

SECOND
AMENDED AND RESTATED
L E A S E

[IMPROVED PARCEL]

By and Between
THE COUNTY OF LOS ANGELES
And
J. H. SNYDER COMPANY,
A California Limited Partnership

(VOLUME III)

EXHIBIT T

MASTER CONDOMINIUM SUBLEASE

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- Exhibit A - Supplemental Disclosure Notice and Acknowledgement
- Exhibit B - Condominium Plan
- Exhibit C - Assignment and Assumption of Condominium Sublease
- Exhibit D - Legal Description
- Exhibit E - Non-Residential Cost Allocation
- Exhibit F - Operating Expense Percentage
- Exhibit G - Parking Schedule
- Exhibit H - Rules and Regulations
- Exhibit I - Transfer Notice
- Exhibit J - Subleasehold Deed of Trust

PREFACE TO
MASTER CONDOMINIUM SUBLEASE

THIS AGREEMENT IS A SUBLEASE OF THE PREMISES AND APPURTENANT RIGHTS DESCRIBED HEREIN FOR A TERM EXPIRING ON JULY 29, 2067. THE PURPOSE OF THIS SUBLEASE IS TO ENABLE THE MASTER SUBLESSEE HEREUNDER TO ESTABLISH A SUBLEASEHOLD CONDOMINIUM REGIME COMPOSED OF THE PREMISES AND TO THEREAFTER CONVEY ITS INTEREST IN INDIVIDUAL CONDOMINIUMS TO CONDOMINIUM SUBLESSEES FOR THE BALANCE OF THE TERM OF THIS SUBLEASE. THE INTERESTS SUBJECT TO THIS SUBLEASE ARE ON PROPERTY ("PROPERTY") OWNED BY THE COUNTY OF LOS ANGELES WHICH PROPERTY IS LEASED TO THE SUBLESSOR HEREUNDER PURSUANT TO A LEASE (THE "MASTER LEASE") WITH A TERM EXPIRING AT EXACTLY THE SAME TIME AS THIS SUBLEASE TERM EXPIRES. AT THE EXPIRATION OF THE MASTER LEASE THE SUBLESSEES HEREUNDER WILL HAVE NO FURTHER RIGHT TO OCCUPY THEIR UNITS AND THE SUBLESSOR WILL HAVE NO FURTHER RIGHT TO HAVE THE SUBLEASEHOLD CONDOMINIUM REGIME CREATED IN CONNECTION WITH THIS SUBLEASE REMAIN ON THE PROPERTY. EXCEPT AS EXPRESSLY PROVIDED HEREIN WITH RESPECT TO THE SUBLEASEHOLD CONDOMINIUM REGIME COMMON AREA, THE SUBLESSEES HEREUNDER WILL HAVE NO ROLE IN THE MANAGEMENT OF ANY PORTION OF THE PROPERTY. SUBLESSOR HAS NOT ACQUIRED EARTHQUAKE INSURANCE FOR THE PROPERTY. THE TRANSACTION DOCUMENTED IN THIS SUBLEASE IS MORE FULLY DESCRIBED IN THE SUPPLEMENTAL DISCLOSURE NOTICE AND ACKNOWLEDGEMENT AND THE DEPARTMENT OF REAL ESTATE SUBDIVISION PUBLIC REPORT TO BE SUPPLIED TO EACH SUBLESSEE PRIOR TO ITS ACQUISITION OF AN

INTEREST HEREUNDER. A COPY OF THE SUPPLEMENTAL DISCLOSURE NOTICE AND ACKNOWLEDGEMENT IS ATTACHED HERETO AS EXHIBIT A. A SUBLESSEE DOES NOT ACQUIRE A FEE INTEREST IN THE PROPERTY UNDER THIS SUBLEASE. A CONDOMINIUM SUBLESSEE WILL BE SUBLEASING ONLY THE EXCLUSIVE RIGHT TO OCCUPY A UNIT AND TO USE THE COMMON AREA AND APPURTENANT RIGHTS AS PROVIDED IN THIS SUBLEASE. EACH CONDOMINIUM SUBLESSEE IS ADVISED TO HAVE ITS OWN ATTORNEY EXPLAIN THIS ARRANGEMENT TO IT.

A G R E E M E N T

This Sublease ("Sublease") is executed at Marina del Rey, California, this _____ day of _____, 19___, by and between J.H. Snyder Company, a California Limited Partnership, and Marina City Condominiums, a California Limited Partnership.

1. DEFINITIONS AND STATEMENT OF PURPOSE

1.1. Definitions.

Several terms used in this Sublease are defined terms. Some of those defined terms are set forth below. For ease of reference, the definition of several additional terms are contained in the context in which such terms are used.

1.1.1. Appurtenant Rights. "Appurtenant Rights" shall mean those rights granted to each Sublessee in Sections 5.2 and 5.3 below for use in connection with such Sublessee's Unit and the Common Area.

1.1.2. Articles of Incorporation. "Articles of Incorporation" shall mean the Articles of Incorporation of the Association and any amendments thereto.

1.1.3. Association. "Association" shall mean the California non-profit mutual benefit corporation, its

successors and assigns, to be formed by Master Sublessee for the purpose of acting on behalf of the Sublessees with respect to the management, operation, maintenance, and repair of the Common Area, and the discharging of each Sublessee's obligations with respect thereto. The Association will fund its operations by means of assessments collected from the Sublessees in accordance with the CC&Rs.

1.1.4. Bylaws. "Bylaws" shall mean the bylaws of the Association and any amendments thereto.

1.1.5. CC&Rs. "CC&Rs" shall mean the Declaration of Covenants, Conditions and Restrictions to be recorded by Master Sublessee pursuant hereto as a part of the establishment of a subleasehold condominium regime comprised of the Premises.

1.1.6. Common Area. "Common Area" shall mean the airspace elements contained within the administrative office designated as common area on the Condominium Plan, as such air space elements are more particularly shown, described and depicted on the Condominium Plan.

The boundaries of the Common Area (including any sub-elements thereof as may be designated on the Condominium Plan) shall be the interior surfaces of the perimeter walls, floors, ceilings, windows and doors, where they

exist and otherwise to the inclined, vertical or horizontal planes, or curved surfaces, as the case may be, at the limits of the dimensions shown on the Condominium Plan. The Common Area includes both the interior walls so described, and not excluded below, and the air space so encompassed. The Common Area also includes all fixtures, outlets, appliances, heaters, air conditioners, if any, and similar devices located within and servicing only the Common Area, or such device, wherever located, if designated on the Condominium Plan as a part of the Common Area. The following are not part of the Common Area: bearing portions of walls, studs, structural members, columns, floors, roofs, slabs and foundations, wherever located, (except for the finished surfaces thereof located within the Common Area) and pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, (except the portion thereof located within and servicing only the Common Area).

Notwithstanding anything in this Sublease which is or appears to be to the contrary, the Common Area does not include any of the recreational or entertainment facilities or improvements (collectively, "Recreation and Restaurant Facilities"), such as swimming pools, tennis courts, health and sports club facilities, restaurant facilities, and boating slip and marina facilities now or hereafter located on the Property, or any parking areas, driveways, pedestrian walkways or other like public areas now or hereafter on the Property (collectively "Parking and General Access Areas").

In interpreting this Sublease, the CC&Rs, and the Condominium Plan, the actual, as-built dimensions of the Common Area or of the Common Area as reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the metes and bounds (or other description) expressed in this Sublease, the Condominium Plan or the CC&Rs.

1.1.7. Condominium. "Condominium" shall mean each Unit as described herein, together with its respective undivided subleasehold interest in the Common Area, and the Appurtenant Rights of ingress, egress, support, use and enjoyment with respect thereto as more particularly set forth in Sections 5.2 and 5.3 below. The Condominium Sublease of each Condominium shall include a Unit, such undivided subleasehold interest in the Common Area, and such Appurtenant Rights of use and enjoyment.

1.1.8. Condominium Plan. "Condominium Plan" shall mean that certain condominium plan, a copy of which is attached hereto as Exhibit B, and which is to be recorded by Master Sublessee in the official records in the office of the County Recorder of Los Angeles County, California as a part of the establishment of the subleasehold condominium regime.

1.1.9. Condominium Sublease. "Condominium Sublease" shall refer to the interest that each Condominium

Sublessee acquires in a Condominium under this Sublease upon the assignment of the Master Sublessee's interest in that Condominium pursuant to an "Assignment and Assumption of Condominium Sublease", the form of which is attached hereto as Exhibit C. A Condominium Sublease shall be deemed to have been created and shall become effective as of the recordation of the Assignment and Assumption of Condominium Sublease pertaining thereto. Except as otherwise expressly provided herein, all references below to this Sublease shall also refer to each Condominium Sublease created pursuant hereto, and the general terms and provisions of this Sublease shall independently apply to and govern each such Condominium Sublease.

1.1.10. Condominium Sublessee. "Condominium Sublessee" shall mean the person or entity, and its successors and assigns, taking an assignment of the Master Sublessee's interest in a Condominium pursuant to a Condominium Sublease.

1.1.11. Master Lease. "Master Lease" shall mean that certain Second Amended and Restated Lease [Improved Parcel] No. _____, dated _____, 1987, by and between the County of Los Angeles (the "County"), as Lessor, and the J. H. Snyder Company, a California limited partnership, as Lessee, as the same may hereafter be amended.

1.1.12. Master Sublessee. "Master Sublessee" shall mean Marina City Condominiums, a California limited partnership, and its successors and assigns.

1.1.13. Premises. "Premises" shall mean the Units and the Common Area leased by Sublessor to Master Sublessee under this Sublease.

1.1.14. Property. "Property" shall mean all of the property which is subject to the Master Lease. The Property is a portion of the Marina del Rey Small Craft Harbor and is more particularly described in the legal description attached hereto as Exhibit D. The Premises are located on and form a portion of the Property.

1.1.15. Sublessee; Sublessees. "Sublessee" shall mean each Condominium Sublessee and the Master Sublessee (with respect to each Unit not yet assigned by the Master Sublessee to a Condominium Sublessee). "Sublessees" shall mean the Master Sublessee (so long as it retains an interest under this Sublease) and all Condominium Sublessees.

1.1.16. Sublessor. "Sublessor" shall mean J. H. Snyder Company, a California limited partnership, and its successors and assigns.

1.1.17. Tower; Towers. "Towers" shall mean that portion of the Property consisting of the three apartment towers comprising the Marina City Club tower apartments and within which the Units and Common Area are located. The Towers contain six hundred (600) apartment units and consist of a west Tower, east Tower and central Tower. "Tower" shall mean one of the three Towers.

1.1.18. Unit. "Unit" means the airspace elements contained within each of the Tower apartments shown, numbered, depicted and described on the Condominium Plan. The boundaries of each such Unit (including any sub-elements thereof as may be designated on the Condominium Plan) shall be the interior surfaces of the perimeter walls, floors, ceilings, windows and doors, where they exist and otherwise to the inclined, vertical or horizontal planes, or curved surfaces, as the case may be, at the limits of the dimensions shown on the Condominium Plan. A Unit includes both the interior walls so described, and not excluded below, and the air space so encompassed. A Unit includes all fixtures, outlets, appliances, heaters, air conditioners, if any, and similar devices located within and servicing only the particular Unit, or such device, wherever located, if designated on the Condominium Plan as a part of the Unit.

The boundaries of each space, if any, designated on the Condominium Plan as a part of a Unit and

consisting of a balcony, deck or patio shall be the adjoining exterior surfaces of the walls, windows, doors, overhangs and ceilings of the Tower in which the balcony, deck or patio is located, and where the balcony, deck or patio is not so adjoined, the boundaries are the inclined, vertical or horizontal planes, or curved surfaces, as the case may be, at the limits of the dimensions for the particular balcony, deck or patio shown on the Condominium Plan. The balcony, deck or patio shall include only the air space and finished floor or ground surface within, but not the railing or enclosures of such balcony, deck or patio or any other portions of the applicable Tower and surfaces thereof, described by or contained within the boundaries of the balcony, deck or patio.

The following are not part of a Unit: bearing portions of walls, studs, structural members, columns, floors, roofs, slabs, and foundations (except for the finished surface thereof when located within such Unit), and, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, (except the outlets thereof when located within and servicing only such Unit).

In interpreting this Sublease, the CC&Rs and the Condominium Plan the actual, as-built dimensions of the Unit (including balconies, decks and patios, if any) or of a Unit reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries

rather than the metes and bounds (or other description) expressed in this Sublease, the Condominium Plan or the CC&Rs.

1.2. Statement of Intent.

Sublessor is the lessee of the Property pursuant to the Master Lease. Sublessor now wishes to establish a subleasehold condominium regime on a portion of the Property consisting of the Premises. The condominium regime will be composed of the Common Area and the Units depicted on the Condominium Plan, and each Condominium Sublessee thereunder will also receive certain Appurtenant Rights of use and enjoyment relating to parking, access, support and other like matters as more particularly set forth in Sections 5.2 and 5.3 below. In order to accomplish this purpose, Sublessor has agreed, subject to the terms and conditions hereafter set forth, to sublease the Common Area, the Units, and the Appurtenant Rights to Master Sublessee for the balance of the term of the Master Lease. Master Sublessee will thereafter record the CC&Rs and the Condominium Plan, form the Association (which will be responsible for management of the Common Area in accordance with this Sublease, the CC&Rs, the Articles of Incorporation and the Bylaws), and take all other steps necessary to establish the subleasehold condominium regime and divide the Premises into Condominiums. It is contemplated that, after establishment of the subleasehold condominium regime, the Master Sublessee will assign its interest in all or some of the Condominiums, on a

Condominium by Condominium basis, to individual Condominium Sublessees whose interest hereunder will thereafter constitute a Condominium Sublease.

Each Condominium Sublessee acquiring an interest hereunder is hereby informed, and does hereby acknowledge and agree (i) that some of the apartments located in the Towers ("Tower Apartments") are now and may in the future be subleased by Sublessor to long-term sublessees ("Prepaid Sublessees") pursuant to a certain Prepaid Sublease Form, Marina City Club Standard Apartment Sublease Agreement ("Prepaid Sublease") and that all or any of such Tower Apartments may be excluded from the subleasehold condominium regime created pursuant to this Sublease, and (ii) that exclusion of any such Tower Apartments from the subleasehold condominium regime will not excuse a Condominium Sublessee from performance of each and every of its obligations hereunder. Sublessor and Master Sublessee expressly reserve the right to amend this Sublease to exclude any Tower Apartment which is subject to a Prepaid Sublease and which is initially made subject to this Sublease on the assumption that such Prepaid Sublease will be converted to a Condominium Sublease but which, for any reason, is not so converted within the time contemplated by Sublessor and Master Sublessee. Although the Tower Apartments which are subject to Prepaid Subleases are located in the same buildings as the Units, all such Tower Apartments which are now or hereafter excluded from

this Sublease will continue to be subject to the terms of their Prepaid Sublease.

Each Condominium Sublessee acquiring an interest hereunder is further informed and does hereby acknowledge and agree that the subleasehold condominium regime to be established hereunder concerns only that portion of the Property subject to the Master Lease which is explicitly described herein as the Premises. Accordingly, the subleasehold condominium regime does not extend to any portion of the Property outside the Premises, including, without limitation, the Recreation and Restaurant Facilities, Parking and General Access Areas, or any commercial or residential units on the Property other than the Units (collectively, "Non-Condominium Units").

2. DESCRIPTION OF PREMISES; COMPLIANCE WITH MASTER LEASE

2.1. Description.

Subject to any Prepaid Subleases now or hereafter in effect with respect to any of the Units, Sublessor hereby subleases to Master Sublessee, and Master Sublessee hereby subleases from Sublessor, upon the covenants and conditions set forth in this Sublease, Sublessor's entire interest in the Premises, which is composed of the Units and the Common Area, and the Appurtenant Rights hereafter described in Sections 5.2 and 5.3.

2.2. Master Lease.

The Condominiums are part of the Property and are subject to the terms of the Master Lease. Each Sublessee upon acquisition of a Condominium Sublease shall receive, and, by acceptance of its interest under a Condominium Sublease, does hereby acknowledge receipt of, a true and complete copy of the Master Lease. Each such Sublessee agrees and covenants to abide by the terms and conditions of the Master Lease, agrees and acknowledges that the provisions of this Sublease may be reviewed and/or modified from time to time by the County as set forth in Article 18 below, and agrees and covenants to abide by any additional or modified terms and conditions resulting from such review or modification by the County.

3. TERM

The term of this Sublease shall commence on _____, 19__ (the "Sublease Commencement Date") and shall expire at 11:59 P.M. on July 29, 2067, the expiration date of the Master Lease.

4. CONSIDERATION

Each Condominium Sublessee under this Sublease, by accepting an assignment of an interest herein, agrees to pay the following:

4.1. Condominium Payment.

Upon close of escrow for an assignment of the Master Sublessee's interest in a Condominium pursuant to a Condominium Sublease, the Condominium Sublessee thereunder shall pay and hereby agrees to pay to Sublessor the amount ("Condominium Payment") specified in the Assignment and Assumption of Condominium Sublease to be executed by the Condominium Sublessee concurrent with the acquisition of an interest hereunder. The Condominium Payment shall be payable in full in advance of an assignment by Master Sublessee of its interest in a Condominium to a Condominium Sublessee, and shall occur prior to the effectiveness thereof. Notwithstanding anything herein that is or appears to be to the contrary, no Condominium Payment shall be payable by a Prepaid Sublessee in connection with conversion of such tenant's Prepaid Sublease to a Condominium Sublease, provided such Prepaid Sublessee has previously made the Sublease Payment required under Section 3A of its Prepaid Sublease.

