof or any improvements thereon or any interest therein assessed as a result of this Lease; provided, that Lessee may appeal, object or contest any tax or assessment subject to the following requirements: the contest, opposition, or objection must be filed before the tax, assessment, or other charge at which it is directed becomes delinquent and written notice of the contest,

opposition, or objection must be given to Agency before the date the tax or assessment, or other charge becomes delinquent. No such contest, opposition, or objection shall be continued or maintained after the date the tax, assessment, or other charge at which it is directed becomes delinquent unless Lessee has met one of the following conditions:

(1) Paid such tax, assessment, or other charge under protest prior to its becoming delinquent; or

(2) Obtained and maintained a stay of all proceedings for enforcement and collection of the tax, assessment; or other charge by posting such bond or other matter required by law for such a stay; or

(3) Delivered to Agency a good and sufficient undertaking in a form reasonably acceptable to Agency's Executive Director or Assistant Executive Director, in an amount equal to one hundred twenty-five percent (125%) of the amount in controversy (inclusive of fines, interests, penalties, costs, and other expenses that may have accrued or been imposed thereon) and issued by a surety company authorized to issue undertakings in California, conditioned on the payment by Lessee of the tax, assessment, or charge together with any fines, interest, penalties, costs, and expenses that may have accrued or been imposed thereon within thirty (30) days after final determination of Lessee's contest, opposition, or objection to such tax, assessment, or other charge.

Agency shall not be required to join in any proceedings or contest brought by Lessee unless the provisions of any law requires the proceeding or contest be brought by or in the name of Agency or any owner of the Premises. In that case, Agency shall join in the proceeding or contest or permit it to be brought in Agency's name but such action shall be without cost or other liability to Agency and Lessee agrees to pay to Agency all costs incurred by Agency in connection therewith.

B. [§ 502] Management of the Premises and Improvements

At all times during the Term and each Extended Term, if any, the Premises shall be managed or caused to be managed by Lessee in a prudent and business like manner as necessary to maintain the Premises in a first class condition. During the Term and each Extended Term, if any, of this Lease, Lessee shall provide, or cause to be provided, personnel and services necessary to enable operation of the Lessee's Use. All services shall be provided in consideration for the granting of this Lease and no amount shall be payable by Agency for such services.

C. [§ 503] Obligation to Refrain from Discrimination

There shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, creed, religion, national origin, disability,

age or ancestry in the use, occupancy, tenure or enjoyment of the Premises and Improvements, and Lessee itself or any person claiming under or through it shall not establish or permit any such practice or practices of discrimination, or segregation with reference to the selection, location, number, use or occupancy of the Premises and Improvements.

D. [§ 504] Quiet Enjoyment

The parties hereto mutually covenant and agree Lessee, by keeping and performing the covenants herein contained, shall at all times during the Term and each Extended Term, if any, of this Lease, peaceably and quietly have, hold and enjoy the Premises and Improvements.

E. [§ 505] Parking

During the hours Lessee's Use is open to the general public, Agency shall cause to be provided, on the first floor of the Ince Parking Structure for the non-exclusive use of Lessee's customers, sixty (60) regular passenger vehicle parking spaces with a parking time limit of forty-five (45) minutes. In addition, Agency shall cause to be provided, on the second and third floors of the Ince Parking Structure for the non-exclusive use of Lessee's customers, regular passenger vehicle parking spaces with two-hour free parking ("Initial Free Parking Period"), by validation or some other system. Lessee may extend the Initial Free Parking Period an additional two-hours (for a total of four-hour free parking period) for its customers, as needed, by validation or some other system. In addition, Agency shall provide Lessee seven (7) non-exclusive permit parking spaces for employees, at no cost, subject to Licensee's execution of the Agency's Monthly Automobile Parking License, attached hereto as Exhibit D and incorporated herein by this reference.

VI. [§ 600] TAXES, ASSESSMENTS AND OTHER CHARGES

A. [§ 601] Payment Generally

Lessee agrees to pay or cause to be paid, as and when they become due and payable, and before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the nonpayment thereof, all taxes, assessments, franchises, excises, license and permit fees, and other governmental levies and charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever which at any time during the Term or an Extended Term, if any, of this Lease may be assessed, levied, confirmed, imposed upon, or become due and payable out of or in respect of, or become a lien on: (1) the Premises and Improvements or any part thereof or any appurtenance thereto; (2) the income received by Lessee from guests or others for the use of the Premises; or (3) this transaction or any document to which Lessee is a party, creating or transferring an interest or estate in the Premises. All such taxes, franchises, excises, license and permit fees, and other governmental levies and charges shall hereinafter be referred to as "Impositions," and any of the same shall hereinafter be referred to as an "Imposition." Any Imposition relating to a fiscal period of the

taxing authority, a part of which period is included within the Term or an Extended Term, if any, and a part of which is included in a period of time after the expiration of the Term or an Extended Term, if any, shall (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon, become a lien upon the Premises and Improvements, or shall become payable, during the Term or an Extended Term, if any, of this Lease) be adjusted between Agency and Lessee as of the expiration of the Term, or an Extended Term, if any, so that Lessee shall pay that portion of the Imposition which that part of such fiscal period included in the period of time before the expiration of the Term or an Extended Term, if any, bears to such fiscal period, and Agency shall pay the remainder thereof; Lessee shall not be entitled to receive any apportionment, if Lessee shall be in default in the performance of any of Lessee's covenants and agreements as provided in this Lease.

The failure of Lessee to pay an Imposition that cannot under any circumstances give rise to a lien against the Premises and Improvements shall not be a breach of the first paragraph of this Section 601. Lessee hereby agrees to defend, indemnify and hold harmless Agency and its respective officers, employees and consultants from and against all claims, liability, loss, damage, costs, or expenses (including reasonable attorney's fees and court costs) arising from or as a result of Lessee's failure to pay any Imposition to the extent that such Imposition relates to a fiscal period included within the Term or an Extended Term, if any.

B. [§ 602] Payment of Impositions in Installments

If, by law, any Imposition may at the option of the payer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Lessee may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event, shall pay such installments as may become due during the Term or an Extended Term, if any, as the same respectively become due and before any fine, penalty, further interest or cost may be added thereto; provided, however, that the amount of all installments of any such Imposition which will be the responsibility of Lessee pursuant to Section 601 herein above, and which are to become due and payable after the expiration of the Term or an Extended Term, if any, shall be deposited with Agency for such payment on the date which shall be one (1) year immediately prior to the date of such expiration.

C. [§ 603] Agency Right to Cure

If Lessee, in violation of the provisions of this Lease, shall fail to pay and to discharge any Imposition, Agency may (but shall not be obligated to) pay or discharge it, and the amount paid by Agency and the amount of all costs, expenses, interest and penalties connected therewith, including attorney fees, together with interest at the rate of five percent (5%) per annum, shall be deemed to be and shall be payable by Lessee as additional rent and shall be reimbursed to Agency by Lessee on demand, provided that Lessee shall have failed to pay such Imposition within ten (10) business days after written notice from Agency to Lessee and such holder of Agency's intention to pay.

D. [§ 604] Tax Receipts

Lessee shall furnish to Agency, within forty five (45) days after the date when any real property taxes, assessments or any other Imposition which could have any effect on Agency's title would become delinquent, official receipts of the appropriate taxing authority or other evidence satisfactory to Agency evidencing payment thereof.

E. [§ 605] Limits of Tax Liability

The provisions of this Lease shall not be deemed to require Lessee to pay municipal, county, state or federal income or gross receipts or excess profits taxes assessed against Agency, or municipal, county, state or federal capital levy, estate, succession, inheritance, gift, or transfer taxes of Agency, or corporation franchise taxes imposed upon any corporate owner of the fee of the Premises; provided, however, that Lessee shall pay all taxes assessed by any governmental authority by virtue of any operation by Lessee conducted on or out of the Premises. It is agreed, in the event the State of California or any taxing authority, thereunder, changes or modifies the system of taxing real estate so as to tax the rental income from real estate in lieu of or in substitution (in whole or in part) for the real estate taxes and so as to impose a liability upon Agency for the amount of such tax, then Lessee shall be liable under this Lease for the payment of the taxes so imposed during the Term or an Extended Term, if any, of this Lease to the same extent as though the alternative tax was a tax upon the value of the Premises and Improvements. In order to determine the amount of such alternative tax for which Lessee shall be liable, the Premises and Improvements shall be considered as if it were an asset belonging only to Agency, and the rent paid hereunder shall be considered as if it belonged to Agency.

F. [§ 606] Contests

1. Lessee shall refrain from appealing, challenging or contesting in any manner the validity or amount of any tax assessment, encumbrance or lien on the Premises, unless Lessee either pre-pays the assessment or encumbrance as a condition of challenging it, or posts a bond for one hundred twenty-five percent (125%) of the total assessment or encumbrance as a security in the event of an unsuccessful challenge. Lessee may also maintain a challenge to an Imposition if the proceedings to enforce the Imposition are stayed, pending the outcome of the challenge. This prohibition shall not apply to an appeal, challenge or contesting of the erroneous initial assessment for property tax purposes of the Premises in the fiscal year of the completion of the improvements to be constructed pursuant to this Lease, and further provided that in the absence of transfer of ownership or new construction Lessee shall not be prohibited from appealing, challenging or contesting any increases in assessment of the Premises for property tax purposes over and above the current 2% per annum permitted amount.

2. Lessee agrees any such permitted proceedings shall be begun without undue delay after any contested item is imposed and shall be prosecuted to final adjudication with reasonable dispatch. Lessee shall give Agency prompt notice in writing of any such contest at least ten (10)

days before any delinquency occurs. In the event of any such contest and the final determination thereof adversely to Lessee, Lessee shall, before any fine, interest, penalty or cost may be added thereto for nonpayment thereof, pay fully and discharge the amounts involved in or affected by such contest, together with any penalties, fines, interest, costs and expenses that may have accrued thereon or that may result from any such contest by Lessee and, after such payment and discharge by Lessee, Agency will promptly return to Lessee such security as Agency shall have received in connection with such contest.

3. Agency shall cooperate reasonably in any such contest permitted by this Section 606, and shall execute any documents or pleadings reasonably required for such purpose. Any such proceedings to contest the validity or amount of Imposition or to recover back any Imposition paid by Lessee shall be prosecuted by Lessee at Lessee's sole cost and expense; and Lessee shall indemnify and save harmless Agency against any and all loss, cost or expense of any kind, including, but not limited to, reasonable attorneys' fees and expenses, which may be imposed upon or incurred by Agency in connection therewith.

G. [§ 607] Notice of Possessory Interest; Payment of Taxes and Assessments on
Value of Entire Property

In accordance with California Revenue and Taxation Code Section 107.6(a), Agency states by entering into this Lease, a possessory interest subject to property taxes shall be created. Lessee or other party in whom the possessory interest is vested shall be liable for the payment of property taxes levied on such interest.

Lessee acknowledges and agrees the Premises and the Improvements thereon, and any possessory interest therein, shall at all times after the Effective Date, be subject to ad valorem taxes levied, assessed or imposed on such property.

H. [§ 608] Other Liens

Lessee shall not, directly or indirectly, create or permit to be created or to remain, and will promptly discharge, at its expense, any mortgage, lien, encumbrance or charge on or pledge of the Premises or the Improvements, or fixtures and furnishings, or any part thereof, or Lessee's interest therein, or the rent, additional rent or other sums payable by Lessee under this Lease. Lessee shall notify Agency promptly of any lien or encumbrance which has been created on or attached to the Premises and Improvements, or to Lessee's leasehold estate therein, whether by act of Lessee or otherwise. The existence of any mechanic's, laborer's, materialmen's, supplier's or vendor's lien, or any right in respect thereof, shall not constitute a violation of this Section if payment is not yet due upon the contract or for the goods or services in respect of which any such lien has arisen, or if such lien has been discharged by the posting of bonds or other lien-release security as is provided for such discharge by law.

VII. [§ 700] OWNERSHIP OF AND RESPONSIBILITY FOR IMPROVEMENTS

A. [§ 701] Ownership During Term and at Termination

All the Improvements, whether or not constructed or installed by Lessee as permitted or required by this Lease shall, during the Term or an Extended Term, if any, become part of the Premises and Lessee's leasehold interests under this Lease shall apply to the Improvements. All the Improvements, whether existing thereon on the Effective Date, or constructed or installed thereon by Lessee as permitted or required by this Lease shall, at the expiration or sooner termination of the Term or an Extended Term, if any, be and remain the property of Agency. Subject to Lessee's rights and obligations set forth in this Lease relating to alterations and additions, Lessee shall have no right at any time to waste, destroy, demolish or remove any of the Improvements. Lessee's rights and powers with respect to the Improvements are subject to the terms and limitations of this Lease. Agency and Lessee covenant for themselves and all persons claiming under or through them that the Improvements are real property. Notwithstanding the foregoing, any equipment installed by Lessee which are integral to the operation of Lessee's Use shall be considered and remain the personal property of Lessee and shall be removed at Lessee's sole cost upon Lessee's vacation of the Premises at the end of the Term or an Extended Term, if any. Lessee shall ensure any damage resulting from that removal is reasonably repaired, as requested by Agency.

B. [§ 702] Reserved

C. [§ 703] Maintenance and Repair of Improvements

Lessee agrees to assume full responsibility for the operation and maintenance of the Premises and the Improvements and all fixtures and furnishings, thereon or therein, throughout the Term or an Extended Term, if any, without expense to Agency unless otherwise specified herein, and to perform all repairs and replacements necessary to maintain and preserve the Premises and the Improvements and fixtures and furnishings and walkways and landscaping in a decent, safe and sanitary condition in a manner reasonably satisfactory to Agency and in compliance with all applicable laws. Lessee agrees Agency shall not be required to perform any maintenance, repairs, or services or to assume any expense not specifically assumed herein in connection with the Premises and the Improvements, fixtures and furnishings, and sidewalks and landscaping.

The condition of the Improvements required to be maintained hereunder upon completion of the work of maintenance or repair shall be equal in value, quality and use to the condition of the Improvements before the event giving rise to the work.

D. [§ 704] Waste

Lessee shall not commit or suffer to be committed any waste or impairment of the

Premises or the Improvements, or any part thereof.

Lessee agrees to keep the Premises and the Improvements clean and clear of refuse and obstructions, and to lawfully dispose of all garbage, trash and rubbish.

E. [§ 705] Alteration of Improvements

Lessee shall not make or permit to be made any alteration of, addition to or change in the Improvements, other than (a) routine maintenance, repairs, interior decoration and minor interior alterations or (b) alterations, additions or changes not open to public view which cost in the aggregate less than an amount equal to Ten Thousand Dollars (\$10,000.00) escalated from the date of this Lease in accordance with the CPI, nor demolish all or any part of the Improvements, without the prior written consent of Agency's Executive Director or Assistant Executive Director. In requesting such consent, Lessee shall submit to Agency detailed plans and specifications of the proposed work and an explanation of the need and reasons thereof. Agency may not unreasonably withhold consent for any proposed alterations of the Improvements on the Premises.

Notwithstanding the prohibition in this Section 705, Lessee may make such changes, repairs, alterations, improvements, renewals or replacements to the Improvements as are required by reason of any law, ordinance, regulation or order of a competent government authority.

F. [§ 706] Damage to or Destruction of Improvements

1. [§ 707] Lessee to Give Notice

In case of any damage to or destruction of the Improvements, or any part thereof, in excess of an amount equal to Ten Thousand Dollars (\$10,000.00) (change amount) escalated from the date of this Lease in accordance with the CPI, Lessee shall within ten (10) days after Lessee becomes aware of such damage or destruction give written notice thereof to Agency generally describing the nature and extent of such damage or destruction.

G. [§ 708] Restoration

a. Lessee shall be responsible for the restoration of the Improvements in accordance with the damage and destruction clauses of this Lease.

b. In case of any damage to or destruction of the Improvements, or any part thereof, Lessee shall commence the restoration, replacement or rebuilding of the Improvements with such alterations and additions as may be approved by Agency (such restoration, replacement, rebuilding alterations and additions, together with any temporary repairs and property protection pending completion of the work being herein called "Restoration") within thirty (30) days of such damage or destruction, plus any additional period reasonably required to obtain any Net Insurance Proceeds to be used to pay all or a portion of the cost of such

Restoration, and shall complete such Restoration within a reasonable period of time thereafter.

c. As used herein, the term "Net Insurance Proceeds" means the gross insurance proceeds paid by an insurer to Lessee for loss or damage to the Improvements, less any and all costs and expenses (including, but not limited to reasonable attorney's fees) incurred to recover said proceeds. Lessee agrees to promptly commence and prosecute to completion the settlement of insurance proceeds with respect to any event of damage or destruction of the Improvements on the Premises.

d. Lessee agrees, notwithstanding any other provision of this Lease, upon any event of damage or destruction to the Improvements, Lessee shall at its sole cost and expense (whether or not Lessee terminates or intends to terminate this Lease pursuant to Section 710 below) immediately take or cause to be taken such actions and under and complete such work as is necessary to assure the safe condition of the damaged Improvements pending the ultimate disposition of the Improvements. In any instance where Lessee may elect to terminate this Lease rather than restore the Improvements pursuant to Section 710 below, if Lessee does not terminate this Lease, Lessee shall restore the Improvements.

H. [§ 709] Application of Insurance Proceeds

Insurance proceeds carried under Article X which are received on account of any damage to or destruction of the Premises or the Improvements thereon, or any portion thereof, (less the costs, fees and expenses incurred in the collection thereof, including without limitation attorney's fees and expenses) and if Lessee shall not make the election permitted in Section 710 below, shall be applied as follows:

a. Within a reasonable time and in any event within one hundred eighty (180) days after the damage to or destruction of the Improvements, Lessee shall furnish, or cause to be furnished to Agency evidence satisfactory to Agency (i) of the total cost of Restoration of the damaged or destroyed Improvements pursuant to Section 708 and (ii) that the total amount of money available will, when added to the insurance proceeds received and available to pay for the Restoration pursuant to the terms of this Section 709, be sufficient to pay the cost of such Restoration.

b. Net insurance proceeds received on account of any damage to or destruction of the Improvements, or any part thereof, shall be paid to Lessee or as Lessee may direct from time to time as Restoration progresses, solely to pay (or reimburse Lessee for) the cost of Restoration. Upon receipt by Agency of evidence Restoration has been completed and the cost thereof paid in full or has been adequately provided for, and there are no mechanic's or similar liens for labor or materials supplied in connection therewith which have not been adequately provided for, the balance, if any, of such proceeds shall be paid to Lessee.

c. Any insurance proceeds held by the recipient on any termination of this

Lease, including any extension thereof, and not required to be paid to Agency pursuant to the provisions of this Lease shall be paid first to the expenses of clearing the Premises of any rubble and next to Lessee.

I. [§ 710] Damage or Destruction During Final Year of the Term or an Extended Term

Notwithstanding Sections 708 and 709 to the contrary, in the event of major damage or destruction to the Improvements or the Premises during the last year of the Term or an Extended Term, if any, Agency shall not unreasonably withhold its approval if Lessee requests this Lease be terminated on thirty (30) days' written notice; provided, that Lessee first complies with all of the following conditions:

1. Lessee shall give Agency notice of the damage or destruction within ten (10) days after the event causing such damage and destruction.
2. Lessee shall give Agency notice requesting this Lease be terminated as a result of such damage or destruction within forty five (45) days after settlement of insurance proceeds, but in any event within one hundred eighty (180) days after the event causing such damage or destruction.
3. Lessee shall pay to Agency all applicable rents to the date of such termination.
4. Lessee shall clear and remove all debris from the Premises, restore the Premises to a safe and neat condition, deliver possession of the Premises to Agency, and shall quitclaim all right, title and interest in the Premises to Agency.
5. Lessee shall transfer to Agency all insurance proceeds resulting from the casualty to be retained by Agency without limitation as to use.

Major damage or destruction to the Improvements as used in this Section means such damage or destruction if the cost of Restoration will exceed fifty percent (50%) of the cost to replace the Improvements on the Premises in their entirety; provided, that this Section shall not apply if Agency decides, in its sole discretion, to pay the cost of restoration in excess of that fifty percent (50%) replacement cost.

J. [§ 711] Faithful Performance and Labor and Material (Payment) Bonds;
Indemnification; Nonresponsibility Notices

1. Lessee agrees to hold harmless and indemnify Agency and each of its officers, employees and agents against all claims, liabilities, costs and expenses, for labor and materials in connection with all construction, repairs or alterations on the Premises and Improvements and the Improvements, and the cost of defending against such claims, including reasonable attorney's fees. Lessee shall also be responsible to pay for any damage caused to Agency property as a

result of construction of the Improvements or use of the Premises by Lessee and Lessee's invitees, subject to the provisions of Section 501 A. 2.

2. Lessee agrees to procure, or cause the procurement of, contractor's bonds covering labor, materials and faithful performance for construction on the Premises and Improvements and the Improvements in accordance with the following requirements:

a. As to the initial construction of the Improvements required by this Lease, such bonds shall be in an amount equal to one hundred twenty-five percent (125%) of the total sum of the construction prices to be paid to each sub-contractor whose sub-contract has a contract price in excess of Twenty Thousand Dollars (\$20,000), and shall be accompanied by the corporate guarantee of the general contractor in an amount equal to one hundred percent (100%) of the sum of the construction price in the contract entered into by Lessee and its general contractor.

b. As to work taking place after the Effective Date hereof, involving repair or alteration of the Improvements in an aggregate amount exceeding \$250,000 plus escalations to such amount after the date of this Lease in accordance with the CPI, such bonds shall be in the amount equal to one hundred percent (100%) of the construction price in the contract entered into by Lessee and its general contractor. Subsequent work in an aggregate amount of \$250,000 (plus escalations to such amount after the date of this Lease in accordance with the CPI) or less shall not be subject to bonding requirements.

Agency's Executive Director or Assistant Executive Director must first approve the bonds and the construction contract in writing as to content and form. Lessee shall, prior to commencement of construction, deliver to Agency a certificate or certificates from the bonding company or companies issuing the aforesaid bonds, naming Agency as additional co-obligees under said bonds.

3. The provisions of paragraphs 1. and 2. of this Section shall be applicable to construction, repairs or alterations to the Premises and Improvements and the use of the Improvements at all times during the Term or an Extended Term, if any, subject to the provisions of Section 501 A. 2.

4. Agency shall have the right to post and maintain on the Premises and the Improvements any notices of nonresponsibility provided for under applicable law.

VIII. [§ 800] ASSIGNMENT, SUBLETTING, TRANSFER

A. [§ 801] Warranty Against Transfer

1. Lessee hereby represents and warrants this Lease, the construction of the Improvements, and its other undertakings pursuant hereto are, and will be used for the purpose of

Lessee constructing, maintaining and operation of a high quality retail space for Lessee's Use. Lessee further recognizes a change in ownership or control of Lessee or of a part thereof, or any other act or transaction involving or resulting in a change in ownership or with respect to the identity of the parties in control of Lessee or the degrees thereof, is for practical purposes a transfer or disposition of the Premises and Improvements; and

2. The qualifications and identity of Lessee are of particular concern to the community and Agency. Lessee further recognizes it is because of such qualifications and identity Agency is entering into this Lease with Lessee.

B. [§ 802] Prohibition Against Transfer

1. Lessee shall not, except as permitted by this Lease, make any Transfer, hereinafter defined, to any person or entity (a "Transferee"), without the prior written consent of Agency which request shall not be unreasonably withheld. Any purported Transfer not permitted by this Article VIII or Article IX shall be ipso facto null and void, and no voluntary or involuntary successor to any interest of Lessee under such a Transfer shall acquire any rights pursuant to this Lease. These restrictions shall be binding on any successors, heirs or permitted Transferee of Lessee. "Transfer," as used herein, shall mean any assignment or attempt to assign this Lease or any right herein, any total or partial transfer, sale, assignment, Lease, sublease, license, franchise, gift, hypothecation, mortgage, pledge, encumbrance or the like.

2. This prohibition shall not be deemed to prevent the assignment of this Lease to any affiliate of Lessee or joint venture; provided, that Lessee submits evidence satisfactory to Agency the principals who own and control Lessee will maintain a majority controlling interest after consummation of such transaction and will have the ability to maintain a majority controlling interest throughout the Term and each Extended Term, if any.

3. No voluntary or involuntary successor-in-interest of Lessee shall acquire any rights or powers under this Lease except as expressly permitted under this Lease. This Lease may not be assigned, nor may a transfer of interest take place without the express, prior written consent of Agency.

4. During the existence of this Lease, Lessee shall promptly notify Agency of any and all changes whatsoever in the identity of the parties in control of Lessee, or a change in the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information.

5. In the absence of specific express written provision to the contrary by Agency, a Transfer of the Premises or Improvements, or portion thereof, as approved by Agency, shall not be deemed to relieve the Lessee or any other party from any obligations under this Lease arising on or after the effective date of the Transfer.

6. No provision hereof authorizing a Transfer of Lessee's interest herein shall be construed to authorize encumbrance of Agency's fee title to the Premises or Agency's interest under this Lease, and Lessee shall not by any act or deed cloud Agency's fee title or Agency's interest under this Lease.

C. [§ 803] Investigation of Proposed Transferee; Costs

1. In the event Lessee requests Agency's written consent to a proposed Transfer pursuant to Article VIII of this Lease, Lessee agrees to provide Agency with such information, including financial statements as Agency may reasonably require in order to evaluate the solvency, financial responsibility and relevant business acumen and experience of any proposed Transferee. Such information shall include, without limitation, a balance sheet of the proposed Transferee as of a date within ninety (90) days of the request for Agency's consent and statements of income or profit and loss of the proposed subtenant or assignee for the two-year period preceding the request for Agency's consent, if the same be available (or such other similar information as shall be available at the time the request for approval of the Transfer is made), and a written statement in reasonable detail as to the business and experience of the proposed Transferee during the five (5) years preceding the request for Agency's consent.

Within thirty (30) days after the receipt of Lessee's written notice requesting Agency approval of a Transfer, Agency shall respond in writing by stating what further information, if any, Agency reasonably requires in order to determine whether or not to approve the requested Transfer. Upon receipt of such a timely response, Lessee shall promptly furnish to Agency such further information as may be reasonably requested.

Lessee's request for approval of a Transfer and delivery of necessary information (i) for financing purposes shall be deemed complete twenty (20) days after Agency's receipt thereof and (ii) for all other types of Transfer shall be deemed complete thirty (30) days after Agency's receipt thereof, if Agency does not deny approval or if no timely response requesting further information regarding the proposed assignee is delivered to Lessee, or, if such a timely response requesting further information is received, on the date which is fifteen (15) days after the date Lessee delivers such additional information to Agency. None of the foregoing shall restrict Agency's rights to deny approval of any Transfer not found acceptable by Agency pursuant to this Lease. Any Transfer requiring Agency's consent shall only be effective upon Agency's written consent to such Transfer.

Agency shall approve or disapprove any requested Transfer for financing purposes requiring Agency approval within thirty (30) days after Lessee's request therefor is accepted as complete or is deemed complete, and Agency shall approve or disapprove any other type of requested Transfer requiring Agency approval within forty-five (45) days after Lessee's request therefor is accepted as complete or is deemed complete. Any disapproval shall be in writing and shall specify the reasons for the disapproval and, if applicable, the conditions required to be

satisfied by Lessee in order to obtain approval.

2. If Agency consents to any Transfer pursuant to Article VIII, such consent shall not be effective unless and until Lessee gives Agency notice of the Transfer and a copy of any documents effecting or evidencing such Transfer, and unless and until any such Transferee (other than a sublessee) assumes all of the obligations and liabilities of Lessee under this Lease.

3. Bankruptcy. It is acknowledged and agreed this Lease is a lease of real property within the meaning of Subsection 365(b) (3) of the Bankruptcy Code, 11, U.S.C. To the extent not prohibited by provisions of the Bankruptcy Code, 11 U.S.C. Section 101 et seq., including Section 365(f)(1) thereof, Lessee on behalf of itself, creditors, administrators and assigns waives the applicability of Sections 541(c) and 365(e) of the Bankruptcy Code of 1978 unless the proposed assignee of the Trustee for the estate of the bankrupt meets Agency's standards for consent. Agency has entered into this Lease with Lessee in order to obtain for the benefit of the Premises the unique types of facilities, businesses, services and goods which Lessee can bring to the Premises; the foregoing prohibition on Transfer or subletting is expressly agreed to by Lessee in consideration of such fact. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such Transfer. Any such assignee shall upon demand execute and deliver to Agency an instrument confirming such assumption.

4. Agency's Fee. Lessee agrees to reimburse Agency for Agency's reasonable costs and attorney's fees incurred in connection with the processing and documentation of any requested Transfer, subletting, transfer, change of ownership or hypothecation of this Lease or Lessee's interest in and at the Premises, or any party thereof, which required Agency's approval hereunder, in an amount not to exceed Five Thousand Dollars (\$5,000.00) for each such Transfer (which amount shall be adjusted each year by the CPI).

5. No Waiver. The acceptance by Agency of any payment due hereunder from any other person shall not be deemed to be a waiver by Agency of any provision of this Lease or to be a consent to any Transfer or subletting. Consent by Agency to one or more Transfers of this Lease or to one or more sublets of the Premises shall not operate as a waiver or estoppel to the future enforcement by Agency of its rights pursuant to the provisions of this Lease.

D. [§ 804] Release of Construction Covenants

1. Within thirty (30) days after completion of all construction and development to be completed by Lessee upon the Premises pursuant to this Lease, Agency shall furnish Lessee with a Release of Construction Covenants, in such form as to permit it to be recorded in the Office of the County Recorder of Los Angeles County, upon written request therefor by Lessee. Agency shall not unreasonably withhold such Release of Construction Covenants. Such Release of Construction Covenants shall constitute evidence of satisfactory completion of the construction

required under this Lease, and the Release of Construction Covenants shall so state.

2. If Agency refuses or fails to furnish a Release of Construction Covenants for the Premises after written request from Lessee, Agency shall, within thirty (30) calendar days after the written request, provide Lessee with a written statement of the reasons Agency refused or failed to furnish the Release of Construction Covenants for the Premises. The statement shall also contain Agency's opinion of the action Lessee must take to obtain a Release of Construction Covenants for the Premises, but it need not contain technical information or instructions. If the reason for such refusal is confined to the immediate availability of specific items of landscaping or other minor items or the failure to complete "punch list" items, Agency shall issue the Release of Construction Covenants upon the posting of a bond or other security instrument in form and content acceptable to Agency and in an amount representing the fair value of the work not yet completed, which bond or other security instrument shall secure Lessee's obligation to complete all outstanding items of construction and development within sixty (60) days following the issuance of the Release of Construction Covenants.

3. Such Release of Construction Covenants is not notice of completion as referred to in Section 3093 of the California Civil Code.

IX. [§ 900] NO SUBORDINATION OF AGENCY'S INTERESTS

Agency's interest in the Premises under this Lease is a vested landlord's reversionary interest and not just a contractual obligation of Lessee. Notwithstanding anything which is or appears to be to the contrary in this Lease, Lessee shall not encumber Agency's interest under this Lease or Agency's fee interest in the Premises by any mortgage, deed of trust, lien, security instrument or financing conveyance of any kind whatsoever.

X. [§ 1000] INDEMNIFICATION AND INSURANCE

A. [§ 1001] Indemnification

Throughout the Term and each Extended Term, if any, Lessee agrees to and shall defend, indemnify and hold harmless Agency, City and each of their officers, employees, agents, contractors and consultants from and against all claims, liability, loss, damage, costs or expenses (including reasonable attorneys' fees and court costs) 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 be directly or indirectly caused by or based on Agency's ownership of or interest in the Premises or any portion thereof or any of the Improvements thereon or the condition of the Premises or any portion thereof or any of the Improvements thereon or Lessee's rehabilitation, development, construction, use or operation of the Premises or any portion thereof or any of the Improvements thereon or any of Lessee's activities under this Lease, whether such actions or inactions thereof be by Lessee or anyone directly or indirectly employed or contracted with by Lessee and whether such damage or injury shall accrue or be

discovered before or after the termination of this Lease. Lessee shall not be responsible for (and such indemnity shall not apply to) property damage or bodily injury caused by entry onto the Premises by Agency, City or either of their officers, employees, agents, contractors or consultants, pursuant to various provisions of this Lease, or to the extent caused by the willful misconduct or gross negligence of Agency or any of its designated officers, employees, agents, contractors or consultants..

B. [§ 1002] Required Insurance

During the Term and each Extended Term, if any, of this Lease, Lessee at its sole cost and expense shall:

1. Keep or cause to be kept a policy or policies of insurance against loss or damage to the Improvements on the Premises, resulting from fire, earthquake (to the extent commercially available at commercially reasonable rates), windstorm, hail, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily included in extended coverage fire insurance policies. Such insurance shall be maintained in an amount not less than one hundred percent (100%) of the full insurable value of the Improvements as defined herein in Section 1003 (such value to include amounts spent for construction of the improvements, architectural and engineering fees, and inspection and supervision).

2. Maintain or cause to be maintained use and occupancy or business interruption or rental income insurance against the perils of fire, windstorm, hail, lightning, vandalism and malicious mischief, riot and civil commotion, and such other perils ordinarily included in extended coverage fire insurance policies, in an amount equal to not less than two times the sum of the rent paid to Agency in any year under this Lease and twelve (12) months fixed operating expenses of Lessee, except to the extent such insurance is not commercially available at commercially reasonable rates due to reasons other than the wrongful acts or omissions or dangerous or hazardous activities of Lessee.

3. Maintain or cause to be maintained public liability insurance, to protect against loss from liability imposed by law for damages on account of personal injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever, resulting directly or indirectly from any act or activities of Lessee or under Lessee's control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from the acts or activities in connection with the Premises and Improvements of Lessee or its invitees and sublessees, or any person acting for Lessee, or under its control or direction. Any such property damage and personal injury insurance maintained by Lessee at any time during the Term and each Extended Term, if any, of this Lease shall name Agency, and each of its respective officers, employees, agents and consultants, as additional insureds and shall also provide for and protect Agency against incurring any legal cost in defending claims for alleged loss. Such personal injury and property damage insurance shall be maintained in full force and effect during the entire Term and each

Extended Term, if any, of this Lease in an amount not less than Two Million Dollars (\$2,000,000) aggregate limit as of the Effective Date. Lessee agrees provisions of this paragraph 3, as to maintenance of insurance, shall not be construed as limiting in any way the extent to which Lessee may be held responsible for the payment of damages to persons or property resulting from Lessee's activities, or activities of its invitees and sublessees or the activities of any other person or persons for which Lessee is otherwise responsible.

4. Maintain or cause to be maintained worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof. Such worker's compensation insurance shall cover all persons employed by Lessee in connection with the Premises and Improvements, and shall cover full liability for compensation under any such act aforesaid, based upon death or bodily injury claims made by, for or on behalf of any person incurring or suffering injury or death in connection with the Premises and Improvements, or the operation thereof by Lessee.

C. [§ 1003] Definition of "Full Insurable Value"

The term "full insurable value" as used in Section 1002 shall mean the actual replacement cost (excluding the cost of excavation, foundation and footings below the ground level and without deduction for depreciation) of the Improvements, including the cost of construction of the Improvements, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, Lessee shall cause the full insurable value to be determined from time to time by the insurer or by a qualified expert mutually acceptable to Agency and Lessee, not less often than once every three years.

D. [§ 1004] General Insurance Provisions

All insurance provided under Section 1002 of this Lease shall be primary insurance for the benefit of Lessee, City and Agency.

All insurance provided under Section 1002 shall be periodically reviewed by the parties for the purpose of mutually increasing or decreasing the minimum limits of such insurance, from time to time, to amounts which may be reasonable and customary for similar facilities of like size and operation.

The insurance to be provided by Lessee may provide for a deductible or self-insured retention of not more than Five Thousand Dollars (\$5,000.00), with such amount to increase at such times as Agency may require increases in the policy limits as set forth above; provided, that the percentage increase in the deductible or self-insured retention shall not exceed the percentage increase in the CPI since the last requested adjustment; and provided, further, that Lessee may maintain such higher deductibles or self-insured retention as may be approved in writing by

Agency's Executive Director or Assistant Executive Director. In the event such insurance does provide for deductibles or self-insured retention, Lessee agrees it will fully protect Agency each of its boards, officers, agents, consultants and employees in the same manner as those interests would have been protected had the policy or policies not contained the deductible or retention provisions.

All insurance herein provided for under Section 1002 shall be affected under policies issued by insurers of recognized responsibility licensed or permitted to do business in the State of California, subject to the reasonable approval of Agency's General Counsel.

Any insurance required to be maintained by Lessee pursuant to Section 1002 may be taken out under a blanket insurance policy or policies covering other premises or properties, and other insureds in addition to the parties hereto; provided, however, that any such policy or policies of blanket insurance shall specify therein, or supplemental written certification from the insurers under such policies shall specify, the amount of insurance irrevocably allocated to the coverage to be provided under Section 1002 and provided further, that in all other respects, any such blanket policy shall comply with the other provisions of Section 1002.

All policies or certificates of insurance shall provide that such policies or certificates shall not be canceled or materially changed without at least thirty (30) days prior written notice to Agency.

Copies of such policies, or certificates thereof subject to the reasonable approval of Agency's General Counsel, shall be deposited with Agency together with appropriate evidence of payment of the premiums therefor; and, at least thirty (30) days prior to expiration of any such policy, copies of renewal policies shall be so deposited.

E. [§ 1005] Failure to Maintain Insurance

If Lessee fails or refuses to procure or maintain insurance as required by this Lease, Agency shall have the right, and without notice, to procure and maintain such insurance. The premiums paid by Agency shall be treated as additional rent due from Lessee, to be paid on the first day of the month following the date on which the premiums were paid. Agency shall give prompt notice of the payment of such premiums, stating the amounts paid and the name of the insured(s).

F. [§ 1006] Disposition of Insurance Proceeds Resulting from Loss or Damage to Improvements

1. Subject to the provisions of paragraph 2, below, proceeds of insurance with respect to loss or damage to the Improvements to be maintained and repaired by Lessee during the Term and each Extended Term, if any, of this Lease shall be payable, under the provisions of the policy of insurance, to Lessee, or, if such loss or damage involves the need for Lessee to

obtain any governmental approvals or permits, jointly to Lessee and Agency, and said proceeds shall constitute a trust fund to be used for the repair, restoration or reconstruction of the Improvements in accordance with plans and specifications approved in writing by Agency. Lessee shall have first right of reimbursement from any money deposited in such trust account for any payments towards the repairs of loss or damages actually made by Lessee.

2. In the event this Lease is terminated by mutual agreement of Agency and Lessee, and the Improvements are not repaired, restored or reconstructed, the insurance proceeds shall be applied first to any payments due under this Lease from Lessee to Agency, second to restore the Premises to a neat and clean condition and, finally, any excess shall be paid to Lessee.

3. Lessee hereby waives any claim against Agency for any loss covered by insurance of the type specified in Section 1002; and Lessee, shall obtain from its insurance company or companies a waiver of any right of subrogation that it may have against Agency.

XI. [§ 1100] ESTOPPELS

A. [§ 1101] Estoppels for Pre-Existing Lease

For the benefit of Agency, by execution of this Lease, Lessee does hereby certify:

1. As of the date of this Lease, Agency has, to the best of Lessee's knowledge, performed its obligations due and required under the Pre-Existing Lease.

2. Lessee has accepted and is presently occupying the Premises.

3. Lessee has no knowledge of any Hazardous Substances on the Premises.

For the benefit of Lessee, by execution of this Lease, Agency does hereby certify:

1. As of the date of this Lease, Lessee has, to the best of Agency's knowledge, performed its obligations due and required under the Pre-Existing Lease.

XII. [§ 1200] DEFAULTS, REMEDIES AND TERMINATION

A. [§ 1201] Defaults General

1. Subject to the extensions of time set forth in Section 1314 of this Lease, failure or delay by either party to perform any term or provision of this Lease constitutes a default under this Lease. The party who so fails or delays must immediately commence to cure, correct, or remedy such failure or delay, and shall complete such cure, correction or remedy with reasonable diligence and, in any event, for monetary defaults within thirty (30) days of such failure or delay, and for non-monetary defaults within the time reasonably required for cure with reasonable diligence, not to exceed one hundred and eighty (180) days plus any period or periods of

enforced delay required by Section 1314 of this Lease (the "Cure Period").

2. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as required to protect against further damages, and except as otherwise expressly provided in Sections 1207 and 1208 of this Lease, the injured party may not institute proceedings against the party in default until the expiration of the applicable Cure Period. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

3. Except as otherwise expressly provided in this Lease, any failure or delay by either party in asserting any of its remedies or rights as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

B. [§ 1202] Legal Actions

1. [§ 1203] Institution of Legal Actions

In addition to any other rights or remedies, either party may institute legal action to cure, correct, or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Lease. 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.

2. [§ 1204] Applicable Law

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

3. [§ 1205] Acceptance of Service of Process

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

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

4. [§ 1206] Attorney's Fees and Court Costs

In the event that either Agency or Lessee shall bring or commence an action to enforce

the terms and conditions of this Lease or to obtain damages against the other party arising from any default under or violation of this Lease, then the prevailing party shall be entitled to an award of attorney's fees and court costs as reasonably determined by a court.

C. [§ 1207] Rights and Remedies are Cumulative

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

D. [§ 1208] Damages

If either party defaults with regard to any of the provisions of this Lease, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not commenced to be cured within thirty (30) days after service of the notice of default and is not cured prior to the expiration of the applicable Cure Period, the defaulting party shall be liable to the non-defaulting party for any damages caused by such default, and the non-defaulting party may thereafter (but not before) commence an action for damages against the defaulting party with respect to such default.

E. [§ 1209] Specific Performance

If either party defaults with regard to any of the provisions of this Lease, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not commenced to be cured within thirty (30) days after service of the notice of default and is not cured prior to the expiration of the applicable Cure Period, the non-defaulting party, at its option, may thereafter (but not before) commence an action for specific performance of the terms of this Lease pertaining to such default.

F. [§ 1210] Additional Remedies of Agency

1. If Lessee defaults with regard to any of the provisions of this Lease, Agency shall serve written notice of such default upon Lessee. If the default is not commenced to be cured promptly after service of the notice of default or if the cure is not prosecuted to completion with all due diligence and in any event prior to the expiration of the applicable Cure Period, Agency, at its option, may thereafter (but not before):

a. Correct or cause to be corrected said default and charge the costs therefor to the account of Lessee;

b. Correct or cause to be corrected said default and pay the costs thereof from the proceeds of any insurance;

c. Continue this Lease and Lessee's right to possession in effect and enforce its rights and remedies under the Lease, including the right to recover rent as it becomes due, as provided in Section 1951.4 of the California Civil Code.

d. Have a receiver appointed to take possession of Lessee's interest in the Premises and Improvements, with power in said receiver to administer Lessee's interest therein, to collect all funds available to Lessee in connection with its operation and maintenance thereof; and to perform all other acts consistent with Lessee's obligations under this Lease as the court deems proper;

e. Maintain and operate the Premises and Improvements without terminating this Lease;

f. Collect from Lessee liquidated damages in the amount of One Hundred Dollars (\$100.00) per day for each day, or portion thereof, Lessee has failed to complete the Improvements in accordance with the time requirements of this Lease; and

g. Terminate this Lease pursuant to Section 1211 hereof, by written notice to Lessee of its intention to do so.