4.2. Monthly Maintenance Fee.

4.2.1. Definition and Adjustment.

(a) Each Condominium Sublessee, by accepting an assignment of a Condominium Sublease, further agrees to pay to Sublessor or to a management company designated

by Sublessor, in Sublessor's sole discretion (the "Management Company"), a monthly maintenance fee (the "Monthly Maintenance Fee") equal to the Condominium Sublessee's share of the "Operating Expenses" (defined in Section 4.2.2) as hereinafter provided. The Monthly Maintenance Fee for each of the Condominiums during the duration of the calendar year in which the Condominium Sublease for that Condominium is created (such calendar year being referred to as the "Base Year") shall be the amount therefor set forth on the applicable Assignment and Assumption of Condominium Sublease. Each Condominium Sublessee shall also be obligated to pay the Supplemental Maintenance Fee applicable to it as provided in Section 6.3.

(b) If for any calendar year during the term of a Condominium Sublease commencing with the first full calendar year after its Base Year (each such year being referred to as the "Current Year"), Operating Expenses are anticipated by Sublessor or the Management Company to be higher or lower than Operating Expenses for the entire immediately preceding year (the "Comparison Year"), the Monthly Maintenance Fee payable hereunder with respect to each Condominium by the Condominium Sublessee thereof for each month during the Current Year shall be increased or decreased, as the case may be, by the "Operating Expense Percentage" (as hereinafter defined in Section 4.2.3) applicable to such Condominium times such anticipated increase or decrease in the Operating Expenses for the Current Year as compared to the Comparison Year.

(c) Within thirty (30) days prior to the commencement of each calendar year after a Condominium Sublessee's Base Year, Sublessor or the Management Company shall submit to each Condominium Sublessee a written statement setting forth the anticipated Operating Expenses for that calendar year (including any increase therein over the Comparison Year) and such Condominium Sublessee's share thereof. Each Condominium Sublessee shall pay such Monthly Maintenance Fee at the time set forth in Section 4.2.5 below.

(d) Within ninety (90) days following the end of each calendar year after a Condominium Sublessee's Base Year, Sublessor or the Management Company shall submit to each Condominium Sublessee a written statement setting forth the actual Operating Expenses for such year and a computation of that Condominium Sublessee's share thereof. Such written statement shall include, to the extent practicable, an itemization of each Operating Expense as described in Section 4.2.2 below. If a Condominium Sublessee's share exceeds the total Monthly Maintenance Fees that such Condominium Sublessee has previously paid for such period, then such Condominium Sublessee shall pay such excess no later than ten (10) days after receipt of such statement; however, if a Condominium Sublessee's share is less than the total Monthly Maintenance Fees paid, then such overpayment shall be credited towards that Condominium Sublessee's Monthly Maintenance Fees next coming due. In the absence of fraud or gross error in the

adjustment of the Monthly Maintenance Fee provided for above, the determinations of the amount of the Monthly Maintenance Fee shall be binding upon each of the Condominium Sublessees.

4.2.2. Operating Expenses. "Operating Expenses" shall mean actual and estimated costs, direct and indirect, of maintenance, management, operation, repair, renovation, and replacement (subject to the provisions of Article 10 below) and other similar costs or expenses of or with respect to the Property including, without limitation: the costs of any repairs to the Property and payment for all centrally metered utilities, water charges, and mechanical and electrical equipment in or on the Property; payment of all charges for any and all utilities which serve individual apartment units but which are subject to a common meter; any costs of trash collection and removal; the costs of sanitary and storm sewer systems, including maintenance thereof and payment of sewage disposal charges to the County or other public agency; the costs of road, walk and parking lot maintenance and operation; the costs of management and administration by Sublessor or the Management Company, including, without limitation, a reasonable management fee (if the Property is managed by Sublessor), and compensation paid by Sublessor to the Management Company or other managers; costs of accountants, attorneys and other employees; the costs of all gardening, security and other services benefiting the Property; the costs of insurance (including but not limited to fire, casualty, rental interruption

and liability insurance), worker's compensation insurance, and other insurance covering the Property; and the costs of any other item or items incurred by Sublessor or the Management Company in good faith for any reason whatsoever in connection with the Property for the maintenance, management, operation, repair and replacement of the Property.

Operating Expenses shall also include all taxes, including but not limited to property taxes and possessory interest taxes, and general and special assessments (including betterment assessments and improvement bonds of governmental authorities and political subdivisions) and other charges of any description, whether in addition to or in substitution for taxes or assessments levied, which are now or which may hereafter be levied against all or any portion of the Property, and a Condominium Sublessee's obligation to pay a portion of such taxes and assessments shall be in addition to the obligation to pay taxes and assessments set forth in Section 4.3 below.

Operating Expenses shall also include the costs of funding and maintaining the subleasehold condominium regime's share of a capital fund reserve account in accordance with the Approved Operation Budget attached as Exhibit M to the Master Lease. These funds shall be deposited into a separate account and Sublessor shall be allowed to use such funds for the purposes of maintaining the Property and for

replacement of functional building systems, but funds so collected may only be used for maintenance or refurbishment of those portions of the Property as provided in Exhibit M to the Master Lease, and only a proportionate amount of such total costs shall be borne by the Condominium Sublessees as provided in such exhibit. Any interest earned on such funds shall become a part of such fund.

Operating Expenses shall not include (1) any items or sums not incurred as costs or expenses in connection with the Property; or (2) that portion of any costs described in this Section which is allocable to those facilities comprising the Property other than the residential units, which costs and their allocation are set forth in Exhibit E hereto ("Non-Residential Cost Allocation").

4.2.3. Operating Expense Percentage. The Operating Expense Percentage for each Condominium is set forth on Exhibit F hereto, which is incorporated herein.

4.2.4. Books and Records. Each Sublessee shall have reasonable access to and the right to conduct an audit of the books of Sublessor or the Management Company pertaining to the Operating Expenses in order to verify the accuracy thereof between the hours of 9 a.m. and 5 p.m. on weekdays, excluding holidays, at the office of Sublessor, located at 4333 Admiralty Way, Marina del Rey, California 90291;

provided, however, that a Sublessee shall have no right conduct more than one such inspection or audit in any given year, that any such inspection or audit shall be at Sublessee's expense, that a Sublessee shall request any such inspection or audit at least two days in advance, and that any such inspection or audit shall be conducted in a reasonable manner and shall be completed within a reasonable length of time.

4.2.5. Time For Payment. The Monthly Maintenance Fee applicable to each Condominium shall be payable in advance on the first day of each and every month during the term hereof, commencing as to each Condominium on the first day of the first month following the creation of a Condominium Sublease for that Condominium.

4.3. Taxes and Assessments.

4.3.1. Condominium Sublessee's Obligations.

4.3.1.1 General Obligation. Each Condominium Sublessee, by accepting an assignment of a Condominium Sublease, also agrees to pay its share of (i) all taxes, including but not limited to property taxes and possessory interest taxes, and general and special assessments (including betterment assessments and improvements bonds of governmental authorities and political subdivisions) and other charges of every description, whether in addition to or in

substitution for taxes or assessments levied, which have been or are hereafter assessed or levied against, and which are attributable to, during the term of this Sublease, all or any portion of the Premises or Appurtenant Rights leased herein, all interests therein and all improvements, fixtures and personal property therein; and (ii) any occupancy or similar tax or assessment imposed by any state, county or local governmental authority upon a Condominium Sublessee's interest hereunder or upon any payments made by a Condominium Sublessee hereunder. Sublessor agrees to use its best efforts, and each Condominium Sublessee, and its successors and assigns, agree to cooperate with Sublessor, to obtain separate assessments of the Condominiums for all such taxes and assessments. Each Condominium Sublessee acknowledges that the Premises and rights leased hereunder are and shall continue to be subject to possessory interest taxes. This statement is intended to comply with Section 107.1 of the California Revenue and Taxation Code.

4.3.1.2 Separate Assessment. If the Condominiums are separately assessed, then all such payments relating to a Condominium shall be made by the Condominium Sublessee of that Condominium directly to the Los Angeles County Assessor or other appropriate taxing or assessing authority. Such payments shall be made promptly when due and in all events prior to delinquency, and in the event of failure of a Condominium Sublessee to make any such payments when due, such Condominium Sublessee shall pay all fines, penalties, interests

and other costs imposed by reason of the Condominium Sublessee's failure to make such prompt and punctual payments. Within thirty (30) days after payment of any such tax or assessment, each Condominium Sublessee shall provide written evidence of compliance with this Section to Sublessor in the form of a receipted bill, copy of cancelled check(s) or such other evidence of payment as may be specified by Sublessor.

In the event a Condominium Sublessee fails to make such payments and such taxes or assessments become delinquent, Sublessor may (but shall not be obligated to) pay said taxes and assessments and all penalties accrued thereon and recover such payments from such Condominium Sublessee on demand.

4.3.1.3 No Separate Assessment. If all or any portion of the Condominiums are not separately assessed, then at least thirty (30) days prior to the date on which such taxes or assessments become delinquent, Sublessor shall provide written notice to each Condominium Sublessee of the amount of taxes and assessments allocable to that Sublessee's Condominium, and each such Condominium Sublessee shall pay such amount to Sublessor or the Management Company, as Sublessor may direct, at least ten (10) days before the date on which such taxes become delinquent. Such amount shall generally be determined by Sublessor to equal the amount of such taxes that would have been assessed to that Condominium Sublessee's Condominium if that

Condominium had been separately assessed. For example, a general increase in such taxes would be allocated to all Condominiums based on each Condominium Sublessee's Operating Expense Percentage, while the sale by a Condominium Sublessee of the Condominium Sublessee's Condominium which results in an increase in such taxes due to reassessment would be paid by the transferee of that Condominium Sublessee.

4.3.2. Exclusions. Nothing contained herein shall require a Sublessee hereunder to pay any franchise, corporate, estate, inheritance, succession, net income, profit or revenue tax of Sublessor.

4.4. Ground Rent.

4.4.1. Amount Payable. Each Condominium Sublessee, by accepting an assignment of a Condominium Sublease, further agrees to pay to Sublessor or the Management Company, as Sublessor may direct, an amount ("Ground Rent") each month equal to the product of (1) the applicable percentage set forth in Section 4.4.2 ("Applicable Percentage") times (2) the shadow rent amount ("Shadow Rent") applicable to such Condominium Sublessee's Condominium. Such amount shall be due and payable in advance on the first day of each and every month during the term hereof, commencing on the first day of the first month following the creation of a Condominium Sublease with respect to the affected Condominium Sublessee.

4.4.2. Applicable Percentages. The Applicable Percentage of Shadow Rent to be paid by each Condominium Sublessee shall be equal to the following: (a) from the commencement of the term of its Condominium Sublease through November 6, 1987, seven and one-half percent (7.5%); (b) commencing upon November 7, 1987, and extending through December 31, 1995, ten and one-half percent (10.5%); (c) commencing upon January 1, 1996, and extending through December 31, 2015, twelve and one-half percent (12.5%); and (d) commencing on January 1, 2016, and extending through the end of the term of the Condominium Sublease, the percentage rate determined in accordance with Section 5.08B(3)(d) of the Master Lease; provided, however, that such percentage shall not be less than twelve and one-half percent (12.5%) nor more than fifteen percent (15%).

4.4.3. Determination of Shadow Rent. The Shadow Rent applicable to each Condominium for its Base Year shall be the amount therefor set forth on the applicable Assignment and Assumption of Condominium Sublease. The Shadow Rent for each Condominium shall be adjusted as of January 1 of each year during the term of the Condominium Sublease for that Condominium based upon the average percentage change in two (2) indices as follows:

(a) The first index is the Residential Rental Component of the Consumer Price Index for All Urban Consumers

(base year 1967) for the Los Angeles-Long Beach Area, published by the United States Department of Labor, Bureau of Labor Statistics (the "CPI Rental Index"). The second index is the Index of average housing value of the Real Estate Research Council of Southern California for the Westside-Santa Monica reporting area (the "Research Council Index").

(b) In order to determine the percentage change in an Index, the figure shown on the Index published for a date on or most recently before January 1 of the year in which the Condominium Sublease commencement date occurs ("Beginning Index"), shall be subtracted from the figure shown on the Index published for a date on or most recently before the date rent is to be adjusted ("Adjustment Index"), assuming the indices are published for dates not more than 12 months apart. The difference shall be divided by the figure shown on the Beginning Index, and that result shall be the percentage change in the particular Index for the preceding year. In order that the percentage change may be measured annually, the Adjustment Index in one (1) year shall become the Beginning Index for the following year. If the indices are published for dates more than 12 months apart, then the percentage change shall be determined by multiplying the total change by a fraction, the numerator of which is 12 and the denominator of which is the number of months between the dates for which the indices were published.

(c) The percentage change for each Index, as calculated above, shall be added together, and the sum divided by two (2). The result shall constitute the average percentage change in the two (2) indices.

(d) Subject to the limitations in subsection (e) below, the average percentage change calculated in the preceding subsection shall be multiplied by the Shadow Rent for each Condominium in effect immediately preceding the adjustment date, and the resultant figure shall be added to or subtracted from such Shadow Rent, with the total being the Shadow Rent for each Condominium for the following year. In no event, however, shall the Shadow Rent for any Condominium in any year either be less than the initial Shadow Rent for such Condominium nor shall it exceed an amount equal to the initial Shadow Rent for such Condominium, increased at eight percent (8%) per year, on a compounded basis.

(e) The Shadow Rent for a Condominium in any one (1) year, however, shall not increase by more than the lesser of the following: an amount equal to eight percent (8%) of the Shadow Rent in effect for such Condominium immediately preceding the Adjustment Date; or, an amount equal to the maximum percentage increase permitted by any applicable rent control ordinance or law.

(f) In the event that the limitation in subsection (e) becomes effective, such that the Sublessor did not receive the full increase otherwise allowable under subsection (d), the Sublessor shall be entitled to carry forward the dollar amount of increase it was otherwise entitled to, appropriately compounded, to years where such limitation does not otherwise come into effect. This entitlement shall exist until such time as the Shadow Rent for the applicable Condominium reaches the annual dollar amount it would have attained in the absence of subsection (e). Increases attributable to the carry forward itself, however, shall also be subject to the limits of subsection (e). This carry forward provision shall operate as shown in the following example:

EXAMPLE: Assume initial Shadow Rent on a Condominium of \$1,000 per month, and average percentage index changes in Years 1, 2 and 3 of 7%, 10% and 4%, respectively.

- The increase in Year 1 would be \$70 [$\$1,000 + (\$1,000 \times 7\%)$], thereby increasing the Shadow Rent for Year 2 to \$1,070.
- The increase in Year 2 would be \$85.60, thereby increasing the Shadow Rent for

Year 3 to \$1,155.60 [$\$1,070 + (8\% \frac{1}{x} \times \$1,070)$]

-- The increase in Year 3 would be \$68.40, thereby increasing the Shadow Rent for Year 4 to \$1,224 [$\$1,177$ (the Shadow Rent which would have been in effect but for the maximum increase limits) + $(4\% \times \$1,177)$]

NOTE: $\$1,177 + \$47 = \$1,224$
 $\$1,224 - \$1,155.60 = \$68.40$
 $\$68.40$ is less than 8% of 1,155.60 ($\$92.40$)

(g) If either Index is changed so that its base year differs from that used as of the period immediately preceding the Sublease Commencement Date, the Index shall be converted in accordance with the conversion factor published by the publisher of the Index. If the Research Council Index is discontinued, then adjustments occurring after the discontinuance of the Research Council Index shall be based solely upon the percentage change in the CPI Rental Index. If the CPI Rental Index is discontinued or revised during the term, such other government index or computation with which it is

1/ In the absence of the maximum increase limitations, the rent would have increased to \$1,177. But subsection (d) and subsection (e) limit the increase to 8% of the preceding year's Shadow Rent.

replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI Rental Index had not been discontinued or revised. In the event County and Sublessor fail to agree on the use of a replacement index within 60 days of such discontinuance or revision, the selection of the same shall be determined by arbitration in accordance with the Master Lease.

(h) As provided in Section 18.2 of this Sublease, in the event of a default by Sublessor and termination under the Master Lease, each Condominium Sublessee agrees that it will continue to pay the Ground Rent applicable to its interest hereunder to the County or the County's subsequent master lessee, as Sublessor.

4.5. Change in Ownership Fee

As additional consideration for this Sublease, if there is a Change in Ownership of any Condominium Sublease following the creation thereof which is not otherwise exempted by Section 14.2 below, the Condominium Sublessee whose interest is the subject of the Change of Ownership, or such Condominium Sublessee's transferee, shall pay an amount (the "Change in Ownership Fee") to Sublessor equal to two percent (2%) of the total purchase price charged by such Condominium Sublessee, without reduction for any cost or charge incurred by such Condominium Sublessee or its transferee (and Sublessor shall pay

one-half of such fee to the County, pursuant to Section 5.12 of the Master Lease), on or before the closing or effective date of such Change in Ownership. The payment of this fee shall be the joint and several obligation of both the transferor and transferee of the Condominium Sublessee's Condominium Sublease, and all agreements with such transferees shall provide for such joint and several liability.

4.6. Exemption From Payments; All Payments Directly to Master Sublessor

Notwithstanding anything above which is or appears to be to the contrary, Master Sublessee shall not be required to make any payments to Sublessor under Article 4 above. The Master Sublessee is an affiliate of Sublessor and is entering this Sublease solely to facilitate establishment of the subleasehold condominium regime and the subsequent creation of Condominium Subleases between Sublessor and the Condominium Sublessees, and this Sublease shall not be interpreted to require rental payments from said Master Sublessee to Sublessor. As provided above, all payments made by Condominium Sublessees under this Article 4 are the property of Master Sublessor, and Master Sublessee shall have no interest in or right to such payments.

5. COMMON AREA; PARKING AREAS; RIGHTS OF INGRESS, EGRESS
AND USE

5.1. Common Area.

Each Condominium Sublessee, concurrent with its acquisition of an interest in a Unit and as a part of its Condominium, shall also acquire an undivided one six hundredth (1/600) interest in the Common Area subject to this Sublease. The undivided interest in the Common Area shall be a subleasehold estate subject to the provisions of this Sublease and the CC&Rs to be recorded by Master Sublessee pursuant to this Sublease. If Master Sublessee does not annex all Units described in the CC&Rs as annexable property within the time provided in the CC&Rs for annexation of such Units by the Master Sublessee acting alone, Master Sublessee shall convey the Common Area interest allocable to such Units not annexed to all existing and prospective Condominium Sublessees on a pro-rata basis. Each Condominium Sublessee, for itself and its successors, assigns and grantees, covenants and agrees that its interest in the Common Area and its interest in its Unit conveyed therewith shall not be separated or separately conveyed or encumbered even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.