2. Agency reserves and shall have the right at all reasonable times to enter the Premises and the Improvements for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the Premises and the Improvements or to inspect the operations conducted thereon, subject to the limitations and requirements for Agency rights of access set forth in Section 405 of this Lease. Any such entry shall be made only after reasonable notice to Lessee. In the event such entry or inspection by Agency discloses the Premises or the Improvements are not in a decent, safe, and sanitary condition, are damaged, or in disrepair, Agency shall have the right, after thirty (30) days written notice to Lessee and Lessee's failure to cure the problem within the Cure Period, to have any necessary maintenance or repair work done for and at the expense of Lessee and Lessee hereby agrees to pay promptly any and all costs incurred by Agency in having such necessary maintenance or repair work done in order to keep the Premises and the Improvements in a decent, safe and sanitary condition.

3. The rights reserved in this Section 1210 shall not create any obligations on Agency or increase obligations imposed on Agency elsewhere in this Lease. The thirty-day (30-day) cure period shall apply to all defaults, both monetary and non-monetary. Further, Agency shall have the duty to mitigate its damages in the event of any default. If any default results in termination of this Lease, then Lessee shall have no further obligations under this Lease, which includes no further obligations for rent payments, and the only obligations due and owing after termination would be those which arose prior to the termination.

G. [§ 1211] Remedies and Rights of Termination

1. In the event at any time during the Term or an Extended Term, if any, and in violation of this Lease, Lessee shall:

a. Fail to commence or complete the construction of the Improvements as required by this Lease or within the time required by this Lease;

b. Abandon or substantially suspend construction of the Improvements as required by this Lease prior to the completion thereof and issuance of a Release of Construction Covenants therefor by Agency;

c. Use the Premises and Improvements for any purpose other than those provided for in this Lease or fail to use and maintain the Premises and Improvements in accordance with Section 501 of this Lease;

d. Fail or refuse to pay to Agency when due the applicable rents and other sums required by this Lease to be paid by Lessee, including but not limited to payments required under Sections 300 et seq. of this Lease;

e. Fail or refuse to pay when due any taxes, assessments or other Impositions as required by this Lease;

f. Make or suffer to be made any voluntary or involuntary conveyance, assignment, sublease or other Transfer of the leasehold interest in the Premises and Improvements, or any part thereof, or of the rights of Lessee under this Lease;

g. Commit or suffer to be committed any waste or impairment of the Premises or the Improvements, or any part thereof;

h. Alter the Improvements in any manner except as expressly permitted by this Lease;

i. Fail to maintain insurance as required by this Lease;

j. Fail to make full repair and restoration of the Improvements in the event of damage or destruction;

k. Engage in any financing except as permitted by the terms of this Lease, or any other transaction creating any mortgage on the Premises, or placing or suffering to be placed thereon any lien or other encumbrance, or suffering any levy or attachment to be made thereon;

l. Voluntarily file or have filed against it any petition under any bankruptcy or insolvency act or law, or be adjudicated a bankrupt, or make a general assignment for the benefit of creditors;

m. Fail to pay when due any payment or charge or otherwise default on any loan secured by a leasehold mortgage permitted by this Lease;

n. Abandon or surrender possession of the Premises, or Lessee's interest therein;

o. Fail to perform any of Lessee's Hazardous Substances covenants; or

p. Fail to perform or comply with any other material term or provision hereof, and any such failure or violation shall not be cured or remedied within the applicable Cure Period; then, in such event, Agency may, at its option and in addition to any other remedy provided for in this Lease, terminate the Lease and revert in Agency the Leasehold interest theretofore transferred to Lessee, by written notice to Lessee of its intention to do so.

2. Upon termination of this Lease pursuant to this Section 1211 it shall be lawful for Agency to re enter and repossess the Premises without process of law, and Lessee, in such event, does hereby waive any demand for possession thereof, and agrees to surrender and deliver peaceably to Agency immediately upon such termination in good order, condition and repair, except for reasonable wear and tear. Upon such termination title to all Improvements on the Premises specified in this Lease to remain in Agency, shall remain in Agency.

3. No ejectment, re entry or other act by or on behalf of Agency shall constitute a termination unless Agency gives Lessee notice of termination in writing. Such termination shall not relieve or release Lessee from any obligation incurred pursuant to this Lease prior to the date of such termination.

4. Termination of this Lease under this Section 1211 shall not relieve Lessee from the obligation to pay any sum due to Agency or from any claim for damages against Lessee.

5. The right of termination provided by this Section 1211 is not exclusive and shall be cumulative to all other rights and remedies possessed by Agency, and nothing contained herein shall be construed so as to defeat any other rights or remedies to which Agency may be entitled.

XIII [§ 1300] GENERAL PROVISIONS

A. [§ 1301] Notices, Demands and Communications between the Parties

Formal notices, demands and communications between Agency and Lessee shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of Agency, to the attention of Agency's Assistant Executive Director, and of Lessee as designated in Section 106 and Section 107 hereof. 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. Sufficient

notice may also be given by personal delivery or reputable overnight delivery service in lieu of mail if reasonably adequate records are maintained of such service in the ordinary course of business by the person or entity effecting such service.

B. [§ 1302] Time of Essence

Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Lease.

C. [§ 1303] Conflict of Interests

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

2. Lessee warrants it has not paid or given, and will not pay or give, any officer or employee of Agency any money or other consideration for obtaining this Lease.

D. [§ 1304] Non-liability of Agency Officials and Employees

No council member, official or employee of Agency shall be personally liable to Lessee, or any successor in interest, in the event of any default or breach by Agency or any for any amount which may become due to Lessee or successor or on any obligations under the terms of this Lease.

E. [§ 1305] Inspection of Books and Records

Agency has the right at all reasonable times to inspect the books and records of Lessee pertaining to the Premises and Improvements as pertinent to the purposes of this Lease. Lessee also has the right at all reasonable times to inspect the books and records of Agency pertaining to the Premises and Improvements as pertinent to the purposes of this Lease. Lessee background, credit information and rating, track record for operation of a restaurant and banking references shall not substantially and negatively change from that information provided to Agency's Assistant Executive Director prior to Agency's approval of this Lease.

F. [§ 1306] No Partnership

Neither anything in this Lease contained, nor any acts of Agency or Lessee shall be deemed or construed by any person to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between Agency and Lessee.

G. [§ 1307] Compliance with Law

Lessee agrees, at its sole cost and expense, to comply and secure compliance with all the applicable and valid requirements now in force, or which may hereafter be in force, of all municipal, county, State and federal authorities, pertaining to the Premises and Improvements, as well as operations conducted thereon, and to faithfully observe and secure compliance with, in the use of the Premises and Improvements, all applicable county and municipal ordinances and state and federal statutes now in force or which may hereafter be in force, including all laws prohibiting discrimination or segregation in the use, sale, Lease or occupancy of the property.

H. [§ 1308] Surrender of Property

Except as otherwise expressly provided in this Lease, upon the expiration or termination of this Lease pursuant to the terms hereof, it shall be lawful for Agency to reenter and repossess the Premises and Improvements without process of law, and Lessee, in such event, does hereby waive any demand for possession thereof, and agrees to surrender and deliver the Premises and Improvements peaceably to Agency immediately upon such expiration or termination in good order, condition and repair, except for reasonable wear and tear.

I. [§ 1309] Severability

If any provision of this Lease shall be adjudged invalid or unenforceable by a court of competent jurisdiction, then the remaining provisions of this Lease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

J. [§ 1310] Binding Effect

This Lease, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. All obligations and rights of Lessee under this Lease shall apply jointly and severally between Keizo Ishiba and Yuki Ishiba.

K. [§ 1311] Captions

The captions contained in this Lease are merely a reference and are not to be used to construe or limit the text.

L. [§ 1312] No Recording of this Lease

This Lease shall not be recorded.

M. [§ 1313] Enforced Delay in Performance for Causes Beyond Control of Party

In addition to specific provisions of this Lease, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to causes beyond the control and without the fault of the party claiming an extension of time to perform, including

Culver City Redevelopment Agency
9240 Culver Boulevard
Lease Agreement

war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; electrical power failure; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor or supplier; acts or failure to act of any other public or governmental agency or entity (other than any act or failure to act of Agency, which shall not excuse performance by Agency). An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other party more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice.

N. [§ 1314] Entire Agreement, Waivers and Amendments

1. This Lease is executed in two (2) duplicate originals, each of which is deemed to be an original. This Lease includes thirty-nine (39) pages and four (4) exhibits. This Lease shall become effective on the date it is executed on behalf of Agency ("Effective Date").

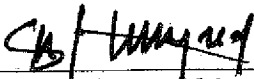
2. All waivers of the provisions of this Lease must be in writing and signed by the appropriate authorities of Agency or Lessee and all amendments hereto must be in writing and signed by the appropriate authorities of Agency and Lessee.

O. [§ 1315] Approvals

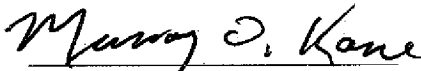
Except as expressly provided otherwise in this Lease, approvals required of Agency or Lessee shall not be unreasonably withheld, conditioned or delayed. Amendments to this Lease may be signed on behalf of Agency by Agency's Executive Director or Assistant Executive Director.

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

Date: 11/4, 2010

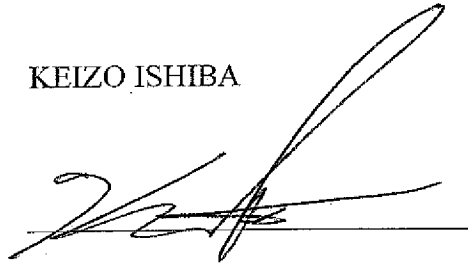
By: 
Sol Blumenfeld
Assistant Executive Director

APPROVED AS TO FORM:
Kane, Ballmer & Berkman


Murray D. Kane
Agency General Counsel

Date: 10-18, 2010

KEIZO ISHIBA



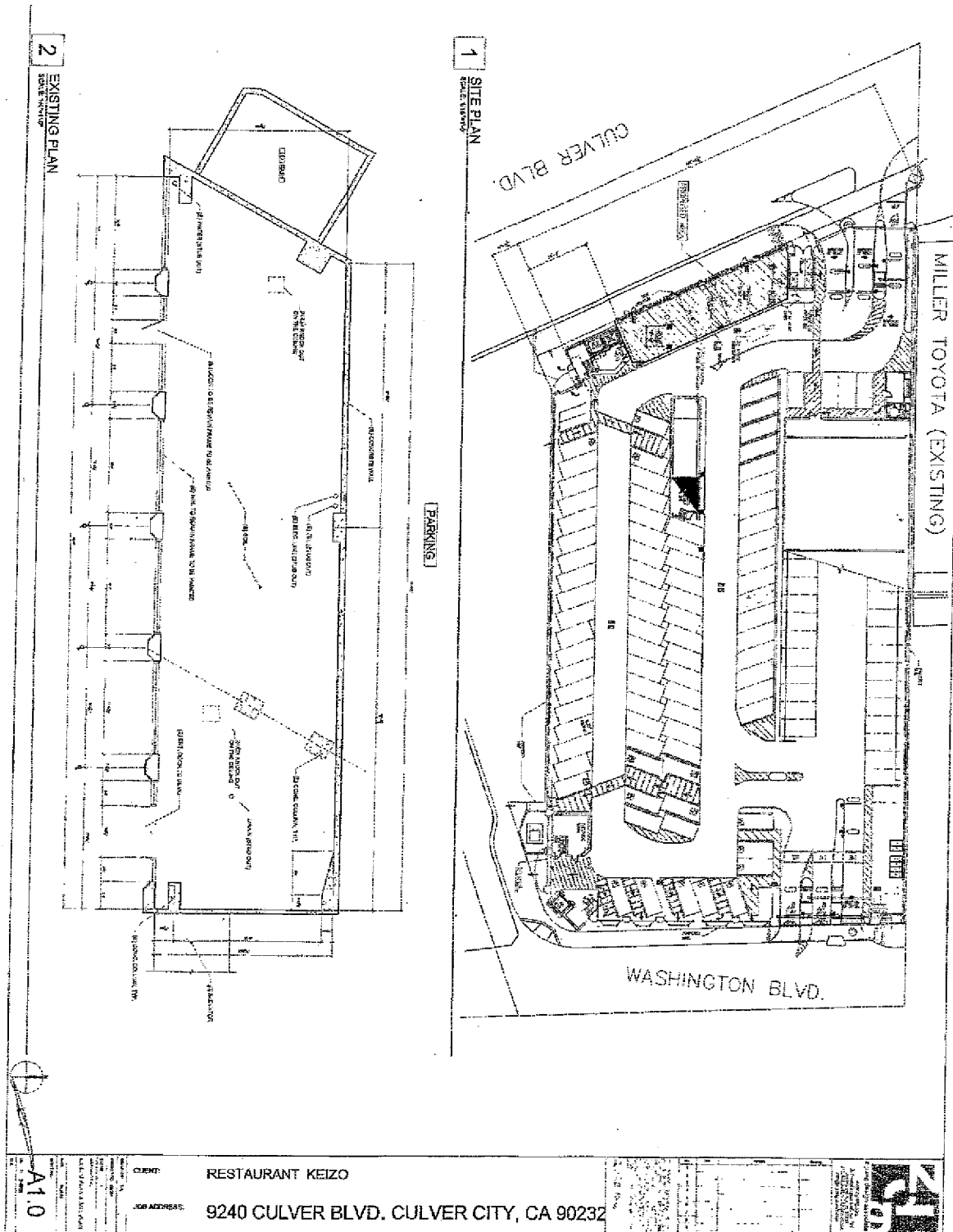
YUKI ISHIBA

Date: 10-18, 2010



EXHIBIT A

MAP OF PREMISES



Culver City Redevelopment Agency
9240 Culver Boulevard
Lease Agreement

EXHIBIT B

NARRATIVE DESCRIPTION OF PREMISES

The 2,267-square foot interior leaseable floor space of the first floor of the Ince Parking Structure facing Culver Boulevard with a street address of 9420 Culver Boulevard and illustrated on Exhibit A.

EXHIBIT C

CHART OF MONTHLY RENT FOR TERM AND BOTH EXTENDED TERMS

YEAR	MONTHLY RENT
1	
2	
3	\$5,010.00
4	\$5,160.30
5	\$5,315.11
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

EXHIBIT D

MONTHLY AUTHOMOBLE PARKING LICENSE

[BEHIND THIS PAGE]



Redevelopment Agency
9770 Culver Boulevard, CA 90232
Phone: (310) 253-5760 Fax: (310) 253-5779

Monthly Automobile Parking License

Please complete all requested information, sign, date and return this form immediately to Redevelopment Agency

Customer Name:	Home Telephone:
Parking Location:	Work Telephone:
Company Name:	Fax Number:
City, State, Zip	E-Mail:
Billing Address (Home/Company):	Is customer a tenant of the Building?
City, State, Zip:	If yes, please write name of Organization:
Contact:	

Date of Issue: _____ Make of Car: _____ CARD #: _____
Year: _____ Color: _____ Lic. #: _____

THIS CONTRACT LIMITS OUR LIABILITY --- READ IT

1.	MONTHLY PARKING: ➤ Entitles holder to occupy one non-exclusive parking stall per keycard or hangtag issued. ➤ Is a designated area located within the parking structures or parking lots. ➤ Is nontransferable.
2.	RATE FOR: ➤ Late payment - \$5.00 per keycard or hang tag. ➤ Parking in non-employee designated areas - \$5.00 fee and could be subject to vehicle citation. ➤ Returned checks - \$25.00. ➤ Damaged or lost keycard - \$25.00 per keycard. ➤ Lost hang tag - \$15 per hang tag. ➤ Monthly licensee without keycard - pays posted daily rate.
3.	DEPOSITS: \$25 per keycard. This deposit will be returned, without interest, to customer upon termination of this agreement and the customer's return of the keycard to the Culver City Redevelopment Agency office. \$15 per hanging tag. This deposit will be returned, without interest, to customer upon termination of this agreement and the customer's return of the hang tag to the Culver City Redevelopment Agency office. Customer acknowledges that the keycard/hang tag is issued only to the customer and that it cannot be reissued to or exchanged with another party without the written permission of the Culver City Redevelopment Agency.
4.	The monthly fee for this parking license is due and payable on the first day of each month, in advance. If the monthly fee is not paid when due, a late fee of \$5.00 per keycard/hang tag will be charged.
5.	Failure to pay the monthly fee by the 5th day of the month will automatically cancel this license and customer will be charged the prevailing daily parking rate. No deductions or allowances to the monthly fee will be made for days on which customer does not use parking facility pursuant to this license.



Redevelopment Agency
9770 Culver Boulevard, CA 90232
Phone: (310) 253-5760 Fax: (310) 253-5779

Monthly Automobile Parking License

Please complete all requested information, sign, date and return this form immediately to Redevelopment Agency

6.	Monthly parking is sold on a month-to-month basis only. <i>The Culver City Redevelopment Agency reserves the right to elect not to renew this parking license, with or without cause, upon providing thirty (30) day's notice of its election not to renew.</i> There will be no refunds of the monthly fee unless the keycard/hang tag is returned by the 5th of the month.
7.	Only a license to park is hereby granted; no bailment is hereby created. This license allows customer to park and lock one vehicle at customer's sole risk. Neither the Culver City Redevelopment Agency nor the City of Culver City will guard or assume care, custody or control of customer's vehicle or its contents nor be responsible for fire, theft, damage or loss to customer's vehicle. Customer agrees that customer will park customer's vehicle pursuant to this license at customer's sole risk.
8.	Customer agrees to pay all expenses, attorney's fees and court costs which Culver City Redevelopment Agency or the City of Culver City incurs as a result of any dispute involving this license or efforts to collect any payment due from customer pursuant to this license.
9.	It is agreed that customer will not leave articles of personal property of any value whatsoever in any vehicle parked pursuant to this license and customer specifically agrees not to hold City of Culver City or the Culver City Redevelopment Agency responsible for any damage resulting from the loss, theft or damage to articles of personal property left in vehicles parked pursuant to this license.
10.	Neither the Culver City Redevelopment Agency nor the City of Culver City is responsible for any vehicles left overnight.
11.	Customer agrees that customer will lock customer's vehicle any time that customer parks and leaves customer's vehicle pursuant to this license. Customer agrees that control of customer's vehicle and all its contents will remain exclusively with customer any time that customer parks and leaves customer's vehicle pursuant to this license.
12.	If a customer receives more than one (1) keycard/hang tag pursuant to this license, the terms and conditions of this license shall apply to all keycard/hang tags received pursuant to this license and to all persons, firms, entities and others using these keycard/hang tags. Parking location managers, cashiers and attendants are not authorized to make or allow any exceptions or changes to this license or terms thereof.
13.	GENERAL PARKING STRUCTURE AND OPEN PARKING LOT RULES: ➤ 5 MPH speed limit throughout parking structures and lots. ➤ Vehicle storage and repair/service is prohibited and subject to citation and/or towing. ➤ Subletting is prohibited and may cause the cancellation of this parking license. ➤ Violation of the structure and lot rules may result in cancellation of this parking license.

Upon termination of this license, all keycard/hang tags must be returned to the Culver City Redevelopment Agency office.

I HEREBY AGREE TO ALL OF THE ABOVE TERMS AND CONDITIONS.

Signature

Date

This page is part of your document - DO NOT DISCARD



20111337175

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

10/03/11 AT 12:58PM

Pages:
0144

FEES:	0.00
TAXES:	0.00
OTHER:	0.00
PAID:	0.00



LEADSHEET



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SEQ:
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DAR - Counter (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

OFFICIAL BUSINESS
Document entitled to free
recording per Government Code
Sections 6103 and 27383



Recording Requested By
And When Recorded Return to:

CULVER CITY REDEVELOPMENT AGENCY
9770 Culver Boulevard
Culver City, California 90232
Attention: Asst. Executive Director

(Space Above Line for Recorder's Use Only)

OPTION AGREEMENT FOR PERPETUAL EASEMENT

THIS OPTION AGREEMENT FOR PERPETUAL EASEMENT (this "Agreement") is entered into as of September [29], 2011 by and among the Los Angeles County Metropolitan Transportation Authority ("LACMTA"), the Culver City Redevelopment Agency ("Agency"), and the City of Culver City ("City"), with reference to the following:

RECITALS

- A. The Exposition Metro Line Construction Authority ("Authority") is a public entity created by the California State Legislature pursuant to Public Utilities Code ("PUC") section 132600 for the purpose of awarding and overseeing final design and construction contracts for the completion of the Los Angeles - Exposition light rail transit project from Metro Rail station at 7th and Flower streets in the City of Los Angeles to the Downtown area of the City of Santa Monica ("EXPO LRT Project").
- B. City is a municipal corporation created and empowered in accordance with its charter and the constitution of the State of California.
- C. LACMTA is a public entity created by the California State Legislature pursuant to PUC sections 130050.2 *et. seq.*, for many purposes including, but not limited to, the design, construction, and operation of rail and bus transit systems and other transportation facilities in Los Angeles County.

- D. 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, and is carrying out the Culver City Redevelopment Project ("Redevelopment Project") in which a portion of the EXPO LRT Project is to be located.
- E. Phase 1 of the EXPO LRT Project is an approximately 9 mile light rail line extending southward from Downtown Los Angeles to Exposition Park, and then westward along Exposition Boulevard to Venice Boulevard/Robertson Boulevard, and traversing through and ending at the aerial Culver City Station.
- F. The EXPO LRT Project Culver City Station and ancillary improvements being constructed in connection therewith are illustrated on Exhibit "A" attached hereto and incorporated herein by reference ("EXPO Station"). The EXPO Station is located within the LACMTA-owned 150-foot-wide parcel that is located between Venice Boulevard and Washington Boulevard ("LACMTA Parcel"). The LACMTA Parcel is legally described on Exhibit "B" attached hereto and incorporated herein by reference.
- G. LACMTA, Agency, Authority and City entered into that certain Memorandum of Understanding executed as of January 18, 2011 ("MOU"), which concerns the EXPO Station and provides for the undertaking of certain expenditures and related commitments to enhance the implementation of the respective projects of the parties to the MOU in a manner consistent with the interests of such parties.
- H. City and Agency are in the process of carrying out the redevelopment of a portion of the Redevelopment Project on real property which abuts the location of the EXPO Station, which portion of the Redevelopment Project is referred to as the "Washington National Project". The Washington National Project is anticipated to be located within City-owned property as shown on Exhibit "C-1" and as legally described on Exhibit "C-2" attached hereto and incorporated herein by reference (collectively, the "Triangle Property"), and a portion of the LACMTA Parcel. The proposed location of the Washington National Project, and Agency's/City's proposed use of a portion of the LACMTA Parcel, as currently contemplated by the Agency/City, is depicted on the concept site plan attached hereto as Exhibit "D" and incorporated herein by reference.
- I. City/Agency propose to construct a parking garage facility to serve the Washington National Project ("Parking Garage"), the development of subterranean portions of which required the Authority to provide additional physical support to the EXPO Station and its foundations. Pursuant to the MOU, the Agency agreed to reimburse the Authority for the costs of such additional support, and the Authority has constructed the EXPO Station with the additional supports to accommodate the Parking Garage in reliance thereon.
- J. LACMTA is willing to grant Agency or City an option to acquire an easement over the northerly 91 feet of the LACMTA Parcel, including surface, air (not to exceed five stories above grade), and subterranean portions thereof, as illustrated on Exhibit "E-1" attached

hereto and as legally described on Exhibit "E-2" attached hereto (collectively, the "Easement Area"), to construct, operate, maintain, repair, and reconstruct parking uses, transit plaza uses, and residential and commercial uses provided that such residential and commercial uses may not exceed in the aggregate 20,000 square feet, and of such 20,000 square feet not more than 5,000 square feet may be in the below-grade portions of the Easement Area, all of which shall be subject to a reservation of parking and other rights by LACMTA, all as described in more detail in the Easement Agreement (defined hereinafter) and subject to the terms and conditions in the Easement Agreement, in consideration of the grants to LACMTA as described below. The hereinafter defined Parties agree that nothing in this Agreement shall limit or preclude in any way any use of the Easement Area for residential and commercial uses pursuant to a lease of the Easement Area which may be subsequently entered into as set forth in Section 12 below, and that any such lease, to the extent agreed to by the Parties in accordance with Section 12 below, would not be subject to the height, or square footage restrictions of the Easement Area.

- K. In consideration of the grant of the option by LACMTA over the Easement Area, Agency and City are each willing to (i) grant LACMTA temporary parking rights in the Triangle Property, subject to rights to relocate such temporary parking to a parking garage located at 9099 Ince Boulevard in Culver City, pursuant to the "Parking License Agreement" (as defined in the Easement Agreement); (ii) grant LACMTA permanent parking rights in the Parking Garage pursuant to the "REA" (as defined below); and (iii) grant Authority a construction license to construct a temporary parking lot on the Triangle Property, as described in the "Construction License Agreement" (as defined in the Easement Agreement).
- L. The Parties hereby acknowledge that prior to execution and delivery of this Agreement, each of the following has occurred: (i) the Authority has been repaid \$275,000.33, as reimbursement for costs incurred by the Authority in connection with the redesign of the EXPO Station to accommodate the Parking Garage, and has been repaid \$301,515, as reimbursement for a portion of the additional costs incurred by the Authority to construct the redesigned EXPO Station so as to accommodate the Parking Garage, which amount specifically relates to additional steel costs for the redesigned EXPO Station; and (ii) City has executed and delivered to Authority the Construction License Agreement and Agency and City have executed and delivered to LACMTA the Parking License Agreement. The remaining balance of the additional costs incurred by EXPO in connection with the redesign and construction of the EXPO Station so as to accommodate the Parking Garage (such additional costs, the "Excess Costs"), in the amount of \$2,588,157 ("Remaining Balance Amount") shall have been paid to the Authority concurrently with the execution and recordation of this Agreement, and LACMTA shall have no obligation to comply with the terms and conditions contained herein unless and until the Authority has received the Remaining Balance Amount. Once the Remaining Balance Amount is reimbursed to the Authority, without limiting any other obligations under this Agreement, neither the City nor the Agency shall have any additional or other obligation to disburse any funds to or on behalf of Authority under the MOU for purposes of reimbursement

respecting the design and/or construction of the redesigned EXPO Station, and payment of the Remaining Balance Amount shall satisfy any and all obligations of City and/or Agency under the MOU to pay for or reimburse Authority for the Excess Costs. Notwithstanding the foregoing, the City and Agency's obligation to pay the Excess Costs and the Remaining Balance Amount as described herein are separate and apart from the City and Agency's obligations to provide \$4,000,000 towards the Project, including, without limitation the Redesigned EXPO Station, pursuant to that certain Financial Contribution Agreement for Phase I of Metro Exposition Light Rail Transit Project dated as of September [21], 2011, by and between City and LACMTA (the "Funding Agreement"). and nothing herein is intended to or shall be deemed to modify, change or amend the Funding Agreement.

- M. In furtherance of the MOU, LACMTA, Agency and City desire to enter into this Agreement. This Agreement is the "Option Agreement" referenced in the MOU. LACMTA, Agency and City are herein referred to individually as a "Party" and collectively as the "Parties."

NOW, THEREFORE, in consideration of the recitals set forth above, the covenants, conditions and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, City, Agency and LACMTA, intending to be legally bound, hereby agree as follows:

1. Grant of Option. Upon and subject to all of the terms and conditions set forth herein, LACMTA hereby grants to Agency or City an option (the "Option") to acquire an perpetual easement respecting the Easement Area, to construct, use, operate, maintain, repair, and reconstruct parking uses, transit plaza uses, and residential and commercial uses provided that such residential and commercial uses may not exceed in the aggregate 20,000 square feet, and of such 20,000 square feet not more than 5,000 square feet may be in the below-grade portions of the Easement Area, all of which shall be subject to the reservation of parking and other rights by LACMTA, all as described in more detail in the Easement Agreement and subject to the terms and conditions in the Easement Agreement. The Parties agree that nothing in this Agreement shall limit or preclude in any way any use of the Easement Area for residential and commercial uses pursuant to a lease of the Easement Area which may be subsequently entered into as set forth in Section 12 below, and that any such lease, to the extent agreed to by the Parties in accordance with Section 12 below, would not be subject to the height, or square footage restrictions of the Easement Area. As used herein, "Easement Agreement" shall mean an easement agreement to be executed by Agency or City and LACMTA and to be substantially in the form attached hereto as Exhibit "F", which is hereby incorporated herein by reference.
2. Option Period. The term of the Option (the "Option Period") shall be a period of twenty (20) years commencing on the date of this Agreement, subject to earlier termination in accordance with the terms of this Agreement. If neither the Agency nor the City exercises the Option prior to expiration of the Option Period in accordance with Sections 4 and 5 of this Agreement, then the Option and this Agreement shall each automatically

expire and be of no further force or effect, and LACMTA shall, upon and after such expiration, no longer be obligated to convey any easements in the Easement Agreement to the Agency or City. Within ten (10) business days after the expiration of the Option Period, Agency and City will deliver to LACMTA a fully executed and acknowledged quitclaim deed in recordable form attached as Exhibit "G-1" (the "Agency/City Quitclaim Deed") quitclaiming all each of Agency and City's respective interests in the LACMTA Parcel, and LACMTA will deliver to Agency and City a fully executed and acknowledged quitclaim deed in recordable form attached as Exhibit "G-2" (the "LACMTA Quitclaim Deed") quitclaiming all LACMTA's interests in the Triangle Property.

3. Termination of this Agreement and the Option.

- a. By Agency or City. Agency and City shall each have the right to terminate this Agreement and the Option granted herein in accordance with the terms and provisions of this Section 3. Such termination may occur at any time after the date that is the earlier of (i) five (5) years after the date that the construction of the "Temporary Parking Spaces" (as defined in the Parking License Agreement) has been completed, and (ii) seven (7) years after the date of this Agreement, provided that (x) Agency or City provides nine (9) months' prior written notice of the termination to LACMTA and (y) Agency and City have, prior to such termination notice and pursuant and subject to the terms of the Parking License Agreement, timely cured any material default by Agency or City, as applicable, with respect to provision of the Temporary Parking Spaces or the "Replacement Spaces" (as defined in the Parking License Agreement), subject to force majeure provisions in the Parking License Agreement (provided, however, this clause a(y) shall not apply to the extent that Agency and City have not received written notice(s) of the applicable default by Agency or City, as applicable, in accordance with the notice requirements of the Parking License Agreement (including with respect to font size and boldness requirements). In the event that either Agency or City terminates this Agreement and/or the Option, this Agreement and the Option shall be terminated among all Parties.
- b. By LACMTA. LACMTA shall have the right to terminate this Agreement and the Option granted herein in accordance with the terms and provisions of this Section 3. Such termination may occur at any time the Agency and City have, pursuant and subject to the terms of the Parking License Agreement, failed to timely cure any material default of Agency or City, as applicable, with respect to providing the Temporary Parking Spaces or the Replacement Spaces, subject to force majeure provisions in the Parking License Agreement; provided that (i) LACMTA provides thirty (30) days prior written notice of the termination to Agency and City; and (ii) Agency and City have received written notice(s) of the applicable default by Agency or City, as applicable, with respect to providing the Temporary Parking Spaces or the Replacement Spaces in accordance with the terms and provisions of the Parking License Agreement (including with respect to font size and boldness requirements). In the event that LACMTA terminates this

Agreement and/or the Option, this Agreement and the Option shall be terminated among all Parties.

- c. Effect of Expiration or Termination. Upon expiration of the Option Term or the termination of this Agreement and/or the Option, all of the following shall apply:
 - i. LACMTA shall have the right to use the LACMTA Parcel in its sole and absolute discretion and the City and the Agency shall have no further rights in or to the LACMTA Parcel. The City and the Agency shall have the right to use the Triangle Property in their sole and absolute discretion and the Authority and LACMTA shall have no further rights to the Triangle Property, except as set forth in the Parking License Agreement.
 - ii. Neither Agency nor City shall have any further duty to provide the Temporary Spaces, the Replacement Spaces, or the "EXPO Spaces" (as defined in the Easement Agreement) to LACMTA, and the Parking License Agreement shall terminate on the terms and conditions set forth therein;
 - iii. LACMTA shall no longer be obligated to convey the easements set forth in the Easement Agreement, or any other easements, to the Agency or City;
 - iv. Agency and City will deliver to LACMTA a duly executed and acknowledged Agency/City Quitclaim Deed in recordable form quitclaiming all of its interest in and to the LACMTA Parcel;
 - v. LACMTA will deliver to Agency or City, as applicable, a duly executed and acknowledged LACMTA Quitclaim Deed in recordable form quitclaiming all of its interest in and to the Triangle Property; and
 - vi. Notwithstanding any termination of this Agreement or the Option, Agency and City shall not be entitled to a refund of any amounts repaid as referenced in Recital M above.
4. Exercise of Option. Any time during the Option Period, and provided the Option Conditions set forth in Section 5, below, have occurred, either Agency or City shall have the right to exercise the Option by delivering written notice to LACMTA stating that Agency or City (as applicable) elects to exercise the Option ("Option Notice"). The Agency Executive Director or Assistant Executive Director shall each have the right to exercise the Option on behalf of the Agency without further authorization from the Agency Board and the City Manager shall have the right to exercise the Option on behalf of the City without further authorization from the City Council. The Option can only be exercised once by either the City or the Agency, whichever first exercises the Option. Once the Option has been exercised by either the Agency or the City, the Option will no longer be available and will be deemed to have terminated as to the non-exercising Party.

5. Option Conditions. Agency or City may only exercise the Option if, at the time of such exercise each of the following conditions precedent ("Conditions Precedent") have been satisfied or waived by LACMTA (it being understood that the Parties anticipate such conditions precedent will be satisfied at different times):
- a. Agency and City have, pursuant and subject to the terms of the Parking License Agreement, timely cured any material default of Agency or City, as applicable, with respect to providing the Temporary Parking Spaces or the Replacement Spaces, subject to force majeure provisions in the Parking License Agreement; provided, however, this shall not be a Condition Precedent to exercise of the Option to the extent that Agency and City have not received written notice(s) of the applicable default by Agency or City, as applicable, with respect to the provision of the Temporary Parking Spaces and the Replacement Spaces in accordance with the terms and provisions of the Parking License Agreement (including with respect to font size and boldness requirements).
 - b. Construction drawings for the Parking Garage, including the Isolation Wall (as defined below portion thereof, and all other improvements and ancillary uses to be constructed within the Easement Area, including without limitation residential, commercial and transit plaza uses (collectively, "Ancillary Uses"), shall have been 100% completed, and such drawings shall have been approved by any governmental agency having jurisdiction thereover and by the Authority and/or LACMTA as follows:
 - i. LACMTA and Authority shall have the right to reasonably approve plans and specifications for the Parking Garage and Ancillary Uses based primarily on the following criteria: (a) whether there is an impact on the structural integrity of the EXPO LRT Project; (b) whether there is more than a *de minimus* or trivial impact to operation and maintenance of the EXPO LRT Project; (c) the reasonable location and proximity, including, without limitation, the ease of access of the EXPO Spaces for station access for LACMTA patrons; (d) confirmation that the Parking Garage and Ancillary Uses are designed and will be constructed within the Easement Area; (e) the provision of bicycle racks and lockers in the Parking Garage in reasonably close proximity to the EXPO Station or in the surface area of the Easement Area; provided, however, City or Agency shall provide a linkage, subject to Authority and LACMTA prior approval, between the bicycle racks and lockers and any permanent clean mobility center facilities or similar facilities if constructed by Authority under the EXPO Station structure; (f) whether any pedestrian connections constructed as part of the Washington National Project between the EXPO Station and the Washington National Project, at grade and/or at the station platform level, are compatible with or appropriate for the EXPO LRT Project; (g) if the Washington National Project includes podium parking or any structure directly adjacent to the EXPO Station, the exterior design and architectural finish of such structure is compatible with the EXPO

Station; (h) whether the design is in compliance with the terms of this Agreement and all legal requirements.

- ii. Once LACMTA has approved design drawings and specifications at the 30% completion level for the Parking Garage (the "30% Drawings") based on the criteria set forth above in subsection (i) above, and provided LACMTA has at least sixty (60) days to review such 30% Drawings, the approval of subsequent levels of design and construction plans shall also be based on the criteria set forth above, and shall be governed by the "deemed approved" procedures set forth in Exhibit "I". LACMTA will expeditiously review and not unreasonably withhold approval of such Parking Garage subsequent levels of design and plans, and agrees to review and approve or disapprove such plans within 30 days of submittal by or on behalf of City or Agency. Any disapproval of plans shall be accompanied by a written statement delivered to City and Agency within said 30 day period specifying detailed reasons for any such disapproval.
- c. All permits and approvals required by any governmental agency having jurisdiction thereover for construction of the Parking Garage and Ancillary Uses shall have been obtained and Agency or City shall have complied with, or shall have caused compliance with, all applicable laws, rules and regulations, including, without limitation, full compliance with the California Environmental Quality Act, for the construction of the Parking Garage and Ancillary Uses.
- d. Agency or City shall have provided LACMTA with reasonably satisfactory evidence that the Agency, City and/or its developer has sufficient funding or other financial arrangements in place so as to be able to pay for the cost of the construction and completion of the Parking Garage and the Isolation Wall described in Article 5 of the Easement Agreement.
- e. Agency and/or City (as applicable) shall have provided LACMTA or escrow holder one original (counterparts signatures are acceptable) of the Easement Agreement executed by the Agency and/or City, in the same form as attached hereto as Exhibit "F" and one original (counterparts signatures are acceptable) of a Reciprocal Easement Agreement ("REA") contemplated by Section 10 of this Agreement, below.
- f. The amounts owed to the Authority respecting construction of the EXPO Station shall have been repaid prior to the date of this Agreement, as referenced in Recital M above.
- g. The Party exercising the Option shall also hold title to the Triangle Parcel, or shall have entered into agreements with such title holder to ensure that the Party exercising the Option has the ability to perform its obligations under the Option Agreement.

6. Consideration for Option. The Option granted herein and LACMTA's execution of the Easement Agreement and the hereinafter defined REA is in consideration of the following payments and other consideration, and shall not require any additional payment or other consideration to the Authority or LACMTA:
- a. The construction of the Isolation Wall as set forth in the Easement Agreement;
 - b. The execution by City and Agency and delivery to LACMTA of the Parking License Agreement;
 - c. The execution by City and Agency and delivery to LACMTA of the REA; and
 - d. The execution by City and Agency and delivery to Authority of the Construction License Agreement.
7. Condition of Title to Easement Area. Prior to entering into the MOU, the Agency and City each satisfied itself that title to the Easement Area was in an acceptable condition, provided there are no liens, encumbrances, easements or other exceptions to title except those shown as Exceptions C, 1, 2, 3, 4 and 5 on Schedule B of that certain Chicago Title Preliminary Report, Order Number 910065529-X49 dated July 28, 2011 ("Approved Title Condition") (which Preliminary Report is attached hereto as Exhibit "H" and incorporated herein by reference). LACMTA shall not take any action that will adversely affect the Approved Title Condition as applicable to the Easement Area without the prior written consent of Agency or City, which consent shall not be unreasonably withheld, conditioned or delayed. Further, if the Agency or City exercises the Option, LACMTA shall deliver, at no cost to the Agency or City, easement rights in the Easement Area with title thereto not adversely different from the Approved Title Condition or as may otherwise be approved in writing by City or Agency, as applicable, acting through the Agency Executive Director, the Agency Assistant Executive Director, or the City Manager, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, nothing in this Agreement shall require LACMTA to provide or pay for title insurance insuring the City or Agency's easement interest in the Easement Area. Notwithstanding the foregoing, LACMTA shall in no circumstances be required to remove any encumbrances, easements or other exceptions to title respecting the Easement Area except to the extent that the same result or arise from the actions or omissions of LACMTA.
8. Condition of Easement Area.
- a. As used in this Agreement, "Hazardous Materials", means any substance, material or waste which is or becomes regulated by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance or waste which is (i) defined as a "hazardous waste", "acutely hazardous waste", "restricted hazardous waste", or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code; (ii) defined as a "hazardous substance" under Section 25316 of the California Health and

Safety Code; (iii) defined as a "hazardous material", "hazardous substance", or "hazardous waste" under Section 25501 of the California Health and Safety Code; (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) a polychlorinated biphenyl; (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); or (xii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as "hazardous" or is harmful to the environment or capable of posing a risk of injury to public health and safety.

- b. AS-IS, WHERE-IS. Agency and City each acknowledges and agrees that, except as expressly set forth herein, LACMTA makes no representation or warranty whatsoever, whether express or implied or arising by operation of law, with respect to any interest in the Easement Area or any portion thereof conveyed pursuant to this Easement Agreement. EXCEPT AS EXPRESSLY SET FORTH HEREIN, AGENCY AND CITY EACH AGREES THAT THE INTERESTS IN THE EASEMENT AREA (AND/OR ANY PORTION THEREOF) ARE BEING TRANSFERRED AND CONVEYED TO (AND ACCEPTED BY) THE AGENCY OR CITY IN THEIR THEN-EXISTING CONDITION, AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW. All representations and warranties not expressly set forth herein are hereby disclaimed by LACMTA and waived by Agency and City. Without limiting the generality of the foregoing, except as expressly set forth herein, LACMTA makes no representation, warranty or guarantee of any kind, either express or implied, with respect to merchantability, marketability, habitability, fitness for a particular use or purpose, the value or accuracy of information provided respecting the Easement Area, prospects for future development, use, or occupancy, zoning and/or permitted uses, of all or any portion of the Easement Area, and Agency and City each acknowledges and agrees that:

- i. Prior to the execution, delivery and recordation of the Easement Agreement, Agency and City each will have had the opportunity to make its own independent investigation of the Easement Area and all other aspects of this transaction, including, without limitation, the financial value of the Easement and projected future income and expenses for the Easement Area, and will have relied entirely thereon and on the advice of

its independent consultants (if any) in entering into the Easement Agreement, and not on any information or material supplied by or on behalf of LACMTA.

- ii. Prior to the execution, delivery and recordation of the Easement Agreement, Agency and City will each have reviewed all instruments, records and documents which Agency and City each deems appropriate or advisable to review in connection with the Easement Area and the Easement Agreement, and Agency and City will each have determined that the information and data contained therein or evidenced thereby was satisfactory to Agency and City.
- iii. Agency and City each acknowledges that the Easement Area may or may not contain Hazardous Materials and that except as expressly set forth herein LACMTA makes no representation or warranty to Agency or City regarding the presence or absence of any Hazardous Materials in, on, or under the Easement Area. It shall be Agency and City's responsibility to examine the Easement Area and to review such reports or other documents it deems necessary to satisfy itself as to the presence or absence of any such Hazardous Materials. Except as expressly set forth herein, if any Hazardous Materials are encountered during the planning, design, or construction of the Parking Garage, Agency and City shall be responsible for all costs of disposal and remediation of such Hazardous Materials as a project cost.
- iv. In connection with this Section 8(b), City and Agency each expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR." AGENCY AND CITY EACH ACKNOWLEDGES AND AGREES THAT IT HAS BEEN REPRESENTED BY LEGAL COUNSEL OF ITS CHOICE IN CONNECTION WITH THIS AGREEMENT, AND THAT SUCH COUNSEL HAS EXPLAINED TO EACH OF AGENCY AND CITY THE PROVISIONS OF THIS SECTION 8(b). BY INITIALING BELOW, AGENCY AND CITY EACH CONFIRMS IT HAS AGREED TO THE PROVISIONS OF THIS SECTION 8(b).
- v. In this connection, Agency and City each hereby agrees, represents and warrants that Agency and City each realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses and other claims and liabilities which are presently unknown, unanticipated and unsuspected, and Agency and City each

further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Agency and City each nevertheless hereby intends to release, discharge and acquit LACMTA and the LACMTA's affiliates, and the advisors, trustees, beneficiaries, directors, officers, employees, agents and attorneys and representatives of each of them, and each of their respective heirs, successors, personal representatives and assigns, from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses and other claims and liabilities.