Following execution of this Sublease and recordation of the CC&Rs, the Master Sublessee shall form the Association

and prepare, file, and adopt, as appropriate, the Articles of Incorporation and the Bylaws. The Association shall act on behalf of the Sublessees holding an interest as tenants-in-common of the Common Area, for the purpose of managing, operating, maintaining, and repairing the Common Area, and discharging each Condominium Sublessee's obligations with respect thereto, including the payment obligations of Article 4 of this Sublease applicable to such area. Each Condominium Sublessee, upon receiving record subleasehold title to his Condominium, shall automatically become a member of the Association as more particularly provided for and subject to the terms and conditions contained in the CC&Rs. The Master Sublessee (so long as it retains an interest hereunder) and each Condominium Sublessee shall have the right to use the Common Area subject to the provisions of this Sublease, the CC&Rs, and such reasonable rules and regulations as the Association may establish for use of the Common Area by all persons.

5.2. Parking Spaces.

Subject to the terms and conditions of this Sublease, including performance of all applicable payment obligations imposed under Article 4 above, the terms and provisions of Article 17 below, and such reasonable rules and regulations as Sublessor may from time to time establish for the use of such areas, the Master Sublessee (so long as it retains an interest hereunder) and a Condominium Sublessee shall have the exclusive

right to use the passenger vehicle parking space or spaces ("Parking Spaces") allocated to such Sublessee's Condominium. The Parking Spaces leased to Master Sublessee for use in connection with the Condominiums are set forth on the Parking Schedule ("Parking Schedule") attached hereto as Exhibit G; the location of such Spaces is depicted on the Condominium Plan. The Master Sublessee will allocate the use of such spaces to individual Condominiums at the time of creating a Condominium Sublease with respect thereto. The actual, as-built dimensions of the Parking Spaces shall be conclusively presumed to be their boundaries rather than any depiction or description contained in the Condominium Plan. The exclusive right of use of a Parking Space does not entitle a Sublessee to alter, change or add to, in any way, the surfaces of such area.

5.3. Rights of Ingress, Egress, Use and Support.

Subject to the terms and conditions of this Sublease, including performance of all applicable payment obligations imposed under Article 4 above, and subject to such reasonable rules and regulations as Sublessor may from time to time establish for the use of such areas, the Master Sublessee (so long as it retains an interest hereunder) and a Condominium Sublessee shall have the non-exclusive right (i) to use the driveways, roads and pedestrian walkways and pathways on the Property for purposes of ingress to and egress from its Condominium, the Common Area, and its Parking Space(s), and

(ii) to use the Tower lobby, walkways, elevators, stairways, hallways, corridors and other similar areas located in the interior of any Tower (but excluding any such areas within the Units themselves) for purposes of ingress to, egress from, and use of such Sublessee's Unit and the Common Area, and (iii) to use the laundry room within the Tower containing such Sublessee's Unit for its intended purpose. Subject to the terms and conditions of this Sublease, including performance of all payment obligations imposed under Article 4 above, each Sublessee is also granted an easement for support of its Unit and the Common Area in connection with the use thereof pursuant to this Sublease.

Notwithstanding anything in this Sublease which is or appears to be to the contrary, this Sublease does not confer on any Condominium Sublessee the right to use the Recreation and Restaurant Facilities or Non-Condominium Units, and a Condominium Sublessee's rights with respect thereto shall be only such rights, if any, that it may have as a member of the general public or under a separate agreement. Further, except as expressly provided above with respect to a Condominium Sublessee's Appurtenant Rights, this Sublease does not confer on any Condominium Sublessee any rights with respect to the Parking and General Access Areas, and each Condominium Sublessee expressly acknowledges and agrees that it has no right to use any parking spaces on the Property except the Space(s) allocated

to its Unit in its Assignment and Assumption of Condominium Sublease.

Each Condominium Sublessee, for itself and its successors, assigns and grantees, covenants and agrees that its Appurtenant Rights and its interest in its Unit and its interest in the Common Area conveyed therewith shall not be separated or separately conveyed or encumbered even though the description in the instrument of conveyance or encumbrance may refer only to such Unit or such Unit and such Common Area interest.

5.4. Control By Sublessor.

Notwithstanding anything above which is or appears to be to the contrary, Sublessor shall at all times during the term of this Sublease have the right and does hereby reserve the right to enter on or in and the exclusive and sole right to control, all portions of the Property (other than the Units and Common Area), including the parking areas and other areas described in Sections 5.2 and 5.3 above, in order, and to the extent necessary, to perform and fulfill any of its obligations to a Condominium Sublessee under this Sublease, to the County under the Master Lease, and to others having the right to use such portions of the Property. Such right shall extend as necessary or advisable to permit Sublessor, at any time and from time to time during the term hereof, to restrain any use or occupancy of the Property that contravenes the restrictions set forth in Article 13 below. To effectuate the foregoing, or as

otherwise necessary or advisable to protect the interests of a Sublessee or other users of the Property, Sublessor may temporarily close any portion of the Property (other than the interior of the Units or the Common Area) to make repairs or alterations, to prevent the accrual of any third party rights in such areas by reason of any unauthorized use thereof, or for any other purpose deemed necessary or advisable by Sublessor in fulfilling its obligations under this Sublease, the Master Lease or other agreements relating to the Property.

5.5. Liability for Damage to Property.

Each Condominium Sublessee shall be liable to Sublessor for all damage to the Property or any portion thereof caused by such Condominium Sublessee or such Condominium Sublessee's guests, invitees, subtenants, licensees, servants, family members or pets.

6. REPAIR AND MAINTENANCE; INTERRUPTION OF SERVICES

6.1. Repair and Maintenance Duties of Sublessor.

Subject to Article 11 pertaining to condemnation, Article 10 pertaining to damage or destruction of improvements, and Section 6.4 pertaining to repairs by the Condominium Sublessees, Sublessor shall maintain, repair and make necessary renovations, replacements and improvements to the Property, or

shall contract with the Management Company for such maintenance, repairs, renovations, replacements and improvements, to assure the maintenance of the Property, in good condition and repair. Such maintenance, repairs, renovations, replacements and improvements shall include, without limitation: (1) all janitorial, landscaping and repair work within the Property deemed necessary or advisable by Sublessor; (2) repair and maintenance of all walks and other means of ingress and egress within the Property; (3) repair of and the payment for all centrally metered utilities; and (4) an inspection and preventative program for the prevention and eradication of infestation by pests and organisms on the Property. All such maintenance, repairs, renovations, replacements and improvements to the Property which are the responsibility of Sublessor shall, except as provided in Section 6.4 below, be paid for as Operating Expenses as provided in Section 4.2 above; provided, however, that with respect to the booster air conditioning equipment servicing certain of the Units located on the top floor or floors of the Towers, the costs of maintenance, repairs, renovations, replacements and improvements with respect thereto shall be charged against the Sublessee or Sublessees whose Unit(s) is (are) serviced by such equipment as a Supplemental Maintenance Fee in accordance with Section 6.3 below.

6.2. Interruption of Services.

Any interruption or curtailment in any services which Sublessor is obligated to furnish hereunder shall not entitle a Condominium Sublessee to any claim against Sublessor, or to any reduction in the Monthly Maintenance Fee or delay in payment thereof, nor shall the same constitute a constructive or partial eviction. If Sublessor fails, after written notice from a Condominium Sublessee describing with particularity such interrupted or curtailed service, to take reasonable measures or to cause reasonable measures to be taken by the Management Company to restore such service within a reasonable period of time, then a Condominium Sublessee's only remedy shall be to: (1) seek specific performance from a court of competent jurisdiction; or (2) to the extent specifically permitted by law, to deposit in an interest bearing account a portion of the Monthly Maintenance Fee otherwise due in connection with repairs, under Civil Code Section 1942, pending resolution of any court action. Under no circumstances shall a Condominium Sublessee be entitled to a refund of the Condominium Payment or any portion thereof as a result of any interruption or curtailment of services.

6.3. Supplemental Maintenance Fee.

6.3.1. Description. All work performed for or on behalf of a Condominium Sublessee or Condominium Sublessees

under this Sublease on or in its (their) Unit (Units), the Common Area or the remainder of the Property under this Sublease, including, without limitation, work described in Sections 6.5 and 6.6 below, work described in Articles 10 and 11 below and any amounts paid by Sublessor for discharge of any lien or encumbrance arising from the construction of any improvements or alterations by a Sublessee as set forth in Section 7.3 below, shall be charged to the affected Sublessee as a Supplemental Maintenance Fee. "Supplemental Maintenance Fee" shall refer to any charge against a Sublessee directly attributable to, or reimbursable by, a Sublessee, equal to the cost (with regard to work performed on or in the Sublessee's Unit or for a Sublessee's benefit) or a pro rata share of such cost based on the relative proportion of each affected Sublessee's Operating Expense Percentage (with regard to work performed on or in the Common Area or the Property or for the benefit of more than one Sublessee) incurred by Sublessor for corrective action performed pursuant to the provisions of this Sublease, plus interest and other charges thereon as made applicable in this Section 6.3 or Section 16.4 hereof.

6.3.2. Administrative Cost. In addition, Sublessor and each Sublessee agree that, with regard to work performed on a Sublessee's behalf on or in that Sublessee's Unit it would be impractical or extremely difficult to determine the Sublessor's administrative costs in performing such work for or on behalf of such Sublessee, and such Sublessee therefore agrees

to pay five percent (5%) of the total amount of all other costs or \$50, whichever is greater, to cover such costs and such charge shall constitute a part of the Supplemental Maintenance Fee. Each Sublessee, for itself and its successors, assigns and grantees, covenants and agrees to pay all applicable Supplemental Maintenance Fees, together with interest and other charges thereon. Such amounts shall be due and payable within 10 days after Sublessor's written notice.

6.3.3. Non-Recourse. Any provision of this Sublease to the contrary notwithstanding, the liability of a Condominium Sublessee for non-payment of the Supplemental Maintenance Fees charged to that Condominium Sublessee pursuant to Articles 10 and 11 of this Sublease shall be limited to recourse against the interest of such Condominium Sublessee in its Condominium Sublease.

6.4. Repair and Maintenance by Condominium Sublessee and Association.

6.4.1. Units. Each Condominium Sublessee shall maintain, repair, replace and restore or cause to be so maintained, repaired, replaced and restored, at such Condominium Sublessee's sole cost and expense, such Condominium Sublessee's Unit, including, without limitation, the windows, cabinets, exposed plumbing, built-in appliances, water heating units, and wall and floor coverings located within such Condominium

Sublessee's Unit, and the interior surfaces of the walls, ceilings, floors, doors and permanent fixtures therein. Each Condominium Sublessee shall have the exclusive right to paint, plaster, panel, carpet, tile, wax, paper or otherwise refinish, decorate and customize the inner surfaces of the walls, ceilings, floors, windows and doors located within such Condominium Sublessee's Unit, and move or remove any nonbearing walls (such changes or additions to a Unit by a Condominium Sublessee are hereinafter collectively referred to as "Decorations"). Each Condominium Sublessee's obligations and rights under this Section are subject to the provisions of Section 7.1. Each Condominium Sublessee shall keep its Unit free from debris and shall not commit or suffer any waste to be committed on, in or adjacent to its Unit. Except as provided in Articles 10 and 11 below, each Condominium Sublessee shall not be responsible for the replacement or structural repair of its Unit so long as the damage is not caused by the willful or negligent acts of such Condominium Sublessee or such Condominium Sublessee's guests, invitees, sub-tenants, licensees, servants or family members, or by the failure of such Condominium Sublessee to adhere to the terms and conditions of this Sublease.

6.4.2. Common Area. The Sublessees acting collectively through the Association shall maintain, repair, replace and restore or cause to be so maintained, repaired, replaced or restored, at such Sublessees' sole cost and expense,

the Common Area, including without limitation, the windows, cabinets, exposed plumbing, built-in appliances, water heating units, and wall and floor coverings located within the Common Area, and the interior surfaces of the walls, ceilings, floors, doors and permanent fixtures therein. The Sublessees acting collectively through the Association shall have the exclusive right to paint, plaster, panel, carpet, tile, wax, paper or otherwise refinish, decorate and customize the inner surfaces of the walls, ceilings, floors, windows and doors located within the Common Area, and move or remove any nonbearing walls (such changes or additions to the Common Area by the Sublessees acting through the Association are also hereinafter collectively referred to as "Decorations"). The Sublessees' obligations and rights under this Section are subject to the provisions of Section 7.1. The Sublessees acting collectively through the Association shall keep the Common Area free from debris and shall not commit or suffer any waste to be committed on, in or adjacent to the Common Area. The performance of all rights and duties described above shall be paid for by the assessments to be imposed by the Association on each Sublessee in accordance with the Bylaws and the CC&Rs. Except as provided in Articles 10 and 11, a Sublessee shall not be responsible for the replacing or structural repairing of the Common Area so long as the damage is not caused by the willful or negligent acts of such Sublessee or such Sublessee's guests, invitees, sub-tenants, licensees, servants or family members, or by the

failure of such Sublessee to adhere to the terms and conditions of this Sublease.

6.5. Right of Access.

Sublessor shall have a limited right of access to and does hereby reserve such right of access over and through each Unit, the Common Area, and the portion of the Property subject to exclusive Appurtenant Rights as follows:

6.5.1. Inspection. Sublessor, through its authorized agents, shall have a right of access upon and within each Unit, the Common Area, and the portion of the Property subject to exclusive Appurtenant Rights, or any part thereof, to inspect the same and all improvements erected and placed thereon, to take any corrective action reasonably deemed necessary by Sublessor, to otherwise perform its obligations hereunder or under the Master Lease, and to protect the rights and interests of all Sublessees, the County, and any other person or entity with an interest in the Property, provided that, prior to entry into any Unit, Sublessor requests such access from and that entry is at a time reasonably convenient to the affected Sublessee(s), and prior to entry into the Common Area, Sublessor requests such access from and that entry is at a time reasonably convenient to the Association.

6.5.2. Maintenance and Repairs. Sublessor

may, at its option and through its authorized agents, go in the Units, the Common Area, and the portion of the Property subject to exclusive Appurtenant Rights for the purpose of performing such maintenance, repairs, replacement or restoration therein or thereon as Sublessor may deem necessary for the safety and proper maintenance of the Property, including the Units, the Common Area and the Towers; provided, that, with respect to any Unit, Sublessor requests such access in advance and that such access is at a time reasonably convenient to the affected Sublessee and that, with respect to the Common Area, Sublessor requests such access in advance that such access is at a time reasonably convenient to the Association. In the event of such entry and in order to allow Sublessor to perform its obligations under Section 6.1 above, each Sublessee agrees to vacate its Unit and the Sublessees collectively agree to vacate the Common Area upon receipt of reasonable notice from Sublessor, which notice shall in no event be less than ten (10) days, and to bear any costs of temporary relocation during such period as deemed reasonably necessary by Sublessor in good faith to fulfill such obligations. Nothing contained herein shall be construed to impose any obligation upon Sublessor to maintain, repair, replace or restore any portion of the Units or Common Area to be maintained, repaired, replaced or restored by a Sublessee or the Sublessees pursuant to Section 6.4 above.

6.5.3. Emergencies. Sublessor and the County, through their authorized agents, shall have the immediate right to enter each Unit, the Common Area, and the portion of the Property subject to exclusive Appurtenant Rights as necessary or advisable in case of any emergency originating in or threatening a Unit, the Common Area, or the Property, whether the Sublessee leasing such Unit or the Association representative responsible for managing the Common Area is present or not and with or without notice. In the case of an emergency, Sublessee agrees to vacate its Unit and the Sublessees collectively agree to vacate the Common Area immediately if required by Sublessor for the protection of any Unit or the Common Area, or any Sublessee or any other person or entity, or any portion of the Property, and to bear any costs of temporary relocation for the duration of such emergency.

6.6. Use of Agent.

Sublessor may contract with a Management Company for the performance of maintenance, repair, replacement and restoration activities (including the billing and collection of Monthly Maintenance Fees) and for conducting other activities on Sublessor's behalf.

7. ALTERATIONS

7.1. Restrictions.

No building, wall, fence, obstruction, balcony, screen, patio, patio cover, tent, awning, improvement or structure of any kind shall be commenced, erected, painted or maintained upon or within any Unit or the Common Area, nor shall any alteration or improvements of any kind be made thereto (hereinafter collectively referred to as "Alterations"), except for an Alteration that is not structural or utility bearing, is not visible from the exterior of the affected Unit or the Common Area if the drapes or shades are drawn, does not involve the piercing, altering or repairing of the exterior of, or removal of any exterior portion of, any wall, floor or ceiling separating Units or other rooms on the Property and does not affect any common equipment used by any other Unit or other room or building on the Property, until the plans and specifications therefor showing the nature, kind, shape, heights, width, elevation, color, materials and location of the same shall have been submitted to and approved in writing by the Sublessor. Failure by Sublessor to approve, deny or otherwise act on such plans or specifications within forty-five (45) days after receipt thereof shall be deemed a denial of such plans and specifications. In addition, any and all such Alterations may require the prior written approval of the Director (the "Director") of the County Department of Beaches and Harbors,

Marina del Rey, and other federal, state or local government agencies, including the Los Angeles County Department of Building and Safety. In the event such approvals and/or permits are required, each Sublessee agrees and covenants not to commence any Alteration until such approvals and/or permits have been obtained. To obtain such approvals and/or permits, each Sublessee agrees that it will inform Sublessor of the need for such approvals and/or permits and allow Sublessor, at Sublessor's sole discretion, to either obtain such approvals and/or permits or to direct such Sublessee to do so under Sublessor's direction; provided however, any County approvals which are required by County as landlord under the terms of the Master Lease shall be obtained by Sublessor. Each Sublessee further agrees to pay Sublessor its costs related to obtaining such approvals and/or permits, plus an administration fee equal to the greater of 5% of such costs or \$50. Such amounts (which shall be deemed not to constitute Accrued Monetary Obligations as defined in Section 16.2) shall be due and payable within 10 days of the written notice thereof and each Sublessee shall not proceed with construction of any such Alteration until said amounts are paid.