- vi. LACMTA has given Agency and City material concessions regarding this transaction in exchange for Agency and City each agreeing to the provisions of this Section 8(b). Agency and City have each initialed this Section 8(b) to further indicate its awareness and acceptance of each and every provision hereof; provided, however that failure of Agency and City to initial this Section 8(b) below shall not invalidate this Section 8(b) nor shall it invalidate any other provision of this Agreement.

AGENCY

CITY



- vii. Notwithstanding anything to the contrary in this Section 8(b), the release and waiver by Agency and City hereunder shall not constitute a waiver or release respecting any obligations of LACMTA or Authority to clean up or remediate LACMTA's or Authority's Hazardous Materials. As used herein, "LACMTA's or Authority's Hazardous Materials" means any Hazardous Materials that, as a result of the actions of LACMTA or the Authority, exist in, on, under or about the Easement Area, excluding any of the same that are Agency's or City's Hazardous Materials. As used herein, "Agency's or City's Hazardous Materials" means any Hazardous Materials that (A) become present in, on, under or about the LACMTA Parcel as a result of any act or omission of Agency or City or any person acting on behalf of Agency or City, and/or (B) are present in, on, under or about the LACMTA Parcel as of the date of this Agreement, but the presence of which Hazardous Materials in, on, under or about the LACMTA Parcel would not have given rise to a claim or a duty to Remediate, were it not for the actions of Agency or City, including any actions relating to its rights to develop, construct or otherwise perform work in, on, under or about the Easement Area. As used herein, "Remediate" means any response or remedial action as defined under

Section 101(25) of CERCLA, and similar actions with respect to Hazardous Materials as defined under comparable state and local laws, and any other clean-up, removal, containment, abatement, monitoring, treatment, disposal, closure, restoration or other mitigation or remediation of Hazardous Materials or releases required by any governmental authority or under any law referenced above in the definition of Hazardous Materials.

- viii. The provisions of this Section 8(b) shall survive indefinitely.
- c. LACMTA hereby represents and warrants to Agency and City that to the knowledge of Velma Marshall, Frances Impert and Matt Freychineaud (collectively, the "LACMTA Knowledge Persons"), other than as disclosed in writing to Agency and/or City, (i) the LACMTA Parcel is not and has not been a site for the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of Hazardous Materials, except those that are in compliance with applicable environmental laws; (ii) LACMTA has provided Agency and/or City with copies of all reports prepared by or on behalf of LACMTA respecting the environmental condition of soils within the Easement Area in the possession of LACMTA; and (iii) there are no claims or actions pending or threatened against LACMTA or the LACMTA Parcel by any governmental entity or agency or any other person or entity relating to Hazardous Substances. The foregoing representations and warranties of LACMTA shall survive the exercise of the Option.
- d. Agency and City understand that LACMTA intends to use some or all of the surface of the Easement Area as a surface parking lot as part of its active and operating light rail system until such time as LACMTA may be required to vacate the surface of the Easement Agreement in accordance with the Easement Agreement.
- e. During and throughout the Option Period, if Agency or City (as applicable) or any developer of the Washington National Project, and/or each of their respective officers, representatives, agents, employees and contractors desire to enter upon the LACMTA Parcel to perform, or cause to be performed, test borings of the soil, environmental audits, engineering studies, a survey of the Easement Area and/or LACMTA Parcel, and/or any other tests or studies deemed desirable or necessary by Agency, City and/or such developer in connection with the proposed Washington National Project, then Agency, City or developer (as applicable) may do so pursuant to a written agreement granting a right of entry ("Right of Entry") from LACMTA to enter upon the LACMTA Parcel, which Right of Entry shall be in substantially the form attached hereto as Exhibit "K", which is incorporated herein by reference. From time to time LACMTA agrees to not unreasonably delay the execution of any such Right of Entry following written request therefore from Agency, City and/or such developer in connection with the proposed Washington National Project.

9. Restriction on Construction of Buildings or Structures on Easement Area. During the Option Period, LACMTA shall not construct buildings or structures on the surface of the Easement Area, except as reasonably approved in writing by Agency and City; provided, however, nothing shall prohibit LACMTA from using the surface of the Easement Area for surface parking prior to the exercise of the Option.
10. Reciprocal Easement Agreement. The Parties each agree to negotiate diligently and in good faith, to refrain from unreasonably withholding or conditioning approval of, and from unreasonably delaying such negotiation and approval, and to prepare for formal consideration, approval, and execution, the REA within their respective jurisdictions, which REA shall provide for (among other things) each of the following:
- a. A grant to LACMTA of a perpetual non-exclusive easement for vehicular and pedestrian use on, over, across and through the Triangle Property in connection with the parking of vehicles in the EXPO Spaces, as contemplated in the Easement Agreement;
 - b. The operation and maintenance of the Parking Garage, and the joint use of the Parking Garage by LACMTA and the Agency or City and their respective successors, as applicable, in a manner consistent with the Easement Agreement;
 - c. Grants from LACMTA, Agency and/or City and their respective successors, as applicable, for the use and benefit of each of them and their respective permittees of a non-exclusive easement over the Easement Area and the Triangle Property not occupied by the parking, commercial, residential, transit plaza, and related ancillary uses and/or the Washington National Project for vehicular and pedestrian access to and egress from the Parking Garage and the EXPO Station, which easement must be mutually agreeable to the Parties and shall provide that such use shall not interfere with the use and operation of the Washington National Project or the use and operation of the light rail service at the EXPO Station;
 - d. Areas of the Agency's or City's non-exclusive use of the Easement Area;
 - e. The Agency's and/or City's or their respective successor's obligation to pay for all costs of developing, constructing, operating, maintaining and repairing the Parking Garage, subject to LACMTA's reimbursement of its pro rata share of the costs and expenses to operate, maintain and repair the EXPO Spaces, subject to the limitations on LACMTA's reimbursement obligations, all as described in the Easement Agreement;
 - f. Self-help rights and remedies for LACMTA and Agency or City and their respective successors, as applicable, with respect to non-compliance with Parking Garage maintenance and operation provisions;
 - g. The use of the EXPO Spaces (as defined in the Easement Agreement) by LACMTA transit patrons using the EXPO Station at no cost or expense to such

transit patrons, provided that LACMTA may decide (in its sole and absolute discretion) to charge its transit patrons for parking in the EXPO Spaces. In no event shall City, Agency or its developer be permitted to charge any parking fee to any LACMTA transit patron;

- h. Perpetual, nonexclusive reciprocal easements over, across, through and under those portions of the LACMTA Parcel and the Triangle Property for minor encroachments and maintenance thereof;
- i. Non-exclusive use by LACMTA and Agency or City, and their respective successors, as applicable, and their patrons and employees, of the surface of the Triangle Property and Easement Area, to the extent the same is made publicly accessible from time to time, for vehicular and pedestrian access to and egress from the Parking Garage; provided, however, such use does not interfere with the operation of the EXPO Station or the EXPO LRT Project; and
- j. Temporary construction, staging and storage rights on the surface, as well as subterranean levels, of the Easement Area as reasonably requested by Agency or City; provided, however, such use does not interfere with the operation of the EXPO Station or the EXPO LRT Project.

11. Coöperation. The Parties intend that the planning, development and construction of the EXPO Station, the Washington National Project, and the parking related thereto, will be a cooperative, mutual endeavor in which the Parties actively participate and work together, in good faith and with due diligence. Each Party hereto agrees to take all lawful actions to negotiate in good faith and prepare for formal consideration and approval all definitive legal agreements within their respective jurisdictions contemplated by, and necessary to implement the purpose and intent of, this Agreement. The Parties agree to implement the EXPO Station and the Washington National Project within their respective jurisdictions in a harmonious way, including without limitation:

- a. The Parties shall diligently negotiate and prepare for execution by the Parties all documents contemplated herein so as to effectuate the purposes of this Agreement;
- b. Agency and City will consult with LACMTA and carefully consider any recommendations and objections raised by LACMTA regarding the Agency's or City's, as applicable, proposed selection of the Washington National Project developer and the Agency's or City's, as applicable, proposed approval of financing and assurances to be provided by the developer to ensure construction of the Washington National Project;
- c. LACMTA agrees to cooperate with Agency and City to facilitate the availability of state and/or federal funds to enable Agency and City to perform its payment obligations; provided, however, nothing in this section shall be deemed to imply or obligate LACMTA to contribute any funds to Agency or the City except as specifically set forth herein or in the Easement Agreement or REA;

- d. It is intended by the Parties that the shared EXPO LRT and Washington National Projects' parking may include the potential development of podium parking;
 - e. LACMTA will consult with Agency and City and carefully consider any recommendations and objections raised by Agency or City regarding LACMTA's proposed future use of the air space located above the EXPO Station platform.
12. Lease of Easement Area. If Agency or City desires to use a portion of the Easement Area for residential purposes and/or commercial uses which exceed 20,000 sq. ft., then at the request of Agency or City, LACMTA shall, subject to California Environmental Quality Act compliance, lease a portion of the Easement Area to Agency or City for such residential purposes and/or commercial uses on a lease form subject to the reasonable approval of LACMTA and Agency or City based upon similar transit oriented development leases utilized by LACMTA for such purposes; provided however, that in consideration of the public uses being provided by the City and Agency at the sole cost and expense of the Agency or City (including, without limitation, Agency or City construction of the transit plaza and associated linkages, Agency or City provision of temporary and permanent LACMTA parking; Agency or City provision of the EXPO construction staging area, the development of commercial facilities to serve the train users and others, and the construction of a transit-oriented development), the rent to be charged the Agency or City therefor shall be nominal. Without affecting, changing or modifying in any way LACMTA's rights, remedies or obligations under the Easement Agreement or the REA, the Parties agree that in connection with any such lease they shall negotiate in good faith respecting an amendment to the REA and with respect to such leased space, if any.
13. LACMTA's Representations and Warranties. LACMTA hereby represents and warrants to Agency and City as follows, which representations and warranties are true in all material respects as of the date hereof:
- a. Authority. LACMTA has the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The individuals executing this Agreement on behalf of LACMTA have the legal power, right and actual authority to bind LACMTA to the terms and conditions of this Agreement.
 - b. Requisite Action. As of the date hereof, all requisite action has been taken by LACMTA in connection with the entering into of this Agreement.
 - c. Validity. This Agreement and all documents required hereby to be executed by LACMTA are valid, legally binding obligations of and enforceable against LACMTA in accordance with their terms.
 - d. Claims. LACMTA has received no written notice of any pending or threatened administrative actions (including, without limitation, bankruptcy or insolvency

proceedings under state or federal law), suits, claims or causes of action pending against LACMTA, the LACMTA Parcel and/or the Easement Area which could adversely affect the ability of LACMTA to consummate fully the transactions contemplated by this Agreement.

The representations and warranties of LACMTA shall survive the exercise of the Option.

14. Agency's Representations and Warranties. Agency hereby represents and warrants to LACMTA as follows, which representations and warranties are true in all material respects as of the date hereof:

- a. Authority. Agency has the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The individuals executing this Agreement on behalf of Agency have the legal power, right and actual authority to bind Agency to the terms and conditions of this Agreement.
- b. Requisite Action. As of the date hereof, all requisite action has been taken by Agency in connection with the entering into of this Agreement.
- c. Validity. This Agreement and all documents required hereby to be executed by Agency are valid, legally binding obligations of and enforceable against Agency in accordance with their terms.
- d. Claims. Agency has received no written notice of any pending or threatened administrative actions (including, without limitation, bankruptcy or insolvency proceedings under state or federal law), suits, claims or causes of action pending against Agency, the Triangle Property and/or the Replacement Spaces which could adversely affect the ability of Agency to consummate fully the transactions contemplated by this Agreement.

The representations and warranties of Agency shall survive the exercise of the Option.

Agency shall immediately advise LACMTA in writing of Agency's knowledge of any pending or threatened administrative actions (including, without limitation, bankruptcy or insolvency proceedings under state or federal law), suits, claims or causes of action pending against Agency, the Triangle Property and/or the Replacement Spaces which could adversely affect the ability of Agency to consummate fully the transactions contemplated by this Agreement.

15. City's Representations and Warranties. City hereby represents and warrants to LACMTA as follows, which representations and warranties are true in all material respects as of the date hereof:

- a. Authority. City has the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The

individuals executing this Agreement on behalf of City have the legal power, right and actual authority to bind City to the terms and conditions of this Agreement.

- b. Requisite Action. As of the date hereof, all requisite action has been taken by City in connection with the entering into of this Agreement.
- c. Validity. This Agreement and all documents required hereby to be executed by City are valid, legally binding obligations of and enforceable against City in accordance with their terms.
- d. Claims. City has received no written notice of any pending or threatened administrative actions (including, without limitation, bankruptcy or insolvency proceedings under state or federal law), suits, claims or causes of action pending against City, the Triangle Property and/or the Replacement Spaces which could adversely affect the ability of City to consummate fully the transactions contemplated by this Agreement.

The representations and warranties of City shall survive the exercise of the Option.

City shall immediately advise LACMTA in writing of City's knowledge of any pending or threatened administrative actions (including, without limitation, bankruptcy or insolvency proceedings under state or federal law), suits, claims or causes of action pending against City, the Triangle Property and/or the Replacement Spaces which could adversely affect the ability of City to consummate fully the transactions contemplated by this Agreement.

- 16. No Relocation Benefits. Without limiting any of Agency or City's obligations under this Agreement, LACMTA acknowledges and agrees that it shall not be entitled to any relocation benefits or payments arising out of its vacation of any temporary or permanent parking spaces within the Washington National Project. LACMTA knowingly, voluntarily and intelligently waive any such benefits or payments. Nothing in this Section reduces or modifies the Agency and City obligations to provide the Temporary Parking Spaces or the EXPO Spaces.
- 17. Eminent Domain. LACMTA acknowledges that, under the circumstances existing as of the date of this Agreement, the proposed use of the Easement Area by the Agency or City (subject to all rights therein to be retained by LACMTA as contemplated by this Agreement) is the most necessary public use for such property. City and Agency each acknowledges that, under the circumstances existing as of the date of this Agreement, LACMTA's current and proposed uses of the LACMTA Parcel are the most necessary public uses for such property.
- 18. General Provisions.
 - a. Notices. All notices under this Agreement shall be sufficiently given if delivered or mailed by registered or certified mail, postage prepaid and return receipt requested, or by nationally recognized overnight courier service, and addressed as

follows:

To City:

City Manager
City of Culver City
9770 Culver Boulevard
Culver City, CA 90230-0507
Facsimile No.: (310) 253-6010

With a copy to:

Public Works Director/City Engineer
City of Culver City
9770 Culver Boulevard
Culver City, CA 90230-0507
Facsimile No.: (310) 253-5626

and

Transportation Director
City of Culver City
4343 Duquesne Avenue
Culver City, CA 90230-0507
Facsimile No.: (310) 253-6513

To Agency:

Assistant Executive Director
Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90230
Facsimile No.: (310) 253-5779

To LACMTA:

Chief, Real Property Management and Development
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, California 90012
Facsimile No.: (213) 922-2228

With a copy to:

General Counsel
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012
Facsimile No.: (213) 922-7432

Any notice or demand required shall be given (1) personally, (2) by certified or registered mail, postage prepaid, return-receipt requested, (3) by confirmed fax, or (4) by reliable messenger or overnight courier to the address of the respective parties set forth above. Any notice served personally shall be deemed delivered upon receipt, served by facsimile transmission shall be deemed delivered on the date of receipt as shown on the received facsimile if during regular business hours and if not, the next business day, and served by certified or registered mail or by reliable messenger or overnight courier shall be deemed delivered on the date of receipt as shown on the addressee's registry or certification of receipt or on the date receipt is refused as shown on the records or manifest of the U.S. Postal Service or such courier, or five (5) business days after deposit in the United States mail in Los Angeles County. Each Party may from time to time designate any other address or addressee or additional addressees for this purpose by written notice to the other Parties.

The Parties may also designate other procedures for the giving of notice as required or permitted under the terms of this Agreement, but each alternate procedure shall be described in a writing that is signed by the Parties hereto.

- b. Continuing Documents. Except to the extent expressly set forth herein, nothing in this Agreement shall be deemed to amend or modify in any manner any documents in effect on the date of this Agreement with respect to the subject matter herein or otherwise, all of which shall remain in full force and effect; provided that this Agreement shall be deemed to supersede and replace the MOU with respect to the subject matter of this Agreement. This Agreement supersedes all prior oral discussions between the parties with respect to the subject matter of this Agreement.
- c. Modification. This Agreement may not be modified, amended or otherwise changed in any manner, except by a prior written amendment executed by the parties, or their respective successors in interest.

- d. Section Headings. The section headings contained in this Agreement are for convenience and identification only and shall not be deemed to limit or define the contents to which they relate.
- e. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision.
- f. Construction. It is expressly understood by the parties that the language of this Agreement was jointly prepared and shall therefore not be construed for or against any Party.
- g. Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective legal representatives, successors and assigns.
- h. Governing Law. This Agreement is entered into in the State of California and shall be construed and interpreted in accordance with its internal laws without reference to choice of law or conflict of law provisions.
- i. Date of Agreement. This Agreement shall be effective on the date that is set forth in the preamble to this Agreement.
- j. Indemnification.
 - (A) By LACMTA. LACMTA agrees to defend, indemnify, protect, and hold Agency and City and all of their respective officers, agents, and employees harmless from any and all actions, suits, proceedings, liability, loss, expense (including all expenses of investigation and defending against same), and all claims for injury or damages to any person, arising out of the LACMTA's performance of this Agreement, but only in proportion to and to the extent such actions, suits, proceedings, liability, loss, expense or claims for injury or damages are caused by, or result from, the negligent or intentional acts or omissions of LACMTA, its officers, agents, or employees.
 - (B) By Agency. Agency agrees to defend, indemnify, protect, and hold LACMTA and all of its officers, agents, and employees harmless from any and all actions, suits, proceedings, liability, loss, expense (including all expenses of investigation and defending against same), and all claims for injury or damages to any person, arising out of the Agency's performance of this Agreement, but only in proportion to and to the extent such actions, suits, proceedings, liability, loss, expense or claims for injury or damages

are caused by, or result from, the negligent or intentional acts or omissions of Agency, its officers, agents, or employees.

- (C) By City. City agrees to defend, indemnify, protect, and hold LACMTA and all of its officers, agents, and employees harmless from any and all actions, suits, proceedings, liability, loss, expense (including all expenses of investigation and defending against same), and all claims for injury or damages to any person, arising out of the City's performance of this Agreement, but only in proportion to and to the extent such actions, suits, proceedings, liability, loss, expense or claims for injury or damages are caused by, or result from, the negligent or intentional acts or omissions of City, its officers, agents, or employees.
- k. Assignment. Neither Agency nor City shall assign any of their respective rights and obligations under this Agreement, except that Agency and City shall each have the right from time to time to assign in whole or in part any or all of its respective rights under this Agreement to any public and/or private persons or entities as deemed by the Agency or City, as applicable, to be necessary or desirable in order to implement the Redevelopment Project, provided however, such assignment shall not be effective unless and until the Agency or City, as applicable, receives LACMTA's prior written approval for any private persons or entities which approval shall be provided using reasonable commercial standards, such as credit worthiness and experience in the field and which approval shall not be unreasonably conditioned, withheld, or delayed. LACMTA's consent to any such assignment shall not relieve such assignee of the obligation to obtain LACMTA's consent to each subsequent assignment, and any assignment shall be subject to the assignee assuming all of the assignor's obligations under this Agreement.
- l. Time of Essence. Time is expressly made of the essence with respect to the performance by each Party of each and every obligation and condition of this Agreement.
- m. Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding Agreement.
- n. Exhibits Incorporated by Reference. All exhibits attached to this Agreement are incorporated into this Agreement by reference.
- o. Further Actions. Each Party agrees to sign such other and further instruments and documents and take such other and further actions as may be reasonably necessary or proper in order to accomplish the intent of this Agreement.
- p. Recordation. This Agreement shall be recorded against the LACMTA Parcel and the Triangle Property.