7.2. Construction of Alterations.

Any Alterations must be performed by a contractor licensed by the State of California and must comply with all

applicable federal, state and local laws, rules and regulations. In addition, the Sublessor may condition any approval of such Alterations on the agreement of the affected Sublessee to use one of at least three contractors or other persons designated by the Sublessor for such construction.

7.3. Liens and Claims.

No Sublessee shall suffer or permit to be enforced against its Unit or the Common Area, or any part thereof, any mechanics', laborers', materialmen's, contractors', sub-contractors' or other liens arising from, or any claim for damages growing out of, any Alteration, Decoration, repair, restoration, replacement or improvement required or permitted by this Sublease, or any other claim or demand however the same may arise, but each Sublessee shall pay or cause to be paid all of such liens, claims and demands before any action is brought to enforce the same; and each Condominium Sublessee hereby indemnifies and agrees to hold the Sublessor, the Master Sublessee, the County and the Property free and harmless from all liability for any and all such liens, claims and demands, together with all costs and expenses in connection therewith including, without limitation, any attorneys' fees incurred by Sublessor, the Master Sublessee and the County; provided that if a Condominium Sublessee shall in good faith contest the validity of any such lien, claim or demand, then such Condominium Sublessee shall, at its expense, defend itself, Sublessor,

Master Sublessee and the County against the same and shall pay and satisfy any adverse judgment that may be rendered before the enforcement thereof against Sublessor, Master Sublessee, the County or any portion of the Property. Each Condominium Sublessee contesting any such lien, claim or demand shall furnish to Sublessor and the County a surety bond or other assurance satisfactory to Sublessor and the County, respectively, in an amount equal to the contested lien, claim or demand indemnifying Sublessor, Master Sublessee, and the County against liability for the same, or shall provide and record the bond provided for in Section 3143 of the California Civil Code or any successor statute hereinafter enacted, freeing the Property from the effect of such lien or claim or action thereon, unless such Condominium Sublessee has received a written waiver of both of the foregoing requirements from Sublessor and the County.

In addition to all other requirements, before the commencement of the construction of any Alterations as provided in this Article 7, the affected Condominium Sublessee shall give, or cause to be given, to Sublessor written notice thereof, specifying the nature and location of the intended work and the expected date of commencement thereof; and such Condominium Sublessee shall furnish to Sublessor and the County a surety bond or other security, in such form and in such amounts as shall be approved by Sublessor and the County, guaranteeing the completion of any such work free and clear of any of the liens,

claims and demands hereinabove specified; and Sublessor, Master Sublessee and the County shall have the right at any time and from time to time to post and maintain on the Property, or any part thereof, such notices of nonresponsibility as may be provided by law.

In the event that a Condominium Sublessee fails to pay and discharge any liens or claims arising hereunder after ten (10) days' written notice from Sublessor, Master Sublessee or the County, then the Sublessor, Master Sublessee or the County, whichever is appropriate, shall have the right (but not be obligated) to make such payments as are necessary and to recover such amounts and expenses, including attorneys' fees incurred by Sublessor, Master Sublessee or the County, whichever is appropriate, from such Condominium Sublessee upon demand.

8. INSURANCE

8.1. Master Insurance.

8.1.1. Type and Amount of Coverage. Except as provided in Section 8.6, in order to protect the interests of Sublessor, the County, all Sublessees and their Authorized Mortgagees, Sublessor shall insure against loss of or damage to all buildings, structures, equipment, and improvements on the Property, including the Units and the Common Area except as otherwise provided below, resulting from fire, lighting,

vandalism, malicious mischief, those risks ordinarily defined in "extended coverage," and those risks covered by an "All-Risk" policy (collectively, the "Master Policy"). Sublessor may but shall not be required and shall have no liability to any Sublessee for failing to insure against loss and damage due to earthquake and, as of the commencement of the term hereof, has not insured against loss or damage due to earthquake. Such insurance shall be in an amount equal to the full replacement value of said buildings, structures, equipment, and improvements, and shall be placed and maintained with such insurance company or companies and in such form as shall be reasonably satisfactory to County, but in no event shall such company or companies have a Best's Key Rating Property Casualty Guide of less than XV.A. Such policy shall not be required to insure any personal property, Alterations or Decorations within any Unit or the Common Area or otherwise maintained on the Property by a Sublessee, which matters shall be the sole responsibility and at the sole risk of the affected Sublessee.

8.1.2. Form of Policy. The Master Policy, along with its endorsements, shall name County as an additional insured and any encumbrance holder of Sublessor as a loss payee; upon the occurrence of any loss, the proceeds of such insurance shall be held by County in trust for the named insureds as their interests appear and shall be disbursed on a monthly draw basis to pay for the restoration of the improvements. To the extent required by an encumbrance holder of Sublessor at the time of

County approval of its encumbrance, such insurance shall be held and disbursed by a neutral insurance trustee selected by mutual agreement of the County and Sublessor, according to procedures established under the Master Lease. In the event of such loss, Sublessor shall be obligated to rebuild or replace the destroyed or damaged buildings, structures, equipment, and improvements except as otherwise provided in Section 10.2. County shall reimburse Sublessor for said rebuilding or replacement out of and to the full extent of any proceeds of said insurance held by County as payments are required for said purposes.

8.1.3. Allocation of Insurance Proceeds.

Notwithstanding any contrary provisions in this Sublease, if a complete or partial destruction of the Property occurs and one or more Sublessees permanently loses the use of its or their Unit(s) and the damage or destruction is an insured casualty, then the proceeds therefrom shall be allocated as follows:

First: To the extent required under the Master Lease, to repair such damage or destruction if it can be repaired, or to protect, repair and/or restore the remainder of the Property if the Property cannot be fully repaired.

Second: To pay each Sublessee who has permanently lost the use of its Unit and such Sublessee's Authorized Mortgagee(s), as their respective interests may appear, the then fair market value of their respective interests under this

Sublease excluding any Bonus Value; and provided, further, that if there are insufficient proceeds, the payment to each such Sublessee and its respective Authorized Mortgagee shall be reduced proportionately. "Bonus Value" shall mean the then present value of the excess, for the duration of this Sublease, of the fair market ground rent attributable to a Sublessee's Condominium over the Ground Rent which would be attributable thereto.

Third: The balance to the County, Sublessor and Sublessor's encumbrance holders as provided in the Master Lease.

8.2. Sublessor's Liability Insurance.

In order to protect the interests of Sublessor, County and all Sublessees (provided, however, the Sublessees shall not be named insureds and shall be responsible for obtaining their own liability insurance as set forth in Section 8.4, below), except as provided in Section 8.6, below, Sublessor shall maintain in full force and effect during the term of this Sublease, comprehensive general liability insurance together with premises operations, products, completed operations and contractual liability coverages with combined bodily injury and property damage liability limits of not less than FIVE MILLION DOLLARS (\$5,000,000). The amounts of liability insurance required by this Section shall be subject to renegotiation by Sublessor and County each fifth (5th) anniversary of the

commencement of the term of the Master Lease, as provided in the Master Lease.

8.3. Notice of Cancellation.

All policies of insurance described in Sections 8.1 and 8.2 above shall contain a provision that said policy or policies shall not be cancelled or terminated or expire by their terms without at least thirty (30) days' prior written notice to Sublessor, each Sublessee, all Authorized Mortgagees and the County (provided that in the case of a Sublessee, such Sublessee has filed a written request with the carrier for such notice). In addition, Sublessor shall provide evidence to all Authorized Mortgagees of the renewal or replacement of the insurance described in Sections 8.1 and 8.2 above at least 30 days prior to the expiration thereof, but not less frequently than annually. If an Authorized Mortgagee holds a mortgage on more than one Sublease, only one copy of any notice or evidence required by this Section need be sent to such Authorized Mortgagee.

8.4. Insurance by Sublessee and Association.

Insurance for all Alterations, Decorations, and personal property within each Unit shall be the sole responsibility of and shall be provided at the sole option of each Sublessee for loss or damage which is not covered by the

Master Policy. In the event that a Sublessee elects to obtain such insurance or any additional insurance, such Sublessee shall pay all premiums and other charges payable in respect to all such insurance, and shall from time to time deposit with Sublessor a copy of the certificate of the insurance carrier as to each policy of such insurance. Each Sublessee shall also be entitled to carry such public liability insurance as that Sublessee may deem desirable to cover such Sublessee's individual liability for damages to persons or property occurring inside the Sublessee's Unit or elsewhere upon the Property, provided that such Sublessee shall, in any such policies, name Sublessor and County as additional insureds and furnish Sublessor and County with a certificate evidencing same.

Insurance for all Alterations, Decorations, and personal property within the Common Area with respect to any loss or damage not covered by the Master Policy shall be the sole responsibility of and shall be provided, if at all, at the sole cost of the Association. The Association may carry such additional insurance as is required or permitted by the CC&Rs. All premiums and other charges payable in respect of such insurance carried by the Association shall be paid from the Association funds raised by assessments upon its members. Association shall from time to time deposit with Sublessor a copy of the certificate of the insurance carrier as to each policy of insurance carried by the Association.

8.5. Waiver of Subrogation.

All insurance policies carried by a Sublessee shall contain waivers of subrogation of claims by the insurer against Sublessor, all Sublessees (excluding the Sublessee carrying such policy) and the County. Such policies shall not adversely affect or diminish any liability coverage under any insurance obtained by Sublessor. If any loss intended to be covered by insurance carried by Sublessor shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by a Sublessee, such Sublessee shall assign the proceeds of such insurance to Sublessor, to the extent of such reduction, for application by Sublessor to the same purposes as the reduced proceeds were to have been applied.

8.6. Self-Insurance.

If it is no longer prudent for Sublessor to obtain the insurance required hereunder in light of the costs payable for the benefits obtained and Sublessor adopts a program of self-insurance that is approved by Director under the procedures established in the Master Lease, then Sublessor shall not be in breach hereof if it fails to obtain such insurance. Provided, however, Sublessor shall not be allowed to adopt a program of self-insurance unless Authorized Mortgagees which hold mortgages on 75% or more of the Condominiums approve of such program of self insurance. Sublessor shall send a written notice to all

Authorized Mortgagees notifying such Authorized Mortgagees of its intent to self-insure. Such notice shall state that the Authorized Mortgagees have twenty (20) days to approve or object to such program of self-insurance and shall include a copy of the information required to be submitted to the County in connection with self-insurance under the Master Lease. If any or all Authorized Mortgagees fail to respond in writing to such notice within such twenty (20) day time period, Sublessor shall inform such Authorized Mortgagees of such failure to respond in a notice providing that such Authorized Mortgagees have ten (10) days to approve of or object to Sublessor's program of self-insurance. Any Authorized Mortgagees which do not respond in writing to this second notice within such ten (10) day time period shall be deemed to have approved of such program of self-insurance. If an Authorized Mortgagee holds mortgages on more than one (1) Sublease, only one copy of each notice shall be sent to such Authorized Mortgagee. Self-insurance shall be deemed to be full insurance coverage in the amounts required by this Sublease.

8.7. Rights of Third Parties to Provide Insurance.

If Sublessor fails to provide the insurance required above, and such failure is not excused by adoption of a program of self-insurance meeting the requirements set forth above, the Association and the "Five Authorized Mortgagees" (as defined in

Section 11A.1.1(b) below) shall have the right to place such insurance in accordance with Section 11.07 of the Master Lease.

9. LIABILITY FOR DAMAGE OR INJURY; INDEMNIFICATION

9.1. Waiver.

Neither Sublessor, Master Sublessee nor the County shall be liable for any loss, damage or injury of any kind to any Condominium Sublessee's property or person or to the person or property of a Condominium Sublessee's guests, invitees, sub-tenants, licensees, servants, family members or any other person caused by (1) any use of that Condominium Sublessee's Unit, the Common Area or the Appurtenant Rights including, without limitation: (a) any plumbing, air conditioning, heating, gas, water, steam or other pipes, or any electrical wiring, outlets, or any fixtures or appliances, or any other systems, fixtures or appliances, or sewage or the bursting, leaking, running or stopping of any pipe or any plumbing, air conditioning or heating system, fixture or appliance in the Sublessee's Unit or the Tower in which such Unit is located, or (b) water coming through the roof, ceilings, walls, windows, doors, skylights, or otherwise, unless such loss, damage or injury is caused by Sublessor's willful act or gross negligence; or (2) the acts or neglect of any third persons, including, without limitation, co-tenants, other occupants or other users

of the Property and including, without limitation, loss, damage or injury due to theft or vandalism.

Without limiting a Condominium Sublessees' other obligations hereunder, each Condominium Sublessee shall pay for all damages to its Unit, the Common Area or the Property, or other persons or property within or on same, resulting in any way from the acts or omissions of such Condominium Sublessee or such Condominium Sublessee's guests, invitees, subtenants, licensees, servants or family members. As part of the consideration to Sublessor for entering into this Sublease, each Condominium Sublessee agrees that Sublessor's, Master Sublessee's and County's liability shall be limited as set forth herein and that such Condominium Sublessee shall assume, or look to such insurance as such Sublessee may carry for any loss, damage or injury not caused by Sublessor's or Master Sublessee's willful act or gross negligence.

9.2. Indemnification.

Each Condominium Sublessee further agrees to indemnify and hold Sublessor, Master Sublessee and the County harmless from and against any and all claims, loss, cost, damage, liability or expense (including reasonable attorneys' fees) arising out of or resulting from the use of its Unit, the Common Area or its Appurtenant Rights by such Condominium Sublessee or such Condominium Sublessee's guests, invitees, subtenants,

licensees, servants or family members, including, without limitation, (1) personal injury to, or death of, such Condominium Sublessee or such Condominium Sublessee's guests, invitees, subtenants, licensees, servants or family members, and loss of or damage to property belonging to or under the care, custody or control of such Condominium Sublessee, or such Condominium Sublessee's guests, invitees, subtenants, licensees, servants or family members, except only any such injury, death, loss or damage as is caused by Sublessor's or Master Sublessee's willful act or negligence; and (2) for personal injury to or death of, or loss of or damage to the property of all others (including damage to or loss of the Property or the Common Area) resulting from or in any way caused by acts or omissions of a Condominium Sublessee or such Sublessee's guests, invitees, subtenants, licensees, servants or family members.

9.3. County and Master Sublessee Not Liable.

The County and Master Sublessee shall not be liable for any acts or omissions of Sublessor.

10. DAMAGE OR DESTRUCTION OF PREMISES OR COMMON AREAS

10.1. General.

10.1.1. Sublessor's Duty to Rebuild. In order to protect the interest of all Sublessees, and except as

otherwise set forth herein, in the event of any damage to or destruction of all or any portion of the Property, it shall be the duty of Sublessor to rebuild, restore and repair the same to its former condition, to the extent legally permissible, excluding any Alterations or Decorations added by any Sublessee or by all the Sublessees acting collectively through the Association, as promptly as reasonably practical.

10.1.2. Payment For Uninsured Losses. If this Sublease is not terminated as provided in Section 10.2.1 following any damage to or destruction of all or any portion of the Property resulting from a cause not required to be insured against by this Sublease or the Master Lease (an "Uninsured Loss") and to the extent that such damage or destruction is not actually covered by said Master Policy, each Sublessee agrees to pay such Sublessee's share of the costs to repair and reconstruct the Property as a result of the casualty causing the Uninsured Loss, which share shall be charged to the Sublessee as a Supplemental Maintenance Fee as defined in Section 6.3 with the following revisions: (i) the amount of such fee allocable to each Sublessee shall be allocated among the Sublessees in proportion to the Ground Rent for each Sublessee's Condominium; and (ii) such amounts shall be due and payable within thirty (30) days after Sublessor delivers written notice to a Sublessee of the amount of such Supplemental Maintenance Fee. All such funds collected shall be placed in a separate interest bearing account or accounts and shall be used only for repair and

reconstruction of damage to the Property caused by the casualty which resulted in the Uninsured Loss. The portion of the cost to repair and reconstruct the Property which is allocable to the Sublessees shall be determined as follows:

(a) The cost to repair and reconstruct the promenade apartments, the boat slips, the restaurant on the west end of the Property (the "Restaurant") or any other free-standing non-residential building hereafter constructed on the Property, shall not be allocated to the Sublessees;

(b) A proportionate share of the cost to repair and reconstruct the east Tower shall be allocated to the Sublessees thereof based on the ratio of (i) the square footage of such Sublessees' Units to (ii) the sum of the square footage contained in all other residential apartments in the east Tower and in any club or retail space in such Tower;

(c) A proportionate share of the cost to repair and reconstruct the west Tower shall be allocated to the Sublessees thereof based on the ratio of (i) the square footage in such Sublessees' Units to (ii) the sum of the square footage contained in all other residential apartments in the west Tower and in any club or retail space in such Tower;

(d) A proportionate share of the cost to repair and reconstruct the center Tower shall be allocated to the

Sublessees thereof based on the ratio of (i) the square footage of such Sublessees' Units to (ii) the sum of the square footage contained in all other residential apartments in the center Tower and in any club and retail space located therein; and .

(e) A proportionate share of the cost to repair and reconstruct all other portions of the Property shall be allocated to the Sublessees based on the ratio of (i) the square footage contained in such Sublessees' Units and (ii) the sum of the square footage contained in the improvements related to the boat slips, the Restaurant, the club and retail space, and any other residential units on the Property.

10.2. Exceptions Creating Right To Terminate.

10.2.1. Uninsured Casualty. Sublessor shall have the option to terminate this Sublease, including all Condominium Subleases comprised within and resulting herefrom, and be relieved of the obligation to restore the Units and Common Area and other improvements on the Property and of all further obligations to each Condominium Sublessee where the damage to or destruction of any of the improvements on the Property subject to the Master Lease (the "Master Lease Improvements") resulted from an Uninsured Loss if Sublessor shall (a) notify each Sublessee of Sublessor's election to terminate this Sublease and (b) fulfill the conditions set forth

in subsection 10.2.1.1 or 10.2.1.2 below, whichever is applicable.

10.2.1.1 Right to Terminate; Sublessor Other Than Master Lessor. Except as otherwise provided in subsection 10.2.1.2, Sublessor shall have the right to terminate this Sublease following an Uninsured Loss only if each of the conditions set forth in subsections 11A.1.1(a) - (c) are satisfied.

10.2.1.2 Special Provisions Applicable to Right to Terminate Where Master Lessor Becomes Sublessor. In the event that the County or its successor as Master Lessor under the Master Lease becomes the Sublessor under this Sublease due to a termination of the Master Lease, the provisions of this subsection 10.2.1.2 shall apply in lieu of the provisions of subsection 10.2.1.1 with regard to an Uninsured Loss. This subsection shall apply irrespective of whether the casualty causing the Uninsured Loss occurred prior to, concurrently with or after the Master Lessor became the Sublessor hereunder. Sublessor shall be entitled to terminate this Sublease because of damage to the Master Lease Improvements caused by an Uninsured Loss only if the conditions set forth in subsections 11A.2.1(a) - (c) are satisfied.

10.2.2. Insured Casualty Near End of Term. Sublessor shall have the option to terminate this Sublease and

be relieved of the obligation to restore the Master Lease Improvements and of all further obligations to each and every Sublessee where the damage or destruction results from a cause required to be insured against by this Sublease or the Master Lease (an "Insured Casualty"), where all of the following occur: (a) no more than sixty (60) days following the Insured Casualty, Sublessor notifies each Sublessee of its election to terminate this Sublease; (b) Sublessor terminates the Master Lease with the County (this subsection (b) shall not apply if the County is Sublessor); (c) Sublessor satisfies its obligations to each Sublessee and its Authorized Mortgagees under Section 8.1.3 of this Sublease, such obligations under Section 8.1.3 to survive the termination of this Sublease; and (d) the Insured Casualty occurs within the last five (5) years of the term of the Master Lease.

11. CONDEMNATION

11.1. Definitions.

11.1.1. Condemnation. "Condemnation" means (a) the exercise of any governmental power of eminent domain, whether by legal proceedings or otherwise, by a condemnor, and (b) a voluntary sale or transfer to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

11.1.2. Date of Taking. "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

11.1.3. Award. "Award" means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation.

11.1.4. Condemnor. "Condemnor" means any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

11.2. Parties' Rights and Obligations to be Governed by Sublease.

If, during the term of this Sublease, there is any taking of all or any part of the Property or a Condominium, any improvements on or in the Property or a Condominium, or any interest in this Sublease by condemnation, the rights and obligations of the parties shall be determined pursuant to the provisions of Article 11. Sublessor shall represent both itself and all Sublessees in any condemnation proceeding to recover all awards, subject to the rights of any Authorized Mortgagees and the County.

11.3. Effect of Taking of the Property.

If the Property is totally taken by condemnation, this Sublease and all Condominium Subleases created hereunder shall terminate on the date of such taking. If the Property is partially taken by condemnation and such taking results in the termination of the Master Lease in accordance the with the Master Lease and the provisions set forth below, such taking shall be deemed to be a total taking of the subleasehold condominium regime and result in the termination of this Sublease, and all Condominium Subleases and interests created hereunder, effective on the date specified in Sublessor's notice of such termination to the affected Sublessee. A termination of this Sublease pursuant to this Section 11.3 shall relieve Sublessor of the obligations to restore the Condominiums and other improvements on the Property and of all further obligations to the Sublessees, except Sublessor's obligations to the affected Sublessee(s) under Section 11.6 regarding the allocation of Awards.

11.3.1. Sublessee's Costs. If this Sublease or a portion thereof is not terminated following any damage to or destruction of all or any portion of the Property resulting from a partial taking, each Sublessee whose interest hereunder has not been terminated by such taking agrees to pay such Sublessee's share of the costs, in excess of the Award, to repair and reconstruct the Property as a result of the partial

taking in accordance with the allocation set forth in subsection 10.1.2 above, except that the costs to repair and reconstruct the portions of the Property described in subsections 10.1.2(a) through (e) shall be net of the Award attributable to each such portion of the Property.

11.3.2. Right to Terminate; Sublessor other than Master Lessor. Except as otherwise provided in Section 11.3.3, Sublessor shall be entitled to terminate this Sublease following a partial taking of the Property only if each of the conditions set forth in subsections 11A.1.1(a) - (c) are satisfied.

11.3.3. Special Provisions Applicable to Right to Terminate Where Master Lessor Becomes Sublessor. In the event that the County or its successor as Master Lessor under the Master Lease becomes the Sublessor under this Sublease due to a termination of the Master Lease, the provision of this subsection 11.3.3 shall apply in lieu of the provisions of subsection 11.3.2 with regard to a partial taking. This subsection shall apply irrespective of whether the partial taking occurred prior to, concurrently with or after the Master Lessor became the Sublessor hereunder. Sublessor shall be entitled to terminate this Sublease because of damage to the Master Lease Improvements caused by a partial taking only if each of the conditions set forth in Sections 11A.2.1(a) - (c) are satisfied.

11.4. Effect of Taking of Condominiums or Common Area.

If any Condominium is taken by condemnation, the Condominium Sublease applicable thereto shall terminate. A termination of a Condominium Sublease pursuant to this Section 11.4 shall relieve Sublessor of its obligation to the affected Sublessee to restore its Condominium and all further obligations to the affected Sublessee, except Sublessor's obligations to the affected Sublessee under Section 11.6. If a portion of a Condominium is taken by condemnation and this Sublease is not terminated by Sublessor or County as provided above, this Sublease shall remain in effect, except that a Sublessee may elect to terminate its Condominium Sublease if the remaining portion of its Condominium is rendered unsuitable for Sublessee's continued use by such taking. A Sublessee must exercise its right to terminate by giving Sublessor written notice of its election within sixty (60) days after the nature and extent of the taking have been finally determined. Such notice shall also specify the date of termination, which shall be prior to the date of taking. Failure to properly exercise the election provided for in this Section 11.4. will result in this Sublease and the affected Condominium Sublease continuing in full force and effect.

If the Common Area is totally taken or if so much thereof is taken as to render the Common Area unsuitable for

continued use for its intended purpose, and if this Sublease is not terminated in connection with such taking, then Sublessor shall supply the Sublessees and the Association with a functionally equivalent substitute Common Area on the same terms and conditions and provisions as the initial Common Area. Upon supplying such replacement Common Area, the Award, if any, for the initial Common Area shall become the Sublessor's property; otherwise, such Award shall, subject to the paragraph below, be paid to the Sublessees and their Authorized Mortgagees as their interests may appear. Except as provided above, Sublessor will have no obligation to the Sublessees as a result of a taking with respect to the Common Area.

Sublessor, to the extent of the Awards or payments, if any, available on account of such taking shall, within a reasonable period of time, commence and complete restoration of the remainder of the Property as nearly as possible to its value, condition and character immediately prior to such taking; provided, however, that in case of taking for temporary use, Sublessor shall not be required to effect restoration until such taking is terminated.

11.5. Waiver of Code of Civil Procedure
 Section 1265.130.

Each party waives the provisions of Code of Civil Procedure Section 1265.130 allowing either party to petition the

Superior Court to terminate this Sublease in the event of a partial taking of the Property.

11.6. Award.

Awards and other payments on account of a taking, less, costs, fees and expenses incurred in the collection thereof ("Net Awards and Payments"), shall be applied as follows:

11.6.1. Partial Taking Without Termination.

Net Awards and Payments received on account of a taking other than a total taking of the Property, a partial taking of the Property which results in the termination of this Sublease or a taking for temporary use shall be held by County and applied as follows: First, to pay the cost of restoration of the Property; Second, there shall be paid to all affected Sublessees and their Authorized Mortgagees as their interests may appear an amount equal to the fair market value of their respective interests taken excluding any Bonus Value; Third, the balance, if any, shall be divided between County and Sublessor as provided in the Master Lease.

11.6.2. Taking for Temporary Use. Net Awards

and Payments received on account of a taking for temporary use shall be paid to Sublessor; provided, however, that if any portion of any such award or payment is paid by the condemnor by

reason of any damage to or destruction of the improvements, such portion shall be held by the County and applied as provided in Section 11.6.1, above.

11.6.3. Total Taking and Partial Taking with Termination. Net Awards and Payments received on account of a total taking of the Property or a partial taking of the Property which results in the termination of this Sublease or any Condominium Sublease hereunder shall be allocated as follows:

First: To pay the cost of restoration of the Property;

Second: There shall be paid to each Sublessee and its Authorized Mortgagee(s) whose interests hereunder are subject to a total taking or a partial taking with termination, as their interests may appear, an amount equal to the fair market value of such Sublessee's Condominium Sublease excluding any Bonus Value.

Third: The balance shall be paid to County, Sublessor and Sublessor's encumbrance holders as provided in the Master Lease.

11A. CONDITIONS TO TERMINATION OF SUBLEASE IN EVENT OF
UNINSURED LOSS OR PARTIAL CONDEMNATION

11A.1 Provisions Applicable to Termination;
Sublessor Other Than Master Lessor.

11A.1.1 Conditions to Termination

Sublessor's exercise of its right to terminate this Sublease pursuant to subsection 10.2.1.1 following an Uninsured Loss or pursuant to subsection 11.3.2 following a partial taking is subject to the satisfaction of each of the following conditions 11A.1.1(a) - (c):

11A.1.1(a) No Assignment to MDP, First Encumbrance Holder or Designated Assignee. There has not been an effective assignment following the Uninsured Loss or partial taking of the Sublessor's interest in the Master Lease to (i) MDP, Ltd., (ii) the "First Encumbrance Holder" (as defined in Section 18.03 of the Master Lease) on the Master Lease, or (iii) the "Designated Assignee" (as defined in Section 9B1(b)(ii) of the Prepaid Sublease) under the Prepaid Subleases within the time provided in Articles 14 and 18 of the Master Lease.

11A.1.1(b) Notice of Termination to Association and Authorized Mortgagees. Sublessor has sent a

copy of its notice of termination of the Master Lease to the Association and the five (5) Authorized Mortgagees holding the largest number of mortgages or deeds of trust on Condominium Subleases (the "Five Authorized Mortgagees") concurrently with sending of such notice to the County; such notice has been accompanied by a list of the names and addresses of the Five Authorized Mortgagees; and Sublessor has also sent a copy of such notice to all other Authorized Mortgagees within five (5) days thereafter, provided, however, that a failure to send a copy of such notice to Authorized Mortgagees holding mortgages or deeds of trust in the aggregate on up to 5% of the Condominium Subleases shall not prevent the termination of this Sublease pursuant to this subsection.

11A.1.1(c) No Notice And Approval of Proposed Assignee. Sublessor has not, prior to the "Deadline Date" defined below, received a notice from the Association or the Five Authorized Mortgagees designating a proposed assignee (the "Proposed Assignee") of the Master Lease or, if such notice was received, the County has not approved of an assignment of the Master Lease to the Proposed Assignee within forty-five days (or such longer period as the Director of Beaches and Harbors ("Director") may, in his sole discretion, allow) after having received notice of such proposed assignment. (The "Deadline Date" shall mean (i) with respect to a proposed termination resulting from a partial taking as provided in Section 11.3.2, the twenty-fifth (25th) day following the mailing of the notice

set forth in subsection 11A.1.1(b) above and (ii) with respect to a proposed termination resulting from an Uninsured Loss as provided in Section 10.2.1.1, the later of (x) the twenty-fifth (25th) day following the mailing of the notice set forth in subsection 11A.1.1(b) above or (y) the fifty-fifth (55th) day following the Uninsured Loss giving rise to such notice.)

11A.1.2 General Procedures Governing Right to Terminate; Sublessor Other Than Master Lessor. The following provisions shall apply to Sublessor's exercise of its right to terminate this Sublease under subsection 10.2.1.1 or subsection 11.3.2, whichever is applicable:

11A.1.2(a) Election Procedure. The Association shall select its Proposed Assignee, if at all, by a majority vote of the Condominium Sublessees in accordance with the CC&Rs. The Five Authorized Mortgagees shall select their Proposed Assignee, if at all, by a majority vote in which each of such Authorized Mortgagees shall have one vote for each Condominium Sublease mortgage or deed of trust held by it. The above-described method for selection of a proposed representative by the Association or the Five Authorized Mortgagees is hereafter referred to as the "Election Procedure". If both the Association and the Five Authorized Mortgagees designate a Proposed Assignee to Sublessor under subsection 11A.1.1(c) above, then Sublessor shall submit both of the potential assignees to the County for its consideration in the

following order: first, the Proposed Assignee designated by the Association; and second, the Proposed Assignee designated by the Five Authorized Mortgagees. In order to be effective, the notice from the Association or the Five Authorized Mortgagees to the Sublessor designating a Proposed Assignee must be accompanied by an accurate financial statement of the Proposed Assignee and a description of the means by which the Proposed Assignee intends to fund restoration of the Property. These must be in sufficient detail so as to allow the County to make an informed evaluation as to the financial strength of the Proposed Assignee and the actual availability of such funding.

11A.1.2(b) Approved Assignment to Proposed Assignee. If the County approves of the assignment of the Master Lease to the Proposed Assignee, then (i) concurrent with assignment of its interest in the Master Lease to such Proposed Assignee, Sublessor shall also assign its rights and obligations as Sublessor under this Sublease, including all Condominium Subleases created pursuant hereto, and all Prepaid Subleases to such Proposed Assignee, (ii) such Proposed Assignee (and not the Sublessor) shall thereafter bear sole responsibility for restoration of the improvements on the Property and performance of all other obligations now imposed on Sublessor under the Master Lease or this Sublease, and (iii) after such assignment, Sublessor shall have no further obligation or liability under the Master Lease or to any Sublessee under this Sublease or the Prepaid Subleases.

11A.2 Special Provisions Applicable to Right to
Terminate Where Master Lessor Becomes
Sublessor

11A.2.1 Conditions to Termination

Sublessor's exercise of its right to terminate this Sublease pursuant to subsection 10.2.1.2 following an Uninsured Loss or pursuant to subsection 11.3.3 following a partial taking is subject to the satisfaction of each of the following conditions 11A.2.1(a)-(c):

11A.2.1(a) No Assignment to Designated Lessee. There has not been an effective assignment following the Uninsured Loss or partial taking of a new Master Lease to the "Designated Lessee" (as defined in Sections 9B(1)(c)(ii)(B) and 10C(3)(b)(ii) of the Prepaid Sublease) under the Prepaid Subleases within the time provided in Articles 14 and 18 of the Master Lease.

11A.2.1.(b) Notice of Termination to Association and Authorized Mortgagees. Sublessor has sent a copy of its notice of termination of this Sublease to the Five Authorized Mortgagees and the Association concurrently with sending of such notice to each Sublessee; and, within five (5) days thereafter, Sublessor has also sent a copy of such notice to all other Authorized Mortgagees, provided, however, that a

failure to send a copy of such notice to Authorized Mortgagees holding mortgages or deeds of trust in the aggregate of up to 5% of the Condominium Subleases shall not prevent the termination of this Sublease pursuant to this subsection.

11A.2.1(c) No Notice and Approval of Proposed Lessee. The Association or the Five Authorized Mortgagees have not, within sixty-five (65) days following the mailing of the notices to them required in subsection 11A.2.1(b) above, delivered to Sublessor a written notice naming a proposed master lessee (the "Proposed Lessee") and requesting the Sublessor to enter into a new Master Lease with the Proposed Lessee, upon all of the terms and provisions, and for the remainder of the term of the previously terminated Master Lease, or if such notice was delivered, the Sublessor has not entered into a new Master Lease with the Proposed Lessee within forty-five (45) days (or such longer period as the Director, in his sole discretion, may allow) after the delivery of such notice. (The provisions of subsection 18.05.D of the Master Lease shall apply to any written notice and request pursuant to this subsection 11A.2.1(c) notwithstanding the prior termination of the Master Lease.)

11A.2.2 General Procedures Governing Right of Master Lessor to Terminate. The following provisions shall apply to Sublessor's right to terminate this Sublease under subsection 10.2.1.2 or subsection 11.3.3:

11A.2.2(a) Election Procedure. The Association and the Five Authorized Mortgagees shall select a Proposed Lessee, if at all, under the Election Procedure set forth in subsection 11A.1.2(a) above. If both the Association and the Five Authorized Mortgagees designate a Proposed Lessee to Sublessor, then Sublessor shall consider such potential Lessees sequentially until one, if any, is accepted, in the following order: first, the Proposed Lessee designated by the Association; and second, the Proposed Lessee designated by the Five Authorized Mortgagees. The notice of the Proposed Lessee from the Association or the Five Authorized Mortgagees must be accompanied by an accurate financial statement of the Proposed Lessee and a description of the means by which the Proposed Lessee intends to fund the restoration of the Master Lease Improvements which existed immediately prior to the damage or destruction or the partial taking. These must be in sufficient detail so as to allow Sublessor to make an informed evaluation as to the financial strength of the Proposed Lessee and the actual availability and feasibility of such funding.

11A.2.2(b) New Master Lessee's Obligations. If County enters into a new Master Lease pursuant to subsection 11A.2.1(c), then the Proposed Lessee shall be obligated to restore the Master Lease Improvements, and to perform all other obligations contained in the new Master Lease. The subsequent failure to complete restoration of all Master Lease Improvements shall be an Event of Default under the new Master Lease, the

cost of such restoration shall be an additional item of recoverable damages from the Proposed Lessee under Section 8.04C of the new Master Lease, and neither Approved Encumbrance Holders under the Master Lease nor the Five Authorized Mortgagees nor the Association shall thereafter be entitled to prevent termination of the new Master Lease as a result of the failure to restore the damage to the Master Lease Improvements caused by the Uninsured Loss or partial taking which lead to the new Master Lease. In such case, Sublessor shall have the right to terminate this Sublease by giving notice to each Sublessee and its Authorized Mortgagees.