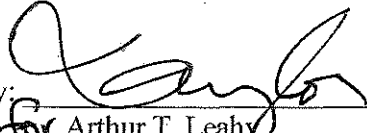
- q. Default. Failure or delay by any Party to perform or comply with any term or provision of this Agreement constitutes a default under this Agreement. The injured Party shall give written notice of default to the Party in default, specifying the default complained of by the injured Party. The defaulting Party must cure, correct or remedy such failure or delay within ten (10) days after receipt of such written notice of default. Notwithstanding the foregoing, if the non-defaulting Party notifies the defaulting Party that such default is an urgent matter relating to public health and safety, and such matter is an urgent matter relating to public health and safety, rather than the notice period set forth in the preceding sentence, the notice period shall be forty-eight (48) hours following receipt of the notice. Failure or delay in giving such notice of default shall not constitute a waiver of any default, nor shall it change the time of default. Delays by any Party in asserting any of its rights and remedies shall not deprive any 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.
- r. Specific Performance. Subject to the notice and cure provision of Section q., above, if any Party defaults hereunder, the non-defaulting Parties, each at its option, may pursue any rights or remedies available at law or in equity, including, without limitation specific performance.
- s. Partial Invalidity. If any term or provision or portion thereof of this Agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision or portion thereof to persons or entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

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[signatures on following pages]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the dates indicated below:

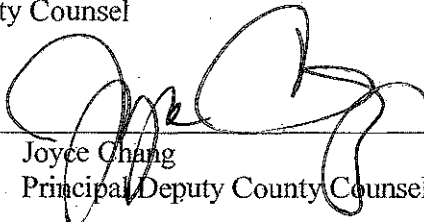
LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By: 
for Arthur T. Leahy
Chief Executive Officer

Date: 9/29/11

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: 
Joyce Chang
Principal Deputy County Counsel

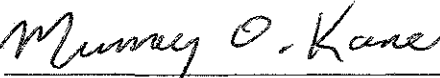
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[signatures on following page]

CULVER CITY REDEVELOPMENT AGENCY

By:  Date: 9/14/11
John Nachbar
Executive Director

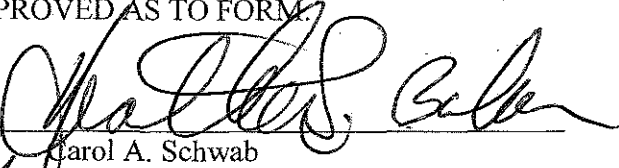
APPROVED AS TO FORM:

By: 
Murray O. Kane
Kane Ballmer & Berkman
Agency General Counsel

CITY OF CULVER CITY

By:  Date: 9/14/11
John Nachbar
City Manager

APPROVED AS TO FORM:

By: 
Carol A. Schwab
City Attorney


STATE OF CALIFORNIA

COUNTY OF Los Angeles

On September 14, 2011 before me, D. Gifford,
 a Notary Public, personally appeared John Nachbar, who proved to me
 on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
 within instrument and acknowledged to me that he/she/they executed the same in his/her/their
 authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
 the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
 foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature D. Gifford (Seal)

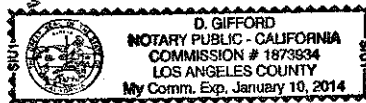
STATE OF CALIFORNIA

COUNTY OF Los Angeles

On September 14, 2011 before me, D. Gifford,
 a Notary Public, personally appeared John Nachbar, who proved to me
 on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
 within instrument and acknowledged to me that he/she/they executed the same in his/her/their
 authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
 the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
 foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature D. Gifford (Seal)

STATE OF CALIFORNIA

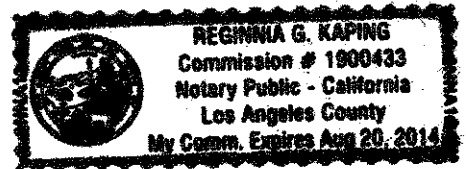
COUNTY OF Los Angeles

On September 29, 2011 before me, Regina G. Kaping, Notary Public,
 a Notary Public, personally appeared Paul C. Taylor, who proved to me
 on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
 within instrument and acknowledged to me that he/she/they executed the same in his/her/their
 authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
 the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
 foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Regina G. Kaping (Seal)



STATE OF CALIFORNIA

COUNTY OF _____

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the
 foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

OPTION AGREEMENT
EXHIBIT LIST

Exhibit "A" – EXPO Station Drawing
Exhibit "B" – LACMTA Parcel Legal Description
Exhibit "C-1" – Depiction of Triangle Property
Exhibit "C-2" – Legal Description of Triangle Property
Exhibit "D" – Washington National Project Concept Site Plan
Exhibit "E-1" – Depiction of Easement Area
Exhibit "E-2" – Legal Description of Easement Area
Exhibit "F" – Easement Agreement
Exhibit "G-1" – Form of Agency/City Quitclaim Deed
Exhibit "G-2" – Form of LACMTA Quitclaim Deed
Exhibit "H" – Preliminary Report
Exhibit "I" – LACMTA Deemed Approved Procedure
Exhibit "J" – Permitted Paratransit Shuttle Service Area
Exhibit "K" – Form of Right of Entry

EXHIBIT A

EXPO STATION DRAWING

[behind this page]

EXHIBIT B

LACMTA PARCEL LEGAL DESCRIPTION

[behind this page]

33

Order No.: 910065529-X49

EXHIBIT "B"
LEGAL DESCRIPTION

PARCEL 1:

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

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

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

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

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

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

EXHIBIT "B"**LEGAL DESCRIPTION**

(continued)

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

PARCEL 2:

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

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

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

35

Order No.: 910065529-X49

EXHIBIT "B"**LEGAL DESCRIPTION**

(continued)

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

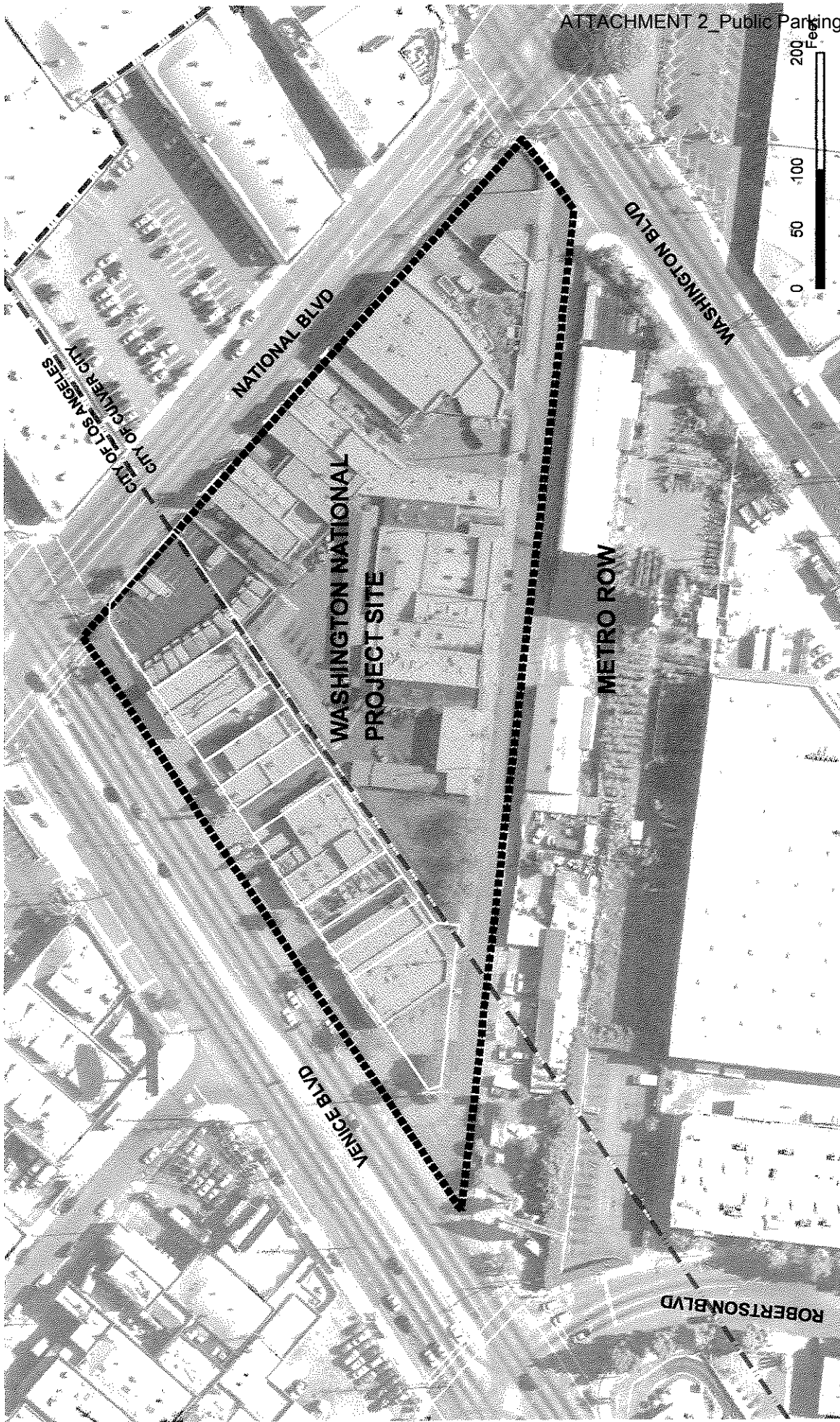
END OF LEGAL DESCRIPTION

EXHIBIT C-1

DEPICTION OF TRIANGLE PROPERTY

[behind this page]

EXHIBIT "C-1"



Culver City

WASHINGTON NATIONAL TRIANGLE PROPERTY

RECORDER'S MEMO:
POOR RECORD IS DUE TO
QUALITY OF ORIGINAL DOCUMENT

EXHIBIT C-2
TRIANGLE PROPERTY LEGAL DESCRIPTION

[behind this page]

EXHIBIT "C-2"

Parcel A (City of Los Angeles)

Legal Descriptions Washington-National Project Site

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

APN:

4312-014-057, 4312-014-004, 4312-014-005, 4312-014-006, 4312-014-054, 4312-014-055, 4312-014-052, 4312-014-011, 4312-014-012, 4312-014-013, 4312-014-014, 4312-014-020, 4312-014-021, 4312-014-022, 4312-014-023, 4312-014-024, 4312-014-059, 4312-014-027, 4312-014-058, 4312-014-029, 4312-014-030, 4312-014-031, 4312-014-038, 4312-014-039, 4312-014-040, 4312-014-041, 4312-014-042, 4312-014-053, 4312-014-046, 4312-014-047, 4312-014-048.

Lots 1, 2, 3, 4, 5, 6, 16, 17 and 18 in the City of Los Angeles, County of Los Angeles, and lots 19 and 20, partly in the Cities of Los Angeles and Culver City, County of Los Angeles, and lots 7, 8, 9, 11, 12, 13, 14, 15, 21, 22, 23, 24, 25, 26, 27, 37, 38, 39, 28, 29, 30, 31, 36, 32, 33, 34, 35, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, all in the City of Culver City, County of Los Angeles, and that part of lot 52 in the City of Culver City, County of Los Angeles, all in Tract 5461, as per Map recorded in Book 57 Page 76 of Maps, in the Office of the County Recorder of said County.

EXHIBIT "C-2"

Parcel B (City of Culver City)

Legal Descriptions Washington-National Project Site

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

APN:

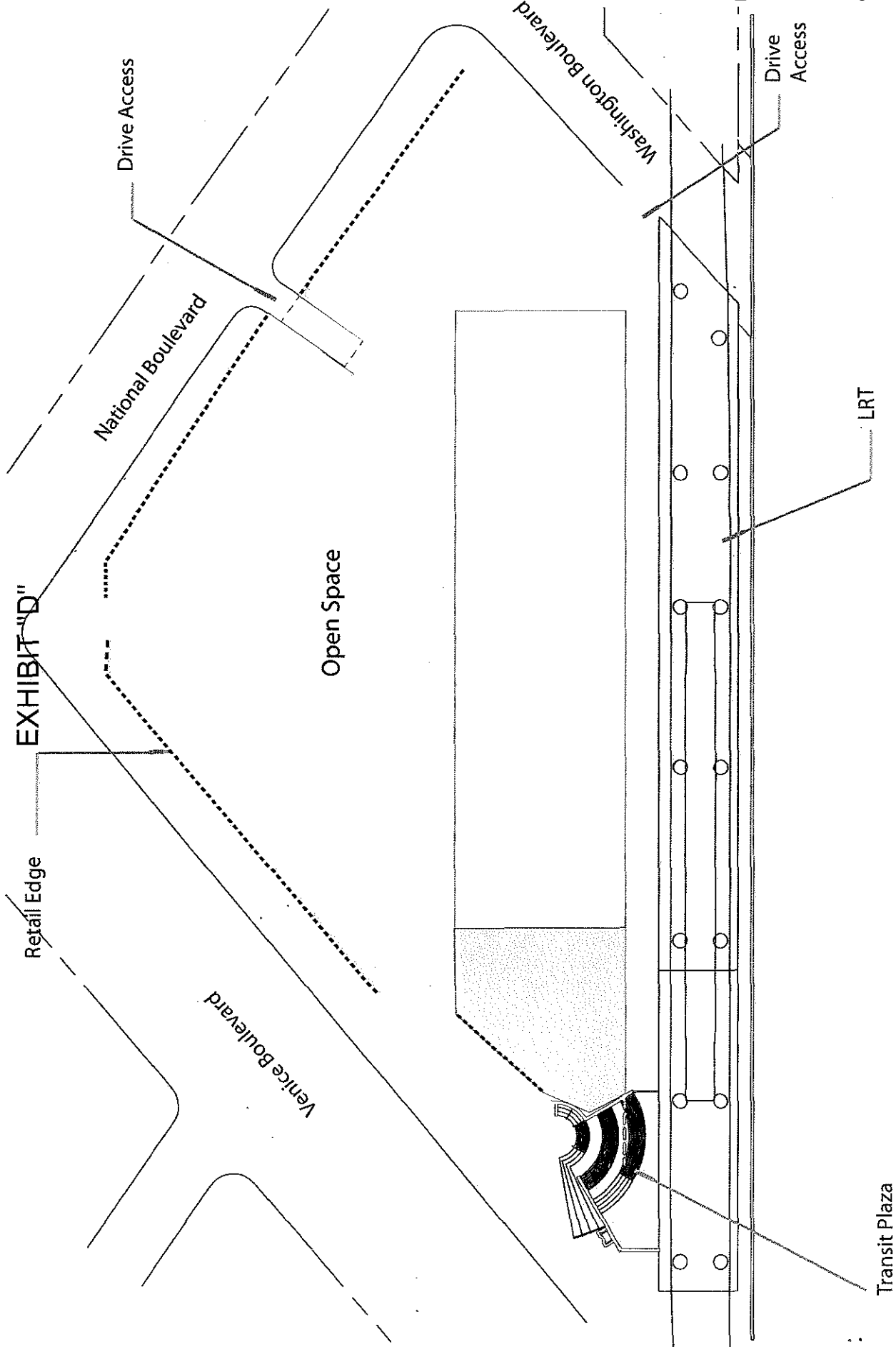
4312-014-020, 4312-014-021, 4312-014-022, 4312-014-023, 4312-014-024, 4312-014-059, 4312-014-027, 4312-014-058, 4312-014-029, 4312-014-030, 4312-014-031, 4312-014-038, 4312-014-039, 4312-014-040, 4312-014-041, 4312-014-042, 4312-014-053, 4312-014-046, 4312-014-047, 4312-014-048.

Lots 21, 22, 23, 24, 25, 26, 27, 37, 38, 39, 28, 29, 30, 31, 36, 32, 33, 34, 35, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, all in the City of Culver City, County of Los Angeles, and that part of lot 52 in the City of Culver City, County of Los Angeles, all in Tract 5461, as per Map recorded in Book 57 Page 76 of Maps, in the Office of the County Recorder of said County.

EXHIBIT D

WASHINGTON NATIONAL PROJECT CONCEPT SITE PLAN

[behind this page]



CONCEPT SITE PLAN

EXHIBIT E-1

DEPICTION OF EASEMENT AREA

[behind this page]

GRANTOR : LOS ANGELES METROPOLITAN TRANSPORTATION AUTHORITY		The data shown on plat are based on a field survey prepared by Psomas dated June 2003 - March 2006. Bearings and distances are based on California Coordinate System 83 Zone 5 coordinates obtained from California H.P.G.N.	
DESCRIPTION : PORTIONS OF PARCELS 48 AND 49 OF GRANT DEED, INSTRUMENT NO. 91-63428, D.R.			
IN THE CITIES OF CULVER CITY AND LOS ANGELES, COUNTY OF LOS ANGELES,			
STATE OF CALIFORNIA			
TITLE REPORT : N/A		0	09-15-2011
ASSESSORS REF. 4312-031-900 & 4312-031-901	ROW REF : RW-039	NO.	DATE
		ORIGINAL SUBMITTAL	
		REVISION DESCRIPTION	

EXPOSITION BLVD.

S83° 26' 42" E 813.64'

801.69'

FFP-179

S54° 31' 39" W 135.92'

11.95'

74.68'

S54° 31' 39" W

DETAIL "A"
N.T.S.

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

SOUTH BARREL OF VENICE BLVD.

N55° 56' 09" E

L6

25'

L5

N06° 34' 12" E

L3

L4

100'

RS 226/68-85

PMB 203/57-58

0 50' 100' 200'

SCALE 1" = 100'

EXPOSITION

S83° 26' 42" E

20'

20'

40'

NB3° 26' 42" W

801.69'

813.64'

BLVD.

SEE DETAIL "A" ABOVE

48'

40'

40'

N54° 31' 39" E

L2

149.37'

S54° 31' 39" W

L1

775.85'

INST. NO. 91-63428, D.R.

LASTG R/W

POR. PARCEL NO. 49

POR. PARCEL NO. 48

FFP-179

NB3° 26' 42" W

737.29'

PATENTS BK 1/207-208

POR. "R.R. LAND"

M.R. 53/25

RS 125/3

WASHINGTON BLVD.

N54° 31' 39" E

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

LOS ANGELES COUNTY

METROPOLITAN TRANSPORTATION AUTHORITY

MID-CITY/EXPOSITION LRT PROJECT

PREPARED BY: *[Signature]*

APPROVED BY: *[Signature]* 9/19/11

SUBMITTED BY: PROJECT MANAGER

EXPO PROJECT MANAGER

DATE

PARCEL PLAT

FFP 179

SHEET 1 OF 1

CONTRACT NO.	20MJD0508
SCALE	1"=100'
DATE	09-15-2011
DRAWN BY	KVO
CHECKED	494
REV. DATE	REV. NO.
	0

EXHIBIT E-2

LEGAL DESCRIPTION OF EASEMENT AREA

[behind this page]

PSOMAS

LEGAL DESCRIPTION

FFP 179

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

Containing 72,773 square feet.

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

Distances as described above and as shown on said Exhibit "B" are grid distances.

Ground distances may be obtained by dividing grid distances by the mean combination factor of the courses being described. The mean combination factor for this conversion is 1.00000213.

PSOMAS

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

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

Peter J. Fitzpatrick

09-15-2011

Peter J. Fitzpatrick, PLS 6777

Date



EXHIBIT F
EASEMENT AGREEMENT

[behind this page]

OFFICIAL BUSINESS

Document entitled to free
recording per Government Code
Sections 6103 and 27383

Recording Requested By
And When Recorded Return to:

CULVER CITY REDEVELOPMENT AGENCY
9770 Culver Boulevard
Culver City, California 90232
Attention: Asst. Executive Director

(Space Above Line for Recorder's Use Only)

PERPETUAL EASEMENT AGREEMENT

THIS PERPETUAL EASEMENT AGREEMENT ("Easement Agreement") is entered into as of _____, 20__ by and between the Los Angeles County Metropolitan Transportation Authority ("LACMTA"), and the Culver City Redevelopment Agency ("Agency") [**OR THE CITY OF CULVER CITY ("CITY")**], with reference to the following:

RECITALS

***[DRAFTING NOTE: FACTUAL INFORMATION IN RECITALS BELOW WILL BE
UPDATED AS NECESSARY AT TIME EASEMENT IS PREPARED FOR EXECUTION
AND THIS NOTE REMOVED]***

- A. The Exposition Metro Line Construction Authority ("Authority") is a public entity created by the California State Legislature pursuant to Public Utilities Code ("PUC") section 132600 for the purpose of awarding and overseeing final design and construction contracts for the completion of the Los Angeles - Exposition light rail transit project from Metro Rail station at 7th and Flower Streets in the City of Los Angeles to the Downtown area of the City of Santa Monica ("EXPO LRT Project").
- B. City of Culver City ("City") is a municipal corporation created and empowered in accordance with its charter and the constitution of the State of California.
- C. LACMTA is a public entity created by the California State Legislature pursuant to PUC sections 130050.2 *et. seq.* for many purposes including, but not limited to, the design, construction, and operation of rail and bus transit systems and other transportation facilities in Los Angeles County.

- D. 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, and is carrying out the Culver City Redevelopment Project ("Redevelopment Project") in which a portion of the EXPO LRT Project is to be located.
- E. Phase 1 of the EXPO LRT Project is an approximately 9 mile light rail line extending southward from Downtown Los Angeles to Exposition Park, and then westward along Exposition Boulevard to Venice Boulevard/Robertson Boulevard, and traversing through and ending at the aerial Culver City Station.
- F. The EXPO LRT Project Culver City Station and ancillary improvements being constructed in connection therewith are illustrated on Exhibit "A" attached hereto and incorporated herein by reference ("EXPO Station"). The EXPO Station is located within the LACMTA-owned 150-foot-wide parcel that is located between Venice Boulevard and Washington Boulevard ("LACMTA Parcel"). The LACMTA Parcel is legally described on Exhibit "B" attached hereto and incorporated herein by reference.
- G. LACMTA, Agency, Authority and City entered into that certain Memorandum of Understanding executed as of January 18, 2011 ("MOU"), which concerns the EXPO Station and provides for the undertaking of certain expenditures and related commitments to enhance the implementation of the respective projects of the parties to the MOU in a manner consistent with the interests of such parties.
- H. City and Agency are in the process of carrying out the redevelopment of a portion of the Redevelopment Project on real property which abuts the location of the EXPO Station, which portion of the Redevelopment Project is referred to as the "Washington National Project". The Washington National Project is anticipated to be located within City-owned property as shown on Exhibit "C-1" and as legally described on Exhibit "C-2" each as attached hereto and incorporated herein by reference (collectively, the "Triangle Property"), and a portion of the LACMTA Parcel. The proposed location of the Washington National Project, and Agency's/City's proposed use of a portion of the LACMTA Parcel, as currently contemplated by the Agency/City, is depicted on the concept site plan attached hereto as Exhibit "D" and incorporated herein by reference.
- I. The hereinafter defined "Parking Garage" required the Authority to provide additional support to the EXPO Station in order to accommodate subterranean portions thereof that are located in close proximity to the EXPO Station's foundations. Pursuant to the MOU, the Agency agreed to reimburse the Authority for the costs of such additional support, and the Authority has constructed the Expo Station with the additional supports to accommodate the Parking Garage in reliance thereon.
- J. In furtherance of the MOU, LACMTA, Agency, and City entered into that certain Option Agreement for Perpetual Easement dated as of September [], 2011 ("Option Agreement").