11A.2.2(c) Effect of Election Not to Terminate Following an Uninsured Loss. If Sublessor does not terminate this Sublease following a casualty causing an Uninsured Loss, each Sublessee agrees to pay such Sublessee's share of the costs to repair and reconstruct the Master Lease Improvements damaged as a result of the casualty causing the Uninsured Loss in accordance with the allocation set forth in subsection 10.1.2 above.

11A.2.2(d) Effect of Election Not to Terminate Following a Partial Taking. If Sublessor does not terminate this Sublease following the partial taking, each Sublessee whose interest hereunder has not been terminated as a result of such taking agrees to pay such Sublessee's share of the costs to repair and reconstruct the Master Lease Improvements damaged as

a result of the partial taking in accordance with the allocation set forth in subsection 10.1.2 above, except that the costs to repair and reconstruct the portions of the Property described in subsections 10.1.2(a) through (e) shall be net of the Award attributable to each such portion of the Property.

12. UTILITIES

12.1. Rights and Duties of Sublessee.

The rights and duties of each Sublessee with respect to utilities shall be as follows:

12.1.1. Each Sublessee (and the Sublessees acting collectively through the Association with respect to the Common Area) shall pay all charges for electricity, gas, sewage, trash collection, cable television, telephone and other utility services supplied to and used on or in such Sublessee's Unit or the Common Area (to the extent that such services are not commonly metered or supplied by Sublessor or the Management Company and included in Operating Expenses). All such charges shall be paid or caused to be paid by each Sublessee before delinquency and each Sublessee shall protect and hold harmless its Unit or the Common Area from any such charges or from any liability for any failure or interruption of any utility service to its Unit or the Common Area.

12.1.2. Whenever sanitary sewer, water, electric, gas, television receiving, or telephone lines or connections, heating or air-conditioning conduits, ducts, or flues (collectively, "Lines or Connections") or any portion thereof, lie in or upon premises other than a Sublessee's Unit, such Sublessee shall nevertheless be entitled to the full use and enjoyment of such portions of said Lines or Connections as serve its Unit, subject to Sublessor's management and control.

12.2. Right of Sublessor To Entry for Maintenance of Lines and Connections.

Whenever such Lines or Connections, or any portion thereof, lie in or upon a Unit or the Common Area, Sublessor shall have the right to enter upon such premises or to have utility companies enter upon such premises to repair, replace and generally maintain said Lines or Connections as and when necessary.

13. RESTRICTIONS ON USE OF PREMISES

Each Sublessee hereby agrees as follows:

13.1. Permitted Uses.

Except as otherwise approved by Sublessor and County in writing, each Condominium will be used as a private residence

only and no business, commercial, manufacturing, mercantile, vending or other nonresidential enterprise of any kind will be conducted therein or therefrom. The Common Area shall be used only for handling the administrative affairs of the Association and shall not be used for any other residential, business, commercial, manufacturing, mercantile, vending or other residential or nonresidential enterprise of any kind. A Unit shall not be rented by a Condominium Sublessee for transient or hotel purposes, which shall be defined as (1) rental for any period less than thirty (30) days, or (2) any rental if the occupants of the Unit are provided customary hotel service such as room service for food and beverages, maid service, furnishing laundry and linen, and bellhop service. The Common Area shall not be rented by the Association, or any member thereof, to any person or entity for any purpose or for any period of time.

13.2. CC&Rs.

Each Condominium Sublessee agrees to abide by and conform to all restrictions on use imposed with respect to the subleasehold condominium regime under the CC&Rs to be recorded pursuant hereto. A violation of any such provision shall constitute a breach of such Condominium Sublessee's Condominium Sublease.

13.3. Guests.

Any conduct by any guest of a Condominium Sublessee which, if engaged in by the Condominium Sublessee would constitute a breach or violation of the terms of this Sublease, shall be deemed to be a breach by such Condominium Sublessee of this Sublease. The total number of guests occupying or using a Condominium at any one time shall not exceed that allowed by local fire and zoning regulations or by the provisions of this Sublease.

13.4. Rules and Regulations Governing Tenancy in the Marina City Club.

The rules and regulations governing tenancy in the Marina City Club Condominiums (the "Rules and Regulations") are attached hereto as Exhibit H and incorporated herein. Each Sublessee agrees to comply with said Rules and Regulations, as such Rules and Regulations may from time to time be amended or promulgated by Sublessor, and any violation thereof shall constitute a breach of this Sublease and shall entitle Sublessor to the rights and remedies provided for in Section 15 below.

13.5. Consent Standard.

Except as specifically otherwise provided in this Article 13, all consents required under this Article 13 may be given or withheld by Sublessor in its sole discretion.

14. ASSIGNMENT AND SUBLETTING

14.1. Sale and Assignment By Sublessee.

Each Condominium Sublessee's interest hereunder may be freely sold or assigned subject to the following conditions:

14.1.1. Any such sale or assignment shall be made in accordance with any applicable federal, state or local law or regulations.

14.1.2. Each Condominium Sublessee shall provide Sublessor with a written agreement from any purchaser or assignee to assume and be bound by all of the terms, covenants and conditions of this Sublease applicable to such Sublessee, including all of the terms, covenants and conditions comprising the interest under this Sublease described as such Sublessee's Condominium Sublease, from and after the date of such sale and assignment in such form as Sublessor shall specify.

14.1.3. No Condominium Sublessee shall be released or discharged from any obligation arising under this Sublease until delivery of the agreement to Sublessor pursuant to Section 14.1.2 above and the payment of the Change in Ownership Fee as set forth in Section 4.5. Said delivery and payment shall not release or discharge a Condominium Sublessee from any existing liability which has accrued under this Sublease as of the date of said delivery and payment.

14.1.4. Prior to the execution of any agreement for the sale, assignment or transfer of this Sublease, such Sublessee shall provide such purchaser, assignee or transferee with a separate written notice in the form of Exhibit I (the "Transfer Notice") and shall receive back a receipt, the original of which shall be delivered to Sublessor, executed by the transferee and acknowledging the receipt of the Transfer Notice.

14.1.5. Any and all unpaid Monthly Maintenance Fees, Supplemental Maintenance Fees, Ground Rent, property taxes or their equivalent, the Change in Ownership Fee provided in Section 4.5 and other charges due to Sublessor or the County hereunder shall be paid in full as of the date of such sale or assignment.

14.2. Change in Ownership.

A "Change in Ownership" for purposes of this Sublease shall mean (i) a change in ownership as defined in, and with the exceptions provided in, Sections 60 to 68 of the California Revenue and Taxation Code as of November 7, 1986, and (ii) a sublease by a Condominium Sublessee of its Condominium for a term, including any options to extend, of 35 years or more, or the balance of the Sublease term, whichever is less. A Condominium Sublessee shall not be obligated to pay the Change in Ownership Fee provided in Section 4.5 for sales or assignments which are not a Change in Ownership. Provided, further, there shall be no Change in Ownership Fee due under Section 4.5 with respect to any Change in Ownership which occurs by reason of a transfer which serves as security for a loan from any Authorized Mortgagee but which does not entitle such holder to any immediate right to use, occupy, possess or receive the rents from the affected Condominium for so long as the assignor makes the required periodic payments and complies with other provisions of the loan, or a transfer resulting from a foreclosure (by judicial foreclosure or trustee's sale) by such an Authorized Mortgagee or a transfer in lieu thereof, or for any Transfer by the Master Sublessee of any of its interest under this Sublease.

Notwithstanding anything else above to the contrary, in the event that a particular transaction involves more than

one Change in Ownership solely because of the Condominium Sublessee's interest being held for an interim period (not to exceed twenty-four (24) hours) by an accommodation party as a part of a tax-deferred exchange under Section 1031 of the Internal Revenue Code, and provided there is no increase in consideration given, then for purposes of the Change in Ownership Fee, the transaction shall be deemed to contain only one Change in Ownership. If the transaction described in the preceding sentence is the original creation of a Condominium Sublease by Master Sublessee, there shall be no Change in Ownership Fee.

14.3. Copies of Agreement.

Each Condominium Sublessee shall provide Sublessor with certified or other true and correct copies of any sublease in excess of one (1) year in duration or any agreement for sale, assignment or other transfer, including but not limited to such agreements resulting in a Change in Ownership, within thirty (30) days after execution of such agreement or fifteen (15) days prior to the actual sublease, sale, assignment or other transfer, whichever first occurs.

14.4. Assignment By Sublessor.

Sublessor shall have the right to assign, sell or transfer its rights and obligations under this Sublease, in

accordance with the terms of the Master Lease, to any corporation, partnership or person(s) in Sublessor's sole discretion and each Condominium Sublessee agrees to execute a written agreement in favor of such corporation, partnership or person(s), attorning to and recognizing such transferee as the Sublessor hereunder, provided such corporation, partnership or person(s) agrees to remain bound by all terms, covenants and conditions of this Sublease. If a Condominium Sublessee does not execute such an agreement, Sublessor shall be deemed, pursuant to the provisions of this Section 14.4, to have a power of attorney to execute such an agreement on such Sublessee's behalf. Upon execution and delivery of such agreement, Sublessor shall have no further obligation to any Sublessee under this Sublease, including all Condominium Subleases created pursuant hereto, or otherwise.

15. HYPOTHECATION

If requested by a Condominium Sublessee, Sublessor agrees to execute its written consent to the assignment of such Sublessee's Condominium Sublease by mortgage or trust deed upon and subject to the covenants and conditions hereinafter set forth, and upon the further condition that such Sublessee and said assignee, for themselves and their respective successors and assigns, shall execute in writing, with and for the benefit of Sublessor, their acceptance and approval of said consent and their agreement to be bound by each and all of the covenants and

conditions thereof, as follows: (a) that except as hereinafter otherwise provided, said assignment and all rights thereunder shall be subject to each and all of the covenants, conditions and restrictions of this Sublease, the CC&Rs, and all rights and interests of Sublessor hereunder, none of which shall be deemed waived by said consent; (b) that should there be any conflict between the provisions of this Sublease and said mortgage or trust deed, this Sublease shall control as between Sublessor and its Condominium Sublessee and as between Sublessor and the Authorized Mortgagee; (c) that if the interest of such Sublessee hereunder shall be foreclosed or otherwise acquired under said mortgage or trust deed, the transferee or transferees thereof shall thereupon and thereby assume the performance of and shall be bound by each and all of the covenants, conditions and obligations herein provided to be kept and performed by such Sublessee during the period such transferee or transferees shall hold title to such interest, and for all unpaid rental or other charges due to Sublessor from such Sublessee under this Sublease; and (d) that Sublessor shall not exercise the rights and remedies provided in Article 16 below because of any default or breach hereunder on the part of such Sublessee, if the holder of said mortgage or trust deed, within 30 days after service of written notice to such Authorized Mortgagee from Sublessor of its intention to exercise such rights and remedies for such Uncured Default or breach, shall either cure such default or breach, if the same can be cured by the payment of money, or if such default or breach is not so curable and cannot be remedied

within said 30 day period, if the holder of said mortgage or trust deed, within said period, shall (i) commence in good faith to cure such default or breach and thereafter diligently prosecute the same to completion, (ii) institute proceedings for the foreclosure of such mortgage or trust deed (by filing a notice of default or a complaint for judicial foreclosure) and thereafter diligently conclude the same, and (iii) undertake in writing, with and for the benefit of Sublessor, to keep and perform, and shall keep and perform, to the extent possible all of the covenants and conditions of this Sublease herein provided to be kept and performed by such Sublessee from the date of such written undertaking until such time as the interest hereunder shall be sold upon foreclosure pursuant to any such mortgage or trust deed or shall be released from said mortgage or reconveyed under said trust deed; provided, however, that if the holder of said mortgage or trust deed shall fail or refuse to comply with any or all of the conditions of this clause (d), then Sublessor shall be released from the covenant of forbearance contained herein. Each Condominium Sublessee shall furnish Sublessor at the time of such consent a complete copy of such mortgage or trust deed, together with the address of the holder thereof. Upon execution of such consent, the assignee thereunder shall be deemed an "Authorized Mortgagee" under this Sublease.

16. SUBLESSOR'S RIGHTS AND REMEDIES UPON DEFAULT

16.1. Default.

The occurrence of any one or more of the following shall constitute an "Event of Default" or "Default" under this Sublease with respect to the party causing or allowing such Event of Default to occur:

16.1.1. A Condominium Sublessee uses or allows its Condominium to be used or authorizes, permits or fails to terminate the use of its Condominium for any purpose other than as expressly authorized in this Sublease with respect to such interest;

16.1.2. A Condominium Sublessee fails to pay any installment of the Monthly Maintenance Fee, Ground Rent or any other sum payable by such Sublessee to Sublessor hereunder when due;

16.1.3. A Condominium Sublessee fails to pay or cause to be paid any tax, assessment, insurance premium, lien, claim, demand, judgment, transfer fee or other charge provided in this Sublease to be paid or caused to be paid by such Condominium Sublessee at the time and in the manner herein provided;

16.1.4. A Condominium is not maintained as provided in Article 6 hereof; or

16.1.5. A Condominium Sublessee breaches or defaults in the performance of any other covenant, condition or restriction provided in this Sublease to be kept or performed by such Sublessee.

The failure of the Association, acting on behalf of the Condominium Sublessees, to pay any of the sums or perform any of the acts required by this Sublease with respect to the Common Area, including the maintenance obligations set forth in Section 6.4.2 shall not constitute a Default by a Condominium Sublessee under its Condominium Sublease; provided, however, Sublessor shall have the right (but not the obligation) following written notice to the Association of the asserted Default and the Association's failure to cure such Default within ten (10) days after delivery of such notice, (i) to enter upon the Common Area and take all steps necessary to correct such failure, or (ii) to bring an action in a court of competent jurisdiction to enjoin or correct such failure. All costs and expenses incurred by Sublessor in connection with such remedial action, plus interest and other charges thereon as made applicable by Sections 6.3 or 16.4, shall be charged to the Condominium Sublessees as a Supplemental Maintenance Fee in accordance with Section 6.3 above.

The interest of a Condominium Sublessee under a Condominium Sublease created pursuant hereto shall not be affected by the subsequent Default of the Master Sublessee or another Condominium Sublessee, nor shall the remaining interest of the Master Sublessee be affected by a Default by a Condominium Sublessee under its Condominium Sublease following the creation thereof.

An Event of Default described in Section 16.1.1, 16.1.2, or 16.2.3 which shall continue uncured for a period of ten (10) days from and after written notice thereof by Sublessor to the defaulting Sublessee, or an Event of Default described in Section 16.1.4 or 16.1.5 which shall remain uncured for a period of thirty (30) days from and after written notice thereof by Sublessor to the defaulting Sublessee, shall constitute an "Uncured Default". Copies of any written notice of an Event of Default to a Sublessee shall be simultaneously mailed to any Authorized Mortgagee of which Sublessor has been given written notice and an address for service.

16.2. Remedies Upon Default.

Sublessor acknowledges that because of the Condominium Payment paid by each Condominium Sublessee, the usual landlord-tenant remedies (except in the limited circumstances specifically described below), including the right to oust such Condominium Sublessee from possession and/or to terminate such

Condominium Sublessee's Condominium Sublease by means of summary eviction proceedings as provided in California Code of Civil Procedure Section 1161 et seq., are not appropriate to enforce the rights and remedies of Sublessor under this Sublease during the term of such Condominium Subleases. Therefore, in lieu of the usual landlord-tenant remedies, the parties hereto have provided for (a) specific enforcement and other legal remedies, including equitable relief where appropriate for breach of non-Monetary Obligations, and (b) remedies available under a deed of trust for breach of Accrued Monetary Obligations as defined in Section 16.3, below, so long as such deed of trust shall remain as a valid lien against the interest of a Condominium Sublessee in its Condominium Sublease. By limiting Sublessor to remedies under a deed of trust for breaches of Accrued Monetary Obligations, so long as such deed of trust remains as a valid lien against the Condominium Sublease, each Condominium Sublessee is afforded statutory cure periods and other substantive and procedural protections and Sublessor is afforded reasonable security for the performance by such Condominium Sublessee of the Accrued Monetary Obligations under its Condominium Sublease. Accordingly, at any time during the term of the Sublease that any Uncured Default exists under a Condominium Sublease:

(a) Uncured Default Involving Accrued Monetary Obligations. In the event of any Uncured Default as to an Accrued Monetary Obligation, which occurs at a time when

"Subleasehold Deed of Trust" (as defined in Section 16.3 below) remains as a valid lien against a Condominium Sublease, Sublessor may exercise all rights and remedies of Sublessor as Beneficiary under that Subleasehold Deed of Trust. If any Uncured Default as to a Accrued Monetary Obligation occurs at a time when the Subleasehold Deed of Trust does not constitute a valid lien against the Condominium Sublease, Sublessor shall be entitled to recover any amounts included in said Uncured Default of a Accrued Monetary Obligation by an action at law for damages, including but not limited to an action in accordance with California Civil Code Section 1951.4 or successor provisions.

(b) Other Uncured Defaults. In the event of any Uncured Default as to any obligation other than an Accrued Monetary Obligation, upon written demand to the affected Condominium Sublessee, and with or without taking possession of such Sublessee's Condominium, Sublessor may specifically enforce the performance of all obligations other than Accrued Monetary Obligations of such Condominium Sublessee under its Condominium Sublease, as the same shall respectively arise or accrue and Sublessor shall have the right of affirmative injunctive relief as well as the right to bring an action for damages in appropriate cases, and to exercise any other necessary legal or equitable remedies, except an action for unlawful detainer or similar summary eviction proceeding, to enforce compliance by such Condominium Sublessee with all covenants, conditions and

restrictions of its Condominium Sublease other than Accrued Monetary Obligations. In no event shall the voluntary or involuntary relinquishment of possession of its Condominium by a Condominium Sublessee terminate the Condominium Sublease of such Condominium Sublessee, nor relieve such Condominium Sublessee from the payment of any Monthly Maintenance Fees, Ground Rent or other sums then due and payable from or thereafter accruing with respect to such Condominium Sublessee (until the transfer of the Condominium Sublease of such Sublessee to the purchaser at the foreclosure sale under the Subleasehold Deed of Trust or sale in lieu of such foreclosure), or any claim for damages then or thereafter accrued or accruing against such Condominium Sublessee hereunder, nor shall it relieve such Condominium Sublessee from the performance of such Sublessee's obligations under Section 16.5. below.

(c) Other Remedies. Sublessor may pursue any other remedy now or hereafter available to Sublessor under the laws or judicial decisions of the State of California consistent with the foregoing provisions of this Section 16.2

16.3. Monetary Obligations to be Secured by Deed of Trust.

All obligations of a Condominium Sublessee under this Sublease which may be fully satisfied, performed or discharged

solely by the payment of money, including without limitation the payment of Monthly Maintenance Fees, Supplemental Maintenance Fees, Ground Rent, property taxes, possessory interest taxes or their equivalent, assessments, monetary indemnification obligations, and reimbursements to Sublessor for the payment of utility charges, repair costs or other amounts advanced by Sublessor on behalf of a Sublessee as provided in this Sublease, as such obligations shall accrue and be payable from time to time, and a Sublessee's obligations under Section 3.3 of the Subleasehold Deed of Trust (hereinafter referred to collectively as "Accrued Monetary Obligations"), shall be secured by a Deed of Trust in the form attached hereto as Exhibit J (the "Subleasehold Deed of Trust") encumbering such Sublessee's Condominium. Each Condominium Sublessee and Sublessor shall sign, acknowledge and cause the Subleasehold Deed of Trust to be recorded concurrently with creation of the Sublessee's Condominium Sublease. No obligation of a Condominium Sublessee hereunder which does not constitute an Accrued Monetary Obligation at the time of the foreclosure sale under the Subleasehold Deed of Trust, or at the time that the Subleasehold Deed of Trust ceases for any reason to be a valid lien against the Condominium Sublease (including without limitation any Monthly Maintenance Fee or Ground Rent not then accrued and payable), shall be secured by the Subleasehold Deed of Trust. Notwithstanding any other provisions hereof, and, without intending to exclude any other provisions by express reference to specific provisions, the right of Sublessor to require

compliance by a Condominium Sublessee with the provisions of Sections 7.1, 7.2, 13.1, 13.2, 13.3, 14.1, and 14.4 of this Sublease and any right to seek reimbursement, damages or other compensation that may be payable to Sublessor by reason of non-compliance by a Sublessee with said enumerated provisions of this Sublease, shall not constitute Accrued Monetary Obligations within the meaning of this Sublease and shall not be secured by the Subleasehold Deed of Trust.

In the event of a sale of the interest of a Condominium Sublessee under its Condominium Sublease in any foreclosure sale (for the purposes of this Sublease, "foreclosure" shall include judicial foreclosures and nonjudicial foreclosures by trustee's sale) conducted pursuant to the provisions of, or otherwise, by reason of the Subleasehold Deed of Trust, or any sale in lieu of such foreclosure, Sublessor, to the extent permitted by applicable law, shall deduct and pay from the monies derived therefrom the following:

(a) The cost of any alteration, repairs, maintenance or redecoration of the affected Condominium incurred in placing such premises in a marketable condition;

(b) All costs of such foreclosure sale including, without limitation, title insurance, mailing, trustee's

fees, advertising costs, administrative overhead, commissions and reasonable attorneys' fees incurred; and

(c) An amount equal to all delinquent installments of Monthly Maintenance Fees, Ground Rent, Supplemental Maintenance Fees, taxes, assessments, interest, late charges and other charges and amounts accruing under the affected Sublessee's Condominium Sublease to the date of sale with interest thereon at the highest rate then allowed by law.

(d) Any other fee payable to the County and/or Sublessor pursuant to the provisions hereof as a result of a non-exempt Change of Ownership.

The balance of the proceeds then remaining from such foreclosure sale or sale in lieu of foreclosure, if any, shall be paid to the Condominium Sublessee whose Condominium was the subject of the foreclosure action, its Authorized Mortgagee or any other parties entitled thereto as provided by applicable law relating to the foreclosure of deeds of trust.

Each Condominium Sublessee shall in any mortgage or encumbrance with an Authorized Mortgagee, require that such Authorized Mortgagee agree: (1) to the payment priorities set forth in this Section 16.3 and to reconvey its deed of trust or release its mortgage or other encumbrance in exchange for payment, if any, pursuant to such payment priorities; and (2) to

be subject and subordinate to any Subleasehold Deed of Trust, now or hereafter executed in connection with such Sublessee's Condominium Sublease whether by the existing Sublessee thereof or by a successor Condominium Sublessee, provided, however, in the event the Subleasehold Deed of Trust at some time does not constitute a valid lien against the Sublessee's Condominium Sublease, then such Authorized Mortgagee shall be subject to and subordinate to Sublessor's action at law for damages against the applicable Condominium Sublessee as provided in this Sublease. In the event of a foreclosure sale of a Sublessee's Condominium Sublease hereunder, the purchaser of the same shall be required to execute a Subleasehold Deed of Trust with respect to such Condominium Sublease.

16.4. Late Charges and Interest.

Notwithstanding any other provision herein, in the event of any Event of Default as to an Accrued Monetary Obligation by a Condominium Sublessee, including, without limitation, the failure to pay the Monthly Maintenance Fee, Ground Rent, Supplemental Maintenance Fee or any item or reimbursement to Sublessor, the Sublessor and each Condominium Sublessee agree that it would be impracticable or extremely difficult to determine the actual damages arising therefrom. Each Condominium Sublessee, by accepting an assignment of its Condominium Sublease, therefore agrees to pay to Sublessor a late charge equal to six percent (6%) of the amount of such

delinquency, or \$50.00, whichever is greater, no later than 10 days following notice from Sublessor. Each Condominium Sublessee further agrees to pay interest on any such delinquent obligation at the maximum rate provided by law from the date due until paid in full. Payment of, or the right of Sublessor to collect, such late charges and interest shall not excuse or cure any Event of Default by a Condominium Sublessee hereunder, and payment of such charges and interest shall be required of a Condominium Sublessee or any Authorized Mortgagee attempting or undertaking to cure an Event of Default within the time periods permitted in Article 15 or Section 16.1, whichever is applicable.

16.5. Quitclaim and Surrender of Condominium and Property.

Upon the expiration of the term of this Sublease or the sooner termination of both this Sublease and the Master Lease pursuant to Section 10.2 or Section 11.3 hereof, each Sublessee shall execute, acknowledge and deliver to Sublessor a duly acknowledged instrument in writing releasing and quitclaiming to the County or its successor in interest all right, title and interest of such Sublessee in and to its Condominium and the Property by virtue of this Sublease or otherwise. Each Sublessee shall further surrender its Condominium to the County or its successor in interest in as good condition as reasonable and careful use will permit. Upon

such expiration or such sooner termination, the interest of a Sublessee in its Condominium Sublease shall terminate and become null and void without further notice.

16.6. Cumulative Remedies; Nonwaiver.

Except as specifically provided to the contrary in this Article 16 or as otherwise provided by law, all rights, options and remedies of Sublessor contained in this Sublease shall be cumulative, and no one of them shall be exclusive of the other and Sublessor shall have the right to pursue any one or all of such remedies. Except as specifically provided to the contrary in this Article 16 or as otherwise provided by law, no delay or omission of Sublessor to exercise any right or remedy shall be construed as a waiver of any such right or remedy or of any default by a Condominium Sublessee hereunder. The acceptance by such Sublessor of any Monthly Maintenance Fees or other sums to be paid hereunder shall not be a waiver of any preceding breach or default by a Condominium Sublessee of any provision hereof, other than the failure of such Sublessee to pay the particular Monthly Maintenance Fees or other sum accepted, regardless of Sublessor's knowledge of such preceding breach or default at the time of acceptance of such Monthly Maintenance Fee or other sum, or a waiver of Sublessor's right to exercise any remedy available to Sublessor by virtue of such breach or default.

17. PARKING

As set forth above in Section 5.2, a Sublessee's rights hereunder include an exclusive right during the term of this Sublease to park a motor vehicle or vehicles within the Parking Space or Spaces to be allocated to each Condominium at the time of and as a part of the creation of a Condominium Sublease pursuant hereto. There shall be no additional charge for such Space or Spaces. If a change in the location of such Space(s) is required by state or local or other laws and regulations or if the present location of such Space(s) becomes impractical due to changes in the parking areas or surrounding buildings or otherwise, Sublessor shall provide the affected Sublessee with the exclusive right to park in an alternative Space or Spaces. Each Sublessee and such Sublessee's guests, invitees, subtenants, licensees, servants and family members assume the risk of damage to or loss of any motor vehicle (or any portion thereof or anything therein or thereon) parked by them within said Space(s) or parked elsewhere on Sublessor's property either with or without Sublessor's approval. Each Sublessee and such Sublessee's guests, subtenants, invitees, licensees, servants and family members shall be liable for all towing and other related expenses in the event any such person uses parking spaces or areas other than those designated by Sublessor. No recreational-type vehicles may be parked in said Space(s). Sublessor's determination as to whether a vehicle is a recreational type vehicle shall be final. Each Sublessee's

use of its Parking Space(s) shall be subject to the Rules and Regulations and such further rules and regulations as Sublessor shall adopt from time to time.

18. PERIODIC REVIEW AND DEFAULT UNDER MASTER LEASE

18.1. Periodic Review Under Master Lease.

In addition to the requirements of the Master Lease, each Sublessee agrees to comply with any requirements imposed by Sublessor or the County as a result of any periodic review or modification by the County of Sublessor's obligations under the Master Lease with respect to the following:

(a) To require that any sale, assignment or sublease of a Condominium be made on a non-discriminatory basis in compliance with existing or future state or County policies concerning discrimination;

(b) To require that the Common Area and the areas of the Property subject to common or public use be maintained in a neat, clean and attractive condition;

(c) To require approval by the County prior to construction of any exterior improvements or modifications or signage;

(d) To require that security lighting, fencing and locks be provided and maintained to the extent necessary to assure the safety and security of residents and the public;

(e) To require periodic increases in the insurance coverage provided for in Article 8 hereof to assure that the amount of such coverage is reasonable and appropriate;

(f) To require that all utilities and services provided are adequate;

(g) To require that each residential unit on the Property, including each Condominium leased hereunder, be used only for the purposes and in the manner permitted by this Sublease; and

(h) To approve any modifications or amendments to this Sublease.

18.2. Default by Sublessor Under Master Lease.

In the event of a default by Sublessor and termination under the Master Lease, each Condominium Sublessee shall be entitled to remain in possession of its Condominium pursuant to and subject to the terms and conditions of its Condominium Sublease. In such case, each Condominium Sublessee shall have the same rights and obligations under its Condominium Sublease

as he or she would have had if the Sublessor had remained in possession, in accordance with this Sublease and Section 10.05 of the Master Lease. Each Condominium Sublessee agrees to attorn to and recognize County as landlord under its Condominium Sublease in the event of such early termination of the Master Lease and will execute any documents requested by County in order to further document the terms of such Sublessee's continued occupation of its Condominium. The benefits of this Section and Section 10.05 of the Master Lease shall also be extended to the Authorized Mortgagees of each Condominium Sublessee and to such Authorized Mortgagees' successors in interest and transferees. Upon the termination of the Master Lease, the County shall have the right to enter a new master lease with a new master lessee containing the same terms and conditions as the Master Lease insofar as they effect any Condominium Sublessee and containing the same protections for the Condominium Sublessee as the Master Lease, and such new master lease shall have the same priority as the Master Lease.

19. EXPENSE OF LITIGATION

If Sublessor or any Sublessee incurs any expense, including reasonable attorneys' fees, in connection with any action or proceeding instituted by Sublessor against such Sublessee or such Sublessee against Sublessor by reason of any default or alleged default of the other party hereunder, the party prevailing in such action or proceeding shall be entitled

to recover its reasonable expenses and attorneys' fees from the other party in an amount determined by the court, whether or not such action goes to final judgment. In the event of settlement or final judgment in which neither party is awarded all of the relief prayed for, the prevailing party as determined by the court shall be entitled to recover from the other party reasonable expenses and attorneys' fees in the amount determined by the court.

20. SUBORDINATION AND NON DISTURBANCE

This Sublease, and each Condominium Sublease created pursuant hereto, is subordinate to any mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the real property of which the Condominiums are a part, and each Condominium Sublessee hereby appoints Sublessor as its attorney in fact, coupled with an interest, to execute any documents on a Sublessee's behalf reasonably necessary to confirm such subordination. Notwithstanding the above, a Condominium Sublessee's rights hereunder shall not be disturbed by any holder of a security interest encumbering Sublessor's interest in the Property, provided that such Condominium Sublessee is not in default of any obligations under its Condominium Sublease. Each Sublessee shall, in the event any proceedings are brought for the foreclosure of any such mortgage, deed of trust or other hypothecation, attorn and recognize the purchaser upon foreclosure of sale or sale under

power of sale or deed in lieu of foreclosure as the Sublessor hereunder. Upon the written request of a Sublessee, Sublessor shall use its best efforts to obtain from any such encumbrancer an instrument in recordable form providing, in substance, that so long as such Sublessee is not in default under its Condominium Sublease, no foreclosure, sale under power of sale or deed in lieu of foreclosure under such encumbrance shall terminate such Sublessee's Condominium Sublease or otherwise affect such Sublessee's rights under its Condominium Sublease.

21. PAYMENTS AND NOTICES

All sums payable by a Sublessee to Sublessor hereunder shall be paid to Sublessor at its business mailing address below, or at such other place as Sublessor may hereafter designate in writing. Any request, notice, statement, demand, or quote to be given, or other document to be delivered, by either party to the other hereunder may be delivered in person, or may be deposited in the United States mail with full first-class postage prepaid, and addressed to the party for whom intended as follows: To Sublessor at Marina City Club Center Tower Lobby, 4333 Admiralty Way, Marina del Rey, California 90291 (Attention: Condominium Sales Department) and to Sublessee at the address of its Condominium; provided, however, Sublessor's notice of default to a Sublessee shall be sent by registered or certified mail, postage prepaid, and return receipt requested, in which case such notice shall be deemed

received on the date of actual receipt. Either party hereto may from time to time, by written notice to the other, designate a different address which shall be substituted for the one specified above. If any notice or other document, other than a payment due under this Sublease, is sent by mail the same shall be deemed served or delivered seventy-two (72) hours after the mailing thereof as above provided or upon actual receipt, if sooner. Any payment due under this Sublease shall be deemed received only upon actual receipt by Sublessor. Should a Sublessee consist of more than one person, the personal delivery or mailing of such notice to any one of such persons shall constitute complete service upon all such persons. Except as specifically otherwise provided in this Sublease, any notice to be given by Sublessor to any encumbrancer of a Sublessee shall be served in the same manner as hereinabove provided and shall be delivered or directed to the encumbrancer at its address as last shown on the records of Sublessor; provided, however, Sublessor's notice to Authorized Mortgagees as provided in Sections 10.2, 11.3.2, 11.3.3 and 15.4 shall be sent by registered or certified mail, postage prepaid, and return receipt requested. If an Authorized Mortgagee holds a mortgage on more than one Condominium Sublease, only one copy of any notice required by this Sublease need be sent to such Authorized Mortgagee.

22. ESTOPPEL CERTIFICATE

22.1. Each Condominium Sublessee shall at any time upon no less than ten (10) days' prior written notice from Sublessor execute, acknowledge and deliver to Sublessor a statement in writing (1) certifying that and its Condominium Sublease is unmodified and in full force and effect, or, if modified, stating the nature of such modifications and certifying that its Condominium Sublease, as so modified, is in full force and effect and the date to which the rent and other charges are paid in advance, if any and (2) acknowledging that there are not, to such Sublessee's knowledge, any uncured defaults on the part of Sublessor hereunder, or specifying such defaults, if any are claimed, and setting forth any other information relating to its Condominium Sublease which has been reasonably requested by Sublessor. Any such statement may be conclusively relied upon by any prospective assignee of, encumbrancer, or lender for the Property, or any portion thereof.

22.2. A Condominium Sublessee's failure to deliver such statement within such time shall be conclusive upon such Sublessee (1) that its Condominium Sublease is in full force and effect, without modification except as may be represented by Sublessor, (2) that there are no uncured defaults in Sublessor's performance and (3) that any other statements of fact contained in the requested statement are true.

23. MISCELLANEOUS

23.1. Severability.

The provisions of this Sublease shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any provision, clause, sentence, or phrase hereof shall not affect the validity of the remaining provisions.

23.2. Time of Essence.

Time is of the essence with respect to the performance of every provision of this Sublease as to which time is a factor.

23.3. Covenant and Condition.

Each provision of this Sublease to be performed by a Sublessee shall be deemed both a covenant and a condition.

23.4. Multiple Sublessees.

In the event that a Condominium Sublessee now or at some future time consists of more than one person(s) or entity(ies), and Sublessor or its agents are required to perform an act or fulfill a duty hereunder with the knowledge or consent

of such Condominium Sublessee, the acknowledgement or consent of any person(s) or entity(ies) claiming an interest of more than fifty percent (50%) under the affected Condominium Sublease shall constitute sufficient acknowledgement or consent with respect to any such act or duty.

23.5. Successors.

Each and all of the terms, covenants and agreements contained hereunder shall be binding upon and shall inure to the benefit of the respective heirs, executors, administrators and successors of each of the parties hereto and the assigns of a Condominium Sublessee. If a Condominium Sublessee hereunder consists of more than one person(s) or entity(ies), the obligations of each shall be joint and several.

23.6. Short Form or Memorandum of Sublease.

A short form or memorandum of this Sublease shall be executed and acknowledged by both parties for the purpose of recording forthwith upon the execution hereof.