- K. The Agency [OR CITY] has exercised the "Option" (as set forth and as defined in the Option Agreement). This Easement Agreement is the "Easement Agreement" referenced in the Option Agreement and is entered into in accordance with the Option Agreement.

NOW, THEREFORE, in consideration of the recitals set forth above, the covenants, conditions and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Agency [OR CITY] and LACMTA, intending to be legally bound, hereby agree as follows:

ARTICLE 1

DEFINITIONS

As used in this Easement Agreement, the following terms have the meanings set forth below.

1.1 "Agency" means the Culver City Redevelopment Agency and any successors and assigns.

1.2 "Agency's [OR CITY'S] Hazardous Materials" means any Hazardous Materials that (i) become present in, on, under or about the LACMTA Parcel as a result of any act or omission of Agency [OR CITY] or any person acting on behalf of Agency [OR CITY], and/or (ii) are present in, on, under or about the LACMTA Parcel as of the Closing Date, but the presence of which Hazardous Materials in, on, under or about the LACMTA Parcel would not have given rise to a claim or a duty to Remediate, were it not for the actions of Agency [OR CITY], including any actions relating to its rights to develop, construct or otherwise perform work in, on, under or about the Easement Area.

1.3 "Applicable Laws" shall mean all laws, statutes, requirements, ordinances, orders, judgments, regulations, resolutions, covenants, restrictions, administrative or judicial determinations of any governmental authority, court or agency having jurisdiction over the Easement Area, whether enacted or in effect, and as interpreted, as of the date of this Easement Agreement or thereafter, including, but not limited to, environmental laws, zoning laws, building codes and regulations and those laws relating to accessibility to, usability by, and discrimination against, disabled individuals, as well as all covenants, restrictions, and conditions of record that encumber the Easement Area.

1.4 "Authority" means the Exposition Metro Line Construction Authority and any successors and assigns.

1.5 "City" means the City of Culver City and any successors and assigns.

1.6 "Construction License Agreement" means that certain License Agreement for Construction of Temporary Spaces dated as of September [], 2011 entered into by and among City, Agency, and Authority.

1.7 “Easement Area” means the northerly 91 feet of the LACMTA Parcel, including surface, air (not to exceed five stories above grade), and subterranean portions thereof, as illustrated on Exhibit “E-1” attached hereto, and as legally described on Exhibit “E-2” attached hereto.

1.8 “EXPO Phase 2 Completion Date” means the date revenue operations commence for the Phase 2 LRT EXPO Project from Venice/Robertson to the station at which such Phase 2 actually terminates.

1.9 “EXPO Spaces” means unreserved parking spaces in the Parking Garage to serve the EXPO Station users in a number equal to one of the following (the Parties acknowledge and agree that the number of EXPO Spaces will change from time to time as set forth below):

a. Until the EXPO Phase 2 Completion Date, “EXPO Spaces” shall mean six hundred (600) parking spaces; provided, however:

- (1) Prior to the EXPO Phase 2 Completion Date, LACMTA shall perform a parking survey during the third year of revenue operations of EXPO Phase 1. Based on the parking survey, LACMTA may, at its sole and absolute discretion, elect to reduce its use of the EXPO Spaces to less than six hundred (600) prior to the EXPO Phase 2 Completion Date. In such event, “EXPO Spaces” shall mean such reduced number of parking spaces in the Parking Garage during any period of time that LACMTA, in its sole and absolute discretion, reduces its use of the EXPO Spaces to less than six hundred (600), provided that LACMTA may, in its sole and absolute discretion, at any time rescind such reduction; and
- (2) In the event the planned Phase 2 of the Washington National Project is completed prior to the EXPO Phase 2 Completion Date and operation of the Parking Garage is commenced, then the six hundred (600) EXPO Spaces in the Parking Garage may, at the option of Agency [OR CITY], be reduced to three hundred (300) parking spaces and “EXPO Spaces” shall then mean three hundred (300) parking spaces in the Parking Garage, provided Agency [OR CITY] also provides the use of not less than three hundred (300) parking spaces in the Ince Parking Garage (rather than the 235 Replacement Spaces otherwise contemplated) at no charge, cost, or expense to LACMTA or its Permittees, until the EXPO Phase 2 Completion Date. The use of the three hundred (300) parking spaces in the Ince Parking Garage shall be subject to the terms and conditions set forth in the Parking License Agreement, and in such case the Parking Agreement shall be deemed to remain in effect for such purpose; or

b. After the EXPO Phase 2 Completion Date, "EXPO Spaces" shall mean three hundred (300) parking spaces.

1.10 "Hazardous Materials" means any substance, material or waste which is or becomes regulated by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance or waste which is (i) defined as a "hazardous waste", "acutely hazardous waste", "restricted hazardous waste", or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code; (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iii) defined as a "hazardous material", "hazardous substance", or "hazardous waste" under Section 25501 of the California Health and Safety Code; (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) a polychlorinated biphenyl; (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); or (xii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as "hazardous" or is harmful to the environment or capable of posing a risk of injury to public health and safety.

1.11 "Ince Parking Garage" means the Ince Boulevard Public Parking Garage at 9099 Ince Boulevard in Culver City.

1.12 "LACMTA" means the Los Angeles County Metropolitan Transportation Authority and any successors and assigns.

1.13 "LACMTA's or Authority's Hazardous Materials" means any Hazardous Materials that, as a result of the actions of LACMTA or Authority, exist in, on, under or about the Easement Area, excluding any of the same that are Agency's [OR CITY'S] Hazardous Materials.

1.14 "Non-Peak Hours" means _____ [BLANK TO BE FILLED IN BASED ON MTA GOOD FAITH DETERMINATION OF NON-PEAK HOURS BASED UPON ACTUAL OPERATION OF EXPO LRT PROJECT.]

1.15 "Option Agreement" means that certain Option Agreement dated as of September [], 2011 entered into by and among the City, Agency and LACMTA.

1.16 "Parking Garage" means the parking garage facility to serve the Washington National Project to be located on the Triangle Property and the Easement Area.

1.17 "Parking License Agreement" shall mean that certain License Agreement For Use, Operation, Maintenance, and Repair of Temporary Parking Spaces dated as of September [], 2011 entered into by and among, City, Agency, LACMTA.

1.18 "Parties" means LACMTA and Agency [OR CITY], the parties to this Easement Agreement.

1.19 "Permittees" means the Parties' respective officers, directors, employees, agents, partners, contractors, customers, visitors, invitees, licensees and concessionaires.

1.20 "REA" shall mean the Reciprocal Easement Agreement contemplated by Section 10 of the Option Agreement and described in Section 3.5, below.

1.21 "Release" means any release, spill, emission, emptying, leaking, injection, deposit, disposal, discharge, dispersal, leaching, pumping, pouring, dumping or migration into or through the environment (including atmosphere, ambient air, soil, surface water, groundwater, drinking water supply, surface land or subsurface strata), or into or out of any property.

1.22 "Remediate" means any response or remedial action as defined under Section 101(25) of CERCLA, and similar actions with respect to Hazardous Materials as defined under comparable state and local laws, and any other clean-up, removal, containment, abatement, monitoring, treatment, disposal, closure, restoration or other mitigation or remediation of Hazardous Materials or Releases required by any governmental authority or under any law referenced above in the definition of Hazardous Materials.

1.23 "Replacement Spaces" means no less than two hundred thirty-five (235) unreserved parking spaces made available to LACMTA at no cost in the Ince Parking Garage as set forth in the Parking License Agreement. The use of the Replacement Spaces shall be subject to the terms and conditions set forth in the Parking License Agreement.

1.24 "Temporary Spaces" means temporary surface parking spaces which may be constructed by the Authority within a portion of the Easement Area and the Triangle Property pursuant to the Construction License Agreement and which may be relocated to the Replacement Spaces (as set forth in the Parking License Agreement) in a number equal to one of the following (the Parties acknowledge and agree that the number of Temporary Spaces may change from time to time as set forth below):

a. Until the EXPO Phase 2 Completion Date, "Temporary Spaces" shall mean six hundred (600) parking spaces;

b. After the EXPO Phase 2 Completion Date, "Temporary Spaces" shall mean three hundred (300) parking spaces;

c. If the Temporary Spaces are relocated to the Ince Parking Garage (as set forth in the Parking License Agreement), then the "Temporary Spaces" shall mean the "Replacement Spaces".

ARTICLE 2

GRANT OF EASEMENT

2.1 Grant of Easement. For valuable consideration, receipt of which is hereby acknowledged, and subject to LACMTA's reservation of Retained Rights, as defined in Section 3 below and to the other terms and conditions of this Easement Agreement, LACMTA hereby grants to Agency [OR CITY] a perpetual easement on, under and above (not to exceed five stories above grade) the Easement Area to construct, use, operate, maintain, repair, and/or reconstruct parking uses, transit plaza uses, and residential and commercial (incidental to the operation of a garage) uses provided that such residential and commercial uses may not exceed in the aggregate 20,000 square feet, and of such 20,000 square feet not more than 5,000 square feet may be in the below-grade portions of the Easement Area. The REA shall describe and set forth the areas of the Agency's [OR CITY'S] exclusive and non-exclusive use of the Easement Area. The Parties agree that nothing in this Easement Agreement shall limit or preclude in any way any use of the Easement Area for residential and commercial uses pursuant to a lease of the Easement Area which may be subsequently entered into as set forth in Section 8.1.b, below. Any such lease, if requested and entered into and to the extent agreed between the parties thereto, would not be subject to the height, or square footage restrictions of the Easement Area.

2.2 Perpetual Easement. This Easement Agreement (including the grant of easement) and all of the covenants contained herein shall continue in full force and effect in perpetuity.

2.3 Condition of Easement Area:

- a. AS-IS, WHERE-IS. Agency [OR CITY] acknowledges and agrees that, except as expressly set forth herein, LACMTA makes no representation or warranty whatsoever, whether express or implied or arising by operation of law, with respect to any interest in the Easement Area or any portion thereof conveyed pursuant to this Easement Agreement. EXCEPT AS EXPRESSLY SET FORTH HEREIN, AGENCY AND CITY EACH AGREES THAT THE INTERESTS IN THE EASEMENT AREA (AND/OR ANY PORTION THEREOF) HAVE BEEN TRANSFERRED AND CONVEYED TO (AND ACCEPTED BY) THE AGENCY [OR CITY] IN THEIR THEN-EXISTING CONDITION, AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW. All representations and warranties not expressly set forth herein are hereby disclaimed by LACMTA and waived by Agency [OR CITY]. Without limiting the generality of the foregoing, except as expressly set forth herein, LACMTA makes no representation, warranty or guarantee of any kind, either express or implied, with respect to merchantability, marketability, habitability, fitness for a particular use or purpose, the value or

accuracy of information provided respecting the Easement Area, prospects for future development, use, or occupancy, zoning and/or permitted uses, of all or any portion of the Easement Area, and Agency [OR CITY] acknowledges and agrees that:

- i. Agency [OR CITY] has had the opportunity to make its own independent investigation of the Easement Area and all other aspects of this transaction, including, without limitation, the financial value of the Easement and projected future income and expenses for the Easement Area, and will have relied entirely thereon and on the advice of its independent consultants (if any) in entering into this Easement Agreement, and not on any information or material supplied by or on behalf of LACMTA.
- ii. Agency [OR CITY] has reviewed all instruments, records and documents which Agency [OR CITY] deemed appropriate or advisable to review in connection with the Easement Area and this Easement Agreement, and Agency [OR CITY] has determined that the information and data contained therein or evidenced thereby was satisfactory to Agency [OR CITY].
- iii. Agency [OR CITY] acknowledges that the Easement Area may or may not contain Hazardous Materials and that, except as expressly set forth herein, LACMTA makes no representation or warranty to Agency or City regarding the presence or absence of any Hazardous Materials in, on, or under the Easement Area. It shall be Agency [OR CITY's] responsibility to examine the Easement Area and to review such reports or other documents it deems necessary to satisfy itself as to the presence or absence of any such Hazardous Materials. Except as expressly set forth herein, if any Hazardous Materials are encountered during the planning, design, or construction of the Parking Garage, Agency [OR CITY] shall be responsible for all costs of disposal and remediation of such Hazardous Materials as a project cost.
- iv. In connection with this Section 2.3(a), Agency [OR CITY] expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR." AGENCY [OR CITY] ACKNOWLEDGES AND AGREES THAT IT HAS BEEN REPRESENTED BY LEGAL COUNSEL OF ITS CHOICE IN CONNECTION WITH THIS EASEMENT AGREEMENT, AND THAT SUCH COUNSEL HAS EXPLAINED TO IT THE PROVISIONS OF THIS SECTION 2.3(a). BY INITIALING BELOW, AGENCY [OR

CITY] CONFIRMS IT HAS AGREED TO THE PROVISIONS OF THIS SECTION 2.3(a).

- v. In this connection, Agency **[OR CITY]** hereby agrees, represents and warrants that Agency **[OR CITY]** realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses and other claims and liabilities which are presently unknown, unanticipated and unsuspected, and Agency **[OR CITY]** further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Agency **[OR CITY]** nevertheless hereby intends to release, discharge and acquit LACMTA and the LACMTA's affiliates, and the advisors, trustees, beneficiaries, directors, officers, employees, agents and attorneys and representatives of each of them, and each of their respective heirs, successors, personal representatives and assigns, from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses and other claims and liabilities.
- vi. LACMTA has given Agency **[OR CITY]** material concessions regarding this transaction in exchange for Agency **[OR CITY]** agreeing to the provisions of this Section 2.3(a). Agency **[OR CITY]** has initialed this Section 2.3 to further indicate its awareness and acceptance of each and every provision hereof; provided, however that failure of Agency **[OR CITY]** to initial this Section 2.3(a) below shall not invalidate this Section 2.3(a) nor shall it invalidate any other provision of this Easement Agreement.

AGENCY

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- vii. Notwithstanding anything to the contrary in this Section 2.3(a), the release and waiver by Agency **[OR CITY]** hereunder shall not constitute a waiver or release respecting any obligations of LACMTA or Authority to clean up or remediate LACMTA's or Authority's Hazardous Materials.
 - viii. The provisions of this Section 2.3(a) shall survive indefinitely.
 - b. LACMTA hereby represents and warrants to Agency **[OR CITY]** that to the knowledge of [Velma Marshall, Frances Impert and Matt Freychineaud] (the "LACMTA Knowledge Persons") **[NAMES OF LACMTA KNOWLEDGE**

PERSONS TO BE UPDATED AT TIME EASEMENT IS RECORDED], other than as disclosed in writing to Agency [OR CITY], (i) the LACMTA Parcel is not and has not been a site for the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of Hazardous Materials, except those that are in compliance with all applicable environmental laws; (ii) LACMTA has provided Agency [OR CITY] with copies of all reports prepared by or on behalf of LACMTA respecting the environmental condition of soils within the Easement Area in the possession of LACMTA; and (iii) there are no claims or actions pending or threatened against LACMTA or the LACMTA Parcel by any governmental entity or agency or any other person or entity relating to Hazardous Substances. The foregoing representations and warranties of LACMTA shall survive the exercise of the Option.

- c. Agency [OR CITY] shall not cause or permit any Hazardous Materials to be spilled or Released in, on, under, or about the LACMTA Parcel. If any Agency's [OR CITY'S] Hazardous Materials become present in, on, under or about the Property, Agency [OR CITY] shall promptly take all actions necessary to Remediate such Agency's [OR CITY'S] Hazardous Materials and restore the LACMTA Parcel to the condition required under applicable laws and that will allow LACMTA to make full economic use of LACMTA's rights therein, including the Retained Rights.

ARTICLE 3

RETAINED RIGHTS; PARKING

3.1 Retained Rights. Notwithstanding anything express or implied to the contrary in this Easement Agreement, LACMTA hereby reserves and retains the following rights with respect to the Easement Area ("Retained Rights") **[BELOW LANGUAGE TO BE REVISED BASED ON GOOD FAITH NEGOTIATIONS BETWEEN THE PARTIES PRIOR TO EXECUTION OF EASEMENT AGREEMENT]**:

(a) The right to install, construct, inspect, operate, maintain, repair, use, add, and replace all transit- or LACMTA-related improvements, structures, vehicles, equipment, fixtures, and furnishings now existing or hereafter located in, on, under, and/or adjacent to, or passing through the LACMTA Parcel, the EXPO Station (collectively, the "Public Transit Facilities"), including without limitation all of the equipment, cable, conduit, fixtures, furnishings, and vehicles located or operating in or on the LACMTA Property and property adjacent thereto and used or installed by LACMTA or for a transit purpose, including ticket vending machines, ticket validation systems and other equipment serving a comparable function, map and information cases and directional, way-finding informational and transit-station and transit-facility identification signs, lighting, CCTV cameras, rail cars, buses, vehicles, tracks, signaling devices, maintenance equipment, public address systems, fire protection equipment, communication antennas, and all other transit-related or LACMTA-related equipment and

vehicles (collectively, the "LACMTA Transit Equipment"), as LACMTA may determine is necessary in its sole and absolute discretion;

(b) The right to install, use, repair, maintain and replace a reasonable number of directional, way-finding, informational, transit station identification and transit facility identification signs, for the purpose of directing LACMTA Permittees to, from and between Public Transit Facilities and the public streets, sidewalks and rights-of-way;

(c) The non-exclusive right to use the sidewalk or surface areas within the Easement Area for pedestrian egress and ingress and activities related to the operation, maintenance and repair of the Public Transit Facilities for the benefit of LACMTA, its Licensees and Permittees and the public, including the right to drive and park maintenance vehicles on such sidewalk or surface areas in connection with such activities (including revenue collection), maintenance and repair of the Public Transit Facilities; provided that vehicles may only be parked by or on behalf of LACMTA and its Licensees during periods when operation, maintenance or repair work is occurring;

(d) The right to, at any time, install, place, use, maintain, repair and replace LACMTA Transit Equipment within the LACMTA Parcel;

(e) The non-exclusive right of pedestrian ingress and egress over and across the Easement Area (i) for the purpose of accessing the Public Transit Facilities, and the public streets and sidewalks adjoining the Premises, and (ii) for the purpose of exiting the Public Transit Facilities via emergency exits;

(f) The right to park vehicles in the EXPO Spaces located within the Easement Area, and rights of vehicular and pedestrian ingress and egress related thereto.

(g) [Provisions shall be added to the Easement Agreement to protect LACMTA, the Agency and the City from claims from third party developers, contractors, users and/or occupants of the Easement Area arising from their adjacency and proximity to the LACMTA Property and the public transit uses conducted there on by LACMTA, including obtaining acknowledgements (a) that the Property is or may in the future be adjacent and/or proximate to the LACMTA Property used for public transit purposes, which may include rail lines, tracks or dedicated roadway, rail storage yards, trains, buses or other vehicles utilized by LACMTA and (i) any transit company validly operating public transit lines on the city streets surrounding the LACMTA Property or which operates or maintains the Transit Facilities; (ii) any other persons employed, retained or engaged by LACMTA for that purpose, or for the purpose of maintaining, repairing, restoring or reconstructing the Transit Facility; and (iii) LACMTA's successors and assigns ("Transit Operators"), and all equipment and improvements related to the construction, maintenance or operation of public transit facilities in, on, over or under the LACMTA Property and the adjoining streets, sidewalks and public rights-of-way (the "Transit Facilities"); and (b) that, in connection therewith, any developers, contractors, users or occupiers of the Property may be subjected to disturbance, inconvenience, annoyance and nuisance associated with or related to (i) the construction, operation, use, repair, maintenance, replacement or reconstruction on or of the Transit Facilities, (ii) the operation of public transit

service in, on, under, or over the Transit Facilities, (iii) the activities of patrons, employees, contractors, consultants, Transit Operators or agents in and around the Transit Facilities, which include all: (1) vehicle exhaust, (2) noise ; (3) vibrations, (4) odors and (5) lighting from the LACMTA Property (collectively, the "Transit Proximity Risks"); and further including releases and waivers of claims from developers, contractors, users and occupiers of the Property for any loss sustained by, or any damage to or injury of, the users and occupiers of the Property and their property, arising out of the Transit Proximity Risks.]

3.2 EXPO Spaces. Subject to the terms and conditions of this Easement Agreement and the REA, upon completion of the Parking Garage, LACMTA retains rights to, and shall be provided the use of, the unreserved EXPO Spaces. In addition to hereinafter defined Transit Signage costs set forth in Section 3.3(c), below, the allocation of operation and maintenance costs for the EXPO Spaces is set forth in Section 7.2.

3.3 Operation of Parking Garage.

a. Neither the Agency, nor the City, nor the then-owner(s) or operators of the Parking Garage shall have any right to directly or indirectly impose any fee, cost or charge on any LACMTA Permittees using the EXPO Spaces in the Parking Garage (including without limitation any transit patrons using the EXPO Station), provided that the owner(s) of the Parking Garage and holders of the easements created through this Easement Agreement shall have the exclusive right to set fees for the use of all parking spaces within the Parking Garage other than the EXPO Spaces, and shall be entitled to receive the associated revenues earned therefrom. LACMTA shall have the exclusive right to set fees, if any, for the EXPO Spaces and shall be entitled to receive any and all revenues earned therefrom. The Parties shall work cooperatively and in good faith with each other for LACMTA to determine any charges applicable to the EXPO Spaces and for the owner(s) of the Parking Garage (including, as applicable, Agency [OR CITY]) to determine charges for the other users of the Parking Garage.

b. The Agency [OR CITY] shall ensure the EXPO Spaces are open and available to LACMTA Permittees on a daily basis beginning at least thirty (30) minutes prior to the commencement of the light rail service at the Culver City Station each morning and not ending before the time that is thirty (30) minutes after the end of the light rail service at the Culver City Station at the end of each day.

c. At no cost to the Agency [OR CITY] or the owner(s) or the operator of the Parking Garage (if other than the Agency [OR CITY]), the owner(s) of the Parking Garage shall install, or cause to be installed (and re-install, or caused to be re-installed, if necessary) way finding signage provided by LACMTA ("Transit Signage") in the Parking Garage in locations reasonably approved in writing by LACMTA and the Agency [OR CITY] and the owner(s) of the Parking Garage. Such Transit Signage shall provide directions to the rail line, the Culver City Station, bus lines and stops and/or park and ride areas, if any. LACMTA shall be responsible for creating and repairing the Transit Signage, providing replacement Transit Signage and shall pay all costs associated therewith. LACMTA shall coordinate all such activities with the Agency [OR CITY] and the owner(s) of the Parking Garage. The Agency [OR CITY] and the owner(s) of the Parking Garage shall have reasonable rights of approval

over all aspects of the Transit Signage, including, without limitation, size, number, and placement location; provided, however, LACMTA's standard wayfinding signage used in the usual course of its system shall be considered approved as to size and content.