23.7. Modification.

Each Condominium Sublease and the exhibits thereto constitute the entire agreement between the parties with respect

to the subject matter thereof. Each Condominium Sublessee represents that it has not relied on any statement or representation of Sublessor, Master Sublessee, its agents, officers, or employees, except as herein specifically contained. A Condominium Sublease may not be modified or amended except by a written instrument duly executed by the parties thereto or by their authorized agents or officers and by the affected Sublessee's Authorized Mortgagees, if any, as provided below. The affected Sublessee's Authorized Mortgagees, if any, must approve of such modification or amendment, other than a modification or amendment to the Rules and Regulations provided for in Section 13.4 (to which they have no right to give or withhold consent). Sublessor shall send a written notice to the affected Sublessee's Authorized Mortgagees, if any, notifying such Authorized Mortgagees of its intent to modify or amend the affected Condominium Sublease. Such notice shall state that those Authorized Mortgagees have twenty (20) days to approve or object to such modification or amendment. If any Authorized Mortgagees fail to respond in writing to such notice within such twenty (20) day time period, Sublessor shall inform such Authorized Mortgagees of such failure to respond in a notice providing that such Authorized Mortgagees have ten (10) days to approve or object to the proposed modification or amendment. Any Authorized Mortgagees which do not respond in writing to this second notice within such ten (10) day time period shall be deemed to have approved of such modification or amendment.

23.8. Captions.

The section and subsection captions used in this Sublease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof.

23.9. No Merger.

If the interests of Sublessor and Master Sublessee hereunder are acquired by the same person or entity, there shall not be a merger of the leasehold interests of Sublessor and Master Sublessee.

23.10. Termination of Master Sublessee's
Obligations; Short-Term Sublease by Master
Sublessee.

Notwithstanding anything above which is or appears to be to the contrary, upon creation of a Condominium Sublease by Master Sublessee: (i) Master Sublessee, and its principals, employees, representatives and agents, shall be released from all obligations arising under this Sublease or otherwise with respect to the interest created by such Condominium Sublease; (ii) the Condominium Sublessee alone shall thereafter be deemed to be the Sublessee under this Sublease with respect to the Condominium covered by that Condominium Sublease; and (iii) such Condominium Sublessee shall be obligated and hereby agrees to

thereafter indemnify, defend and hold Master Sublessee, and all principals, employees, representatives and agents thereof, harmless with respect to any losses, liabilities, damages, injuries, expenses or other like matters (including reasonable attorneys' fees and court costs) arising from or related directly or indirectly to any of such Condominium Sublessee's activities on the Property or the activities of such Sublessee's agents, employees, licensees, lessees, guests, invitees, contractors, or representatives thereon.

Notwithstanding anything above which is or appears to be to the contrary, the Master Sublessee shall be released from all obligations thereafter arising under this Sublease or otherwise with respect to the entire Property and each portion thereof after the initial assignment of all of its interest in the Units, the Common Area, and the Appurtenant Rights subject to this Sublease pursuant to the Condominium Subleases as contemplated herein.

Notwithstanding anything herein which is or appears to be to the contrary, the Master Sublessee retains the right, in its sole discretion, to sublease one or more Condominiums to third parties (other than Condominium Sublessees) for such period as it shall determine appropriate or desirable, including, but not limited to, a month to month term, pending assignment of Master Sublessee's interest in such Condominium to a Condominium Sublessee, and no Condominium Sublessee shall be

entitled to object to or interfere with such leasing activity with respect to all or any of the Condominiums by Master Sublessee.

23.11. Sublessor's Disclosure and Sublessee's Waiver.

(a) EACH SUBLESSEE HEREBY ACKNOWLEDGES THAT HE HAS BEEN ADVISED THAT THE LAND UNDERLYING THE PROPERTY MAY CONSIST OF HYDRAULIC DREDGE FILL OR OTHER FILL MATERIALS PLACED OVER LOW-LYING, MARSHY GROUND ORIGINALLY DEVOTED TO MARGINAL USES INCLUDING, BUT NOT NECESSARILY LIMITED TO, AGRICULTURE, OIL REFINERIES, AND LOW-PRODUCTION OIL WELLS. FURTHERMORE, EACH SUBLESSEE HEREBY ACKNOWLEDGES THAT HE HAS BEEN ADVISED AND OTHERWISE HAS ACTUAL KNOWLEDGE THAT THE PROPERTY IN FACT COVERS AN OLD TRASH DUMP SITE.

(b) EACH SUBLESSEE ACCEPTS ITS CONDOMINIUM, THE PREMISES AND THE PROPERTY IN THEIR AS-IS PRESENT CONDITION NOTWITHSTANDING THE FACT THAT THERE MAY BE CERTAIN DEFECTS IN THE PROPERTY OR SUCH PREMISES WHICH MAY NOT BE ACTUALLY KNOWN TO EITHER PARTY AT THE TIME OF THE EXECUTION OF THIS SUBLEASE OR THE ASSIGNMENT OF AN INTEREST TO A CONDOMINIUM SUBLESSEE.

(c) IN THE EVENT AN UNINSURED CASUALTY OR CONDEMNATION OCCURS, THIS SUBLEASE MAY BE TERMINATED. IF THIS SUBLEASE IS NOT TERMINATED, EACH SUBLESSEE'S ALLOCABLE SHARE OF

THE COSTS OF REPAIR OR RESTORATION WILL BE CHARGED TO SUCH SUBLESSEE AS A SUPPLEMENTAL MAINTENANCE FEE. THE SUPPLEMENTAL MAINTENANCE FEE IS AN ACCRUED MONETARY OBLIGATION SECURED BY THE SUBLEASEHOLD DEED OF TRUST AND A SUBLESSEE'S FAILURE TO PAY THE SUPPLEMENTAL MAINTENANCE FEE APPLICABLE TO IT COULD RESULT IN A FORECLOSURE SALE PURSUANT TO THE SUBLEASEHOLD DEED OF TRUST. IN THE EVENT OF AN INSURED CASUALTY DURING THE LAST FIVE (5) YEARS OF THE TERM OF THIS SUBLEASE, THIS SUBLEASE MAY BE TERMINATED. EACH SUBLESSEE IS ADVISED TO HAVE ITS ATTORNEY EXPLAIN THIS ARRANGEMENT TO IT.

(d) SUBLESSOR HAS THE OBLIGATION UNDER THIS SUBLEASE TO PROVIDE A "MASTER POLICY" OF PROPERTY AND CASUALTY INSURANCE ON THE PROPERTY AND A COMPREHENSIVE GENERAL LIABILITY INSURANCE POLICY WITH RESPECT TO THE PROPERTY. (HOWEVER, UNDER CERTAIN CIRCUMSTANCES SUBLESSOR MAY, WITH THE APPROVAL OF THE COUNTY, ENGAGE IN A PROGRAM OF SELF INSURANCE.) EACH SUBLESSEE'S PRO RATA SHARE OF THE COST OF ALL SUCH INSURANCE WILL BE INCLUDED IN EACH SUBLESSEE'S MONTHLY MAINTENANCE FEE. THE MASTER POLICY WILL NOT COVER ANY SUBLESSEE'S PERSONAL PROPERTY OR ANY IMPROVEMENTS SUBLESSEE MAKES TO ITS CONDOMINIUM OR THE COMMON AREA. THE COMPREHENSIVE GENERAL LIABILITY INSURANCE POLICY WILL NOT PROVIDE A SUBLESSEE WITH ANY INDIVIDUAL LIABILITY INSURANCE COVERAGE. EACH SUBLESSEE IS RESPONSIBLE FOR OBTAINING SUCH SUBLESSEE'S OWN PROPERTY AND CASUALTY INSURANCE AND SUCH SUBLESSEE'S OWN COMPREHENSIVE GENERAL LIABILITY INSURANCE.

(e) EACH CONDOMINIUM SUBLESSEE'S MONTHLY MAINTENANCE FEE WILL INCREASE IF OPERATING AND MAINTENANCE COSTS INCREASE. FURTHERMORE, A PORTION OF THE MONTHLY MAINTENANCE FEE WILL BE SET ASIDE AS A CAPITAL ASSET REPLACEMENT FUND.

(f) THE INITIAL REAL ESTATE TAXES PAYABLE BY A SUBLESSEE WITH RESPECT TO ITS CONDOMINIUM WILL BE BASED UPON THE CONDOMINIUM PAYMENT, THE GROUND RENT AND THE APPLICABLE TAX RATE.

(g) WITH RESPECT TO EACH CONDOMINIUM SUBLESSEE, THIS AGREEMENT IS A SUBLEASE OF A PARTICULAR CONDOMINIUM FOR A TERM EXPIRING JULY 29, 2067. THE CONDOMINIUM AND OTHER IMPROVEMENTS OF WHICH SUCH SUBLESSEE'S UNIT IS A PART ARE ON LAND OWNED BY THE COUNTY OF LOS ANGELES WHICH LAND IS LEASED TO SUBLESSOR PURSUANT TO THE MASTER LEASE FOR A TERM EXPIRING AT EXACTLY THE SAME TIME AS THIS SUBLEASE TERM EXPIRES. AT THE EXPIRATION OF THE MASTER LEASE THE SUBLESSEES HEREUNDER WILL HAVE NO FURTHER RIGHT TO OCCUPY THEIR CONDOMINIUMS AND THE SUBLESSOR WILL HAVE NO FURTHER RIGHT TO HAVE THE IMPROVEMENTS COMPRISING THE SUBLEASEHOLD CONDOMINIUM REGIME REMAIN ON THE LAND. EXCEPT AS EXPRESSLY PROVIDED IN THIS SUBLEASE WITH RESPECT TO THE SUBLEASEHOLD CONDOMINIUM REGIME COMMON AREA, THE SUBLESSEES HEREUNDER WILL HAVE NO ROLE IN THE MANAGEMENT OF ANY PORTION OF THE PROPERTY. SUBLESSOR HAS NOT ACQUIRED EARTHQUAKE INSURANCE FOR THE PROPERTY. THIS TRANSACTION IS MORE FULLY DESCRIBED IN THE SPECIAL NOTICE AND ACKNOWLEDGEMENT PREVIOUSLY

EXECUTED BY EACH SUBLESSEE, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT A, AND THE DEPARTMENT OF REAL ESTATE SUBDIVISION PUBLIC REPORT PREVIOUSLY SUPPLIED TO EACH SUBLESSEE. A SUBLESSEE DOES NOT ACQUIRE ANY FEE INTEREST IN THE PROPERTY UNDER THIS SUBLEASE. SUBLESSOR WILL BE SUBLEASING TO A CONDOMINIUM SUBLESSEE THE EXCLUSIVE RIGHT TO OCCUPY A UNIT AND TO USE THE COMMON AREA AND APPURTENANT RIGHTS. EACH CONDOMINIUM SUBLESSEE IS ADVISED TO HAVE ITS ATTORNEY EXPLAIN THIS ARRANGEMENT TO IT.

SUBLESSOR: J. H. SNYDER COMPANY, a California Limited Partnership

BY: _____
A General Partner

DATED: _____

SUBLESSEE: MARINA CITY CONDOMINIUMS,
a California Limited Partnership

BY: _____

DATED: _____

EXHIBIT A
SUPPLEMENTAL DISCLOSURE NOTICE
AND ACKNOWLEDGMENT

The County of Los Angeles has required that you, as a prospective sublessee, receive this Supplemental Disclosure Notice before you make any agreement regarding the acquisition of a condominium unit in the Marina City Club Apartment Complex.

You are specifically notified of the following:

1. YOU WILL BE BUYING A SUBLEASEHOLD CONDOMINIUM. ON JULY 29, 2067, YOU WILL HAVE NO FURTHER RIGHT TO YOUR CONDOMINIUM OR THE MARINA CITY COMPLEX, AND THE COUNTY IS NOT THEREAFTER OBLIGATED TO ALLOW YOU TO REMAIN ON THE PROPERTY.

2. YOU WILL NOT BE ENTITLED TO ANY COMPENSATION OF ANY TYPE IF YOU ARE NOT ALLOWED TO REMAIN ON THE PROPERTY. EVEN IF THE COUNTY DECIDES TO ALLOW YOU TO REMAIN ON THE PROPERTY AFTER JULY 29, 2067, IT HAS THE RIGHT TO CHARGE YOU ANY AMOUNT THAT THE COUNTY BOARD OF SUPERVISORS, IN ITS SOLE DISCRETION, DETERMINES TO BE APPROPRIATE. CONSEQUENTLY, YOU SHOULD ASSUME, IN DECIDING WHETHER TO GO FORWARD, THAT YOUR RIGHT TO REMAIN ON THE PROPERTY WILL NOT EXTEND BEYOND JULY 29, 2067.

3. UNDER THE SUBLEASEHOLD CONDOMINIUM STRUCTURE, YOU WILL HAVE NO ROLE IN THE MANAGEMENT OF THE APARTMENT COMPLEX, AND NEITHER YOU NOR THE CONDOMINIUM ASSOCIATION WILL OWN THE LAND OR BUILDINGS.

4. ALTHOUGH THE COUNTY HAS CONSENTED TO THE CREATION OF THE CONDOMINIUM REGIME, THAT CONSENT IS IN NO WAY A RECOMMENDATION OR ENDORSEMENT OF THE TRANSACTION. SIMILARLY, THE CONTEMPLATED TRANSACTION IS ONE BETWEEN YOU AND LESSEE, AND YOUR RIGHTS AND REMEDIES WILL EXIST WITH LESSEE, NOT THE COUNTY. THE COUNTY IS NOT A PARTY TO THE TRANSACTION, AND LESSEE IS NOT ACTING AS AN AGENT OF THE COUNTY IN ANY WAY.

5. THERE IS NO ASSURANCE THAT CONDOMINIUMS WILL BE SOLD FOR ANY SPECIFIED NUMBER OF, OR A MAJORITY OF, APARTMENTS. CONSEQUENTLY, YOUR UNIT MAY BE LOCATED AMONG A GROUP OF APARTMENTS WHICH ARE RENTED FOR A PERIOD OF LESS THAN ONE (1) YEAR.

6. OTHER APARTMENTS HAVE BEEN SUBLEASED ON A LONG-TERM BASIS PURSUANT TO A DIFFERENT MARKETING PROGRAM. THERE IS NO REQUIREMENT THAT THESE SUBLESSEES JOIN THE CONDOMINIUM REGIME.

7. YOU HAVE THE OBLIGATION TO PAY, AS AN ADDITIONAL MONTHLY CHARGE, A SPECIFIED SHARE OF THE COSTS INCURRED BY LESSEE IN OPERATING THE APARTMENT COMPLEX, INCLUDING THE COSTS OF MAINTENANCE AND ONGOING COUNTY GROUND RENT. THESE MONTHLY CHARGES ARE EXPECTED TO INCREASE DURING THE TERM OF YOUR OCCUPANCY. IN ADDITION, YOU WILL BE RESPONSIBLE FOR PROPERTY TAXES (OR THE ALTERNATIVE POSSESSORY INTEREST TAXES AND IN LIEU FEES) ALLOCABLE TO YOUR PARTICULAR CONDOMINIUM. IF YOU DO NOT PAY THE MONTHLY CHARGE OR THE PROPERTY TAXES, YOU MAY LOSE YOUR CONDOMINIUM.

8. THERE IS NO EARTHQUAKE INSURANCE FOR THE BUILDINGS AND IMPROVEMENTS.

The County has also required Lessee to furnish the County with a copy of this Notice, signed by you, prior to your signing any agreement regarding the proposed arrangement.

DO NOT SIGN THIS NOTICE UNLESS YOU HAVE READ IT AND UNDERSTOOD IT. IF YOU DO NOT UNDERSTAND ANY PART OF THIS NOTICE, YOU SHOULD CONSULT AN ATTORNEY OF YOUR OWN CHOOSING BEFORE SIGNING THIS NOTICE.

I hereby certify that this supplemental disclosure notice and acknowledgment was furnished to _____ and signed by such person prior to such person's executing any agreement regarding the proposed transaction.

DATED: _____

	_____	_____
		Name
Address:	_____	_____
Name of Employer:	_____	_____
Position:	_____	_____

I have read and I understand the contents of this notice. I have received a copy of this notice.

DATED: _____ Name _____

Address: _____

EXHIBIT B
CONDOMINIUM PLAN

(To Be Attached Following Administrative
Review and Approval by County)

EXHIBIT C

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:

Attention: _____

(Space Above This Line For Recorder's Use Only)

ASSIGNMENT AND ASSUMPTION
OF
CONDOMINIUM SUBLEASE
FOR THE
MARINA CITY CLUB TOWER APARTMENTS

This Assignment and Assumption of Condominium Sublease ("Assignment") is entered into as of the ____ day of _____, 19__, by and between the following (each hereinafter sometimes referred to individually as a "Party" or collectively as the "Parties"): Marina City Condominiums, a California Limited Partnership ("Master Sublessee") and _____ ("Condominium Sublessee").

RECITALS

A. J.H. Snyder Company, a California Limited Partnership ("Sublessor"), is the lessee of a portion of the Marina del Rey Small Craft Harbor of the County of Los Angeles, California (the "Property"), under that certain Second Amended and Restated Lease [Improved Parcel] No. _____, dated _____, 1987 by and between the County of Los Angeles (the "County"), as lessor, and

the Sublessor, as lessee (said lease, as it may be amended, is referred to herein as the "Master Lease"). The Property is more particularly described in the legal description attached hereto as Exhibit A and incorporated herein. Included within the Property is a residential complex known as the Marina City Club tower apartments, (the "Tower Apartments") which contains six hundred (600) residential units located in three towers.

B. Pursuant to a certain Master Condominium Sublease dated as of _____, 1987, by and between Sublessor and Master Sublessee, (the "Master Condominium Sublease") Master Sublessee subleased from Sublessor a portion of the Towers for the balance of the term of the Master Lease. The property subject to the Master Condominium Sublease consists of: (1) the Units and Common Area (hereafter collectively referred to as the "Premises") described in the Master Condominium Sublease and depicted in that certain condominium plan (the "Condominium Plan") recorded on _____, 198..., as Instrument No. _____ in the Official Records of the Los Angeles County Recorder; and (2) those certain rights of parking, ingress, egress, use, support, enjoyment and other like matters described in the Master Condominium Sublease as the "Appurtenant Rights." Master Sublessee thereafter established a subleasehold condominium