3.4 Non-Peak Hours. LACMTA agrees to not unreasonably withhold approval of, and will reasonably consider, any proposals made by Agency or City, to share the Temporary Parking and EXPO Spaces with the Agency and the owner of the Washington National Project during Non-Peak Hours.

3.5 REA. Concurrently with the execution of this Easement Agreement, LACMTA and Agency or City, or their respective successors as owners of the LACMTA Parcel and Triangle Property, respectively, have executed and duly acknowledged the REA contemplated by Section 10 of the Option Agreement. The REA shall be recorded concurrently herewith, against the LACMTA Parcel and the Triangle Property, and the Agency [OR CITY] will pay for all costs associated therewith, including, without limitation, any closing costs, transfer taxes, escrow fees or expenses, and the costs of obtaining any title insurance in connection therewith.

3.6 No Relocation Benefits. Without limiting any of Agency [OR CITY'S] obligations under this Agreement, LACMTA acknowledges and agrees that neither it nor any Licensee nor any Permittee shall be entitled to any relocation benefits or payments arising out of its vacation of any temporary parking spaces within the Washington National Project or the expiration or termination of this Agreement. LACMTA knowingly, voluntarily and intelligently waives for itself and all Licensees and all Permittees any such benefits or payments. Nothing in this Section reduces or modifies the Agency [OR CITY'S] obligations to provide the Temporary Spaces or the EXPO Spaces.

ARTICLE 4

COOPERATION

The Parties intend that the planning, development and construction of the EXPO Station, the Washington National Project, and parking related thereto, will be a cooperative, mutual endeavor in which the Parties actively participate and work together, in good faith and with due diligence. Each Party hereto agrees to take all lawful actions to negotiate in good faith and prepare for formal consideration and approval all definitive legal agreements within their respective jurisdictions contemplated by, and necessary to implement the purpose and intent of, this Easement Agreement. The Parties agree to implement the EXPO Station and the Washington National Project within their respective jurisdictions in a harmonious way, including without limitation, satisfaction or compliance with all of the following:

- a. The Parties shall diligently negotiate and prepare for execution by the Parties all documents contemplated herein so as to effectuate the purposes of this Easement Agreement;
- b. Agency and City will consult with LACMTA and carefully consider any recommendations and objections raised by LACMTA regarding the Agency's or City's, as applicable, proposed selection or replacement of the Washington

National Project developer and the Agency's or City's, as applicable, proposed approval of financing and assurances to be provided by the developer to ensure construction of the Washington National Project;

- c. LACMTA agrees to cooperate with Agency and City to facilitate the availability of state and/or federal funds to enable Agency and City to perform its payment obligations; provided, however, nothing in this section shall be deemed to imply or obligate LACMTA to contribute any funds to Agency or the City except as specifically set forth herein or in the Easement Agreement or REA;
- d. LACMTA agrees to vacate the surface of the Easement Area consistent with LACMTA's vacation of the Triangle Property as required by the Parking License Agreement;
- e. LACMTA agrees to maintain the EXPO Station and all of its ancillary rights of way and other areas supporting such station, including without limitation, its parking areas, in a manner consistent with LACMTA's system-wide maintenance and landscaping standards and as set forth in the Parking License Agreement;
- f. LACMTA shall not maintain or permit any use of the LACMTA Parcel on the south side of Venice Boulevard for the purpose of any bus uses, bus turnout areas and/or bus storage areas, except that paratransit shuttle service shall be permitted as shown on Exhibit "F";
- g. It is intended by the Parties that the shared EXPO LRT and Washington National Projects' parking may include the potential development of podium parking; and
- h. LACMTA agrees to consult with Agency and City and carefully consider any recommendations and objections raised by Agency or City regarding LACMTA's proposed future use of the air space located above the EXPO Station platform.

ARTICLE 5

CONSTRUCTION OF ISOLATION WALL

5.1 At no cost to LACMTA or Authority and consistent with plans mutually approved therefor by the Parties, Agency **[OR CITY]** shall construct, or at its option cause the construction by the Washington National Project developer of, a shoring wall to be located underground approximately 24 feet deep (the contemplated depth of the Parking Garage), or the depth of the Parking Garage, whichever is deeper, along the property line between the Easement Area and the EXPO LRT Project for the purpose of protecting the EXPO LRT Project from adverse impacts such as the weakening of subjacent support due to the excavation for and the construction of the Parking Garage (the "Isolation Wall"). LACMTA or Authority will expeditiously review and not unreasonably withhold approval of the Isolation Wall design and plans for consistency with the criteria set forth in Article 6 below. The review and approval of the Isolation Wall plans shall conform to the process set forth in Article 6, below.

5.2 The Isolation Wall shall be constructed and in place before any excavation work is commenced for the Parking Garage or for any portion of the Washington National Project within 50 feet of the EXPO Station. Any construction work done for the Isolation Wall or the Washington National Project must be in compliance with any applicable LACMTA work rules, track allocation procedure and permit process. Without limitation of LACMTA's other rights under this Easement Agreement or otherwise, the Parties acknowledge and agree that completion of the Isolation Wall is critical and that LACMTA shall be entitled to injunctive relief immediately halting construction of the Parking Garage and any other improvements on the Easement Area in the event that Agency, City or the owner of the Washington National Project fails to complete construction of the Isolation Wall or seeks to move forward with other construction prior to completing the construction of the Isolation Wall. Agency, City and the owner of the Washington National Project each hereby waive any right to challenge such relief. Notwithstanding anything to the contrary in this Agreement, a failure to satisfy Agency's [OR CITY'S] obligations respecting the Isolation Wall shall be an immediate Event of Default under this Easement Agreement and MTA's rights under this Section 5.2 may be exercised immediately upon the occurrence of such Event of Default, without limitation of LACMTA's other rights under this Easement Agreement or otherwise.

ARTICLE 6

PARKING GARAGE AND ANCILLARY USES DESIGN AND CONSTRUCTION

6.1 The construction and development of the Parking Garage and all other improvements and ancillary uses to be constructed within the Easement Area, including without limitation residential, commercial and transit plaza uses (collectively, "Ancillary Uses"), shall be subject to the approval of any governmental entity which may have legal jurisdiction over such construction and development. LACMTA and Authority shall have the right to reasonably approve plans and specifications for the Parking Garage and the Ancillary Uses based primarily on the following criteria:

- a. Whether there is an impact on the structural integrity of the EXPO LRT Project;
- b. Whether there is more than a de minimus or trivial impact to operation and maintenance of the EXPO LRT Project;
- c. The reasonable location and proximity, including, without limitation, the ease of access of the EXPO Spaces for station access for Authority patrons;
- d. Confirmation that the Parking Garage and Ancillary Uses are designed and will be constructed within the Easement Area;
- e. The provision of bicycle racks and lockers in the Parking Garage in reasonably close proximity to the EXPO Station or in the surface area of the Easement Area; provided, however, Agency [OR CITY] shall provide a linkage, subject to Authority and

LACMTA prior approval, between the bicycle racks and lockers and the permanent clean mobility center facilities if constructed by Authority under the EXPO Station structure;

f. Whether any pedestrian connections constructed as part of the Washington National Project between the EXPO Station and the Washington National Project, at grade and/or at the station platform level is compatible with or appropriate for the EXPO LRT Project;

g. If the Washington National Project includes podium parking or any structure directly adjacent to the EXPO Station, the exterior design and architectural finish of such structure is compatible with the EXPO Station; and

h. whether the design is in compliance with the terms of this Easement Agreement and all Applicable Laws.

6.2 Once LACMTA has approved design drawings and specifications at the 30% completion level for the Parking Garage (the "30% Drawings") based on the criteria set forth above in Section 6.1 and provided LACMTA has had at least sixty (60) days to review such 30% Drawings, the approval of subsequent levels of design and construction plans shall also be based on the criteria set forth above and shall be governed by the "deemed approved" procedures set forth in Exhibit "G". LACMTA will expeditiously review and not unreasonably withhold approval of such Parking Garage subsequent levels of design and plans, and agrees to review and approve or disapprove such plans within thirty (30) days of submittal by or on behalf of Agency [OR CITY]. Any disapproval of plans shall be accompanied by a written statement delivered to Agency [OR CITY] within said 30-day period specifying detailed reasons for any such disapproval. In the event Agency [OR CITY] desires to construct improvements within the Easement Area that differ in any material respect from the then-current set of plans and specifications that have been approved by LACMTA pursuant to this Article 6, then, prior to performing any construction related thereto, Agency [OR CITY] shall prepare and submit to LACMTA for LACMTA's review and approval a revised set of plans and specifications reflecting such proposed changes, and LACMTA shall have the right to approve such revised plans and specifications in accordance with this Article 6.

6.3 Subject to the reimbursement obligation in Section 7.2, below, the Agency [OR CITY] shall bear all the costs of developing, constructing, operating maintaining and repairing the Parking Garage, including, without limitation, the costs associated with developing, constructing and repairing the EXPO Spaces and LACMTA shall have no responsibility for such costs. All improvements constructed by Agency [OR CITY] within the Easement Area shall be constructed, installed and performed in coordination with LACMTA, and in accordance with plans and specifications approved by LACMTA pursuant to this Article 6 and all Applicable Laws.

6.4 It is the intent of the Parties, and Agency [OR CITY] hereby agrees as between the Parties, that LACMTA's review, approval, disapproval or requests for changes of any plans and specifications shall not constitute the assumption of any responsibility by, or impose any liability upon, LACMTA as to the accuracy, efficacy, sufficiency or legality thereof, or the constructability of the improvements detailed therein and shall not affect LACMTA's rights or

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remedies in the event of any loss, damage, claim, cost or expense resulting from any construction performed by or on behalf of Agency [OR CITY].

6.5 Prior to commencing any construction work on the Easement Area, Agency [OR CITY] shall provide LACMTA with at least ten (10) days prior written notice of the proposed commencement date, and Agency [OR CITY] shall provide LACMTA with reasonable updates regarding the status of the construction and will respond to any other reasonable requests from LACMTA for information related thereto.

6.6 Agency [OR CITY] shall at all times ensure that in the event any construction work is commenced within the Easement Area, such work is performed in a manner, and the Easement Area is maintained in a condition, that does not create any unreasonable risk to public health or safety.

ARTICLE 7

CONSTRUCTION, DEVELOPMENT AND MAINTENANCE COSTS FOR THE PARKING GARAGE

7.1 Except for LACMTA's obligation to reimburse the Agency [OR CITY] for certain costs as set forth in this Article and in Section 3.3., c. above, the Agency [OR CITY] shall bear all the costs of developing, constructing, operating, maintaining and repairing the Parking Garage, including, without limitation the costs associated with developing and constructing the EXPO Spaces, and LACMTA shall have no responsibility for such costs except as set forth in Section 3.3., c. above and Section 7.2, below.

7.2 After completion of construction of the Parking Garage, and thereafter, on not less than a monthly basis, LACMTA shall reimburse Agency [OR CITY], or the operator of the Parking Garage, as applicable, _____ (\$ _____) per EXPO Space as and for reimbursement for a portion of the costs and expenses to operate, maintain and repair the EXPO Spaces, which amount shall be increased each calendar year based on the increase in the Consumer Price Index for the regional index that includes Los Angeles County. **[NOTE: Amount to be inserted in the blank above to be calculated based upon the amount LACMTA incurs for day-to-day maintenance of the Temporary Spaces and other comparable surface parking spaces, which amount shall not include (among other things) any costs for insurance, property tax or possessory interest tax, parking attendants, or other costs associated with construction or operation of the Parking Garage]**

ARTICLE 8

COMMERCIAL, RESIDENTIAL AND TRANSIT USES

8.1 Commercial and Residential Uses.

a. Agency [OR CITY] shall be permitted to construct, use, operate, maintain, repair and reconstruct up to 20,000 sq. ft. of improvements for commercial and/or

residential uses within the Easement Area, not more than 5,000 square feet of which may be in the subterranean portion of the Easement Area. Commercial use may include off-premises advertising signage; provided however, that Agency or City shall have no authority to install such off-premises advertising signage until the Parties have mutually agreed to a reasonable revenue sharing agreement for such off-premises advertising. The Parties each agree to negotiate diligently and in good faith, to refrain from unreasonably withholding or conditioning approval of, and from unreasonably delaying such negotiation and approval, and to prepare for formal consideration (if required), approval, and execution of a revenue sharing agreement within their respective jurisdictions.

b. If Agency [OR CITY] desires to use a portion of the Easement Area for residential purposes and/or commercial uses which exceed 20,000 sq. ft., then at the request of Agency [OR CITY], LACMTA shall be obligated to, subject to California Environmental Quality Act compliance, lease a portion of the Easement Area to Agency [OR CITY] for such residential purposes and/or commercial uses on a lease form subject to the reasonable approval of LACMTA and Agency [OR CITY] based upon similar transit oriented development leases utilized by LACMTA for such purposes; provided however, that in consideration of the public uses being provided under the MOU by the City and Agency at the sole cost and expense of the Agency [OR CITY] (including without limitation Agency [OR CITY] construction of the transit plaza and associated linkages, Agency [OR CITY] provision of temporary and permanent LACMTA parking; Agency [OR CITY] provision of the EXPO construction staging area, the development of commercial facilities to serve the train users and others, and the construction of a Transit Oriented Development), the rent to be charged the Agency [OR CITY] therefor shall be nominal. The Parties agree that nothing in this Easement Agreement shall limit or preclude in any way any use of the Easement Area for residential and commercial uses pursuant to a lease which may be subsequently entered into as set forth in this Section, and any such lease, if and to the extent the same is approved by LACMTA, would not be subject to the height, or square footage restrictions of the Easement Area. Without affecting, changing or modifying in any way LACMTA's rights, remedies or obligations under the Easement Agreement or the REA, the Parties agree that in connection with any such lease they shall negotiate in good faith respecting an amendment to the REA and with respect to such leased space, if any.

8.2 Transit Uses. The Agency [OR CITY] shall be permitted to have a non-commercial transit plaza for transit related purposes, an illustrative plan of which is attached hereto as Exhibit "H"; provided, however, since the transit plaza is still not well defined in Exhibit "H", a transit plaza in that area may be permitted so long as such transit plaza is consistent with patron circulation flow and the architectural theme of the EXPO Station and the design and construction of the transit plaza is subject to the prior approval of Authority and LACMTA.

ARTICLE 9

INSURANCE

The Parties agree that insurance requirements shall be attached to this Easement Agreement as Exhibit "I" as mutually reasonably agreed upon by the Parties at the time this

Easement Agreement is prepared for execution by the Agency [OR CITY]. LACMTA's insurance requirements shall be based on what is then commercially-reasonable in light of all circumstances at the time, including, without limitation, the actual scope of the Washington National Project and the proximity of the Washington National Project and its various components to the Culver City Station. The Parties each agree to negotiate diligently and in good faith, to refrain from unreasonably withholding or conditioning approval of, and from unreasonably delaying such negotiation and approval with regard to insurance requirements.

ARTICLE 10

EMINENT DOMAIN

10.1 LACMTA acknowledges that, under the circumstances existing as of the date of this Agreement, the proposed use of the Easement Area by the Agency [OR CITY] (subject to all rights therein to be retained by LACMTA as contemplated by this Agreement) is the most necessary public use for such property. Agency [OR CITY] acknowledges that, under the circumstances existing as of the date of this Agreement, LACMTA's current and proposed uses of the LACMTA Parcel are the most necessary public uses for such property.

10.2 Without limiting Section 10.1, in the event that all or a portion of the Easement Area and/or any improvements, buildings, structures or items pertaining to the realty that might from time to time exist within the Easement Area are taken by eminent domain, Agency [OR CITY] shall be entitled to any and all condemnation awards allocated for such easement rights and/or improvements, including without limitation loss of use thereof.

10.3 Nothing in this Article 10 shall affect the existence of the easements granted in this Easement Agreement. In the event of any condemnation affecting the existence of any easement granted in this Easement Agreement, the parties shall, to the extent feasible, relocate such easements pursuant to the provisions and standards set forth herein.

ARTICLE 11

DEFAULT; REMEDIES

11.1 Events of Default. Failure to perform any term or provision of this Easement Agreement constitutes a default under this Easement Agreement, and upon expiration of any applicable cure, notice, or grace periods set forth herein, shall constitute an "Event of Default" hereunder.

11.2 Rights to Cure Default. Each non-defaulting party (in such capacity, a "Non-Defaulting Party") shall have the right, but not the obligation, to cure any Event of Default by the other party ("Defaulting Party") after first giving the Defaulting Party ten (10) days prior written notice of the intention to cure. Notwithstanding the foregoing, if the Non-Defaulting Party notifies the Defaulting Party that such default is an urgent matter relating to public health and safety, and such matter is an urgent matter relating to public health and safety, rather than the notice period set forth in the preceding sentence, the notice period shall be forty-eight (48) hours following receipt of the notice. No cure by the Non-Defaulting Party shall constitute a cure of

the Event of Default as between the Non-Defaulting Party and the Defaulting Party, and such cure shall not waive or release the Defaulting Party from any obligations under this Easement Agreement. In exercising this right, the Non-Defaulting Party may perform all acts and make all payments it deems desirable to achieve the cure, including the payment of any necessary expenses and the employment of legal counsel. The Defaulting Party shall reimburse the Non-Defaulting Party for all actual costs reasonably incurred by the Non-Defaulting Party in connection with achieving the cure of an Event of Default, plus interest at a rate equal to the lesser of the highest rate permitted by law and a rate equal to the prime rate as reported in the Wall Street Journal at such time, plus five (5) percentage points (the "Default Rate"), compounded monthly, from the date any such amounts or expenses are actually expended or incurred. Such reimbursement shall be due and payable by the Defaulting Party to the Non-Defaulting Party within ten (10) days after the Non-Defaulting Party's written demand for payment. The Defaulting Party's failure to reimburse the Non-Defaulting Party, whether or not the Non-Defaulting Party's payment cured the Event of Default, shall constitute a separate Event of Default if not paid by Defaulting Party within fifteen (15) days after the due date.

11.3 Injunctive Relief. Either Party may proceed at law or in equity to prevent the violation or continuing violation of any of the covenants, conditions and restrictions set forth in this Easement Agreement, to cause any violation to be remedied and to recover damages therefore. Unless otherwise provided herein, in addition to other remedies specifically provided in this Easement Agreement or at law or in equity, the Non-Defaulting Party shall be authorized and entitled wherever there is otherwise a right to equitable or injunctive relief to bring any proceedings in the nature of specific performance or injunction, or to obtain any equitable remedy.

11.4 Costs. The Non-Defaulting Party shall be entitled to receive from the Defaulting Party any actual costs incurred by the Non-Defaulting Party in connection with any Event of Default, together with interest on all funds the Non-Defaulting Party expends with interest at the Default Rate, compounded monthly.

11.5 Time to Cure. Unless otherwise specified in a particular Section of this Easement Agreement, a party in default shall have thirty (30) days subsequent to the giving of notice within which to cure a default. If such default cannot with the exercise of due diligence be cured within such thirty (30) days, such thirty (30) day period shall be extended for such additional time as may be required to cure the default with due diligence, provided the party in default commences to cure the default within such thirty (30) day period and thereafter proceeds diligently to cure such default within a reasonable time.

11.6 Conditional Security Assignment of Agency [OR CITY] Enforcement Rights. As additional security for performance of Agency's [OR CITY'S] obligations hereunder, Agency [OR CITY] hereby agrees to conditionally transfer, set over and assign to LACMTA, a security interest in Agency's [OR CITY'S] right, title and interest in enforcement of any obligations of the owner the Washington National Project pursuant to any agreements between Agency [OR CITY] and such owner, said transfer and assignment to automatically become a present, unconditional assignment, at LACMTA's option exercised by written notice to Agency [OR CITY] and the owner the Washington National Project, upon the occurrence and during the

continuance of an Event of Default, provided that Agency [OR CITY] is not then diligently undertaking to exercise such enforcement rights. Agency [OR CITY] and LACMTA hereby agree that LACMTA's enforcement rights under this Section 11.6 shall be subordinate to those of any Mortgagee. Concurrently with the execution of this Easement Agreement, Agency [OR CITY] shall deliver to LACMTA evidence reasonably acceptable to LACMTA that the conditional assignment under this Section 11.6 has been acknowledged by the owner of the Washington National Project and is enforceable.

11.7 Cumulative Remedies. The remedies hereby specified are cumulative, and the specification of a remedy shall not be deemed to preclude an aggrieved person's resort to any other remedy at law, in equity or under any statute.

ARTICLE 12

NOTICES

All notices under this Easement Agreement shall be sufficiently given if delivered or mailed by registered or certified mail, postage prepaid and return receipt requested, or by nationally recognized overnight courier service, and addressed as follows:

To Agency: [IF CITY IS THE PARTY, CHANGE TO CITY NOTICE ADDRESS(ES)]

Assistant Executive Director
Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90230
Facsimile No.: (310) 253-5779

To LACMTA:

Chief, Real Property Management and Development
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, California 90012
Facsimile No.: (213) 922-2228

With a copy to:

General Counsel
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012
Facsimile No.: (213) 922-7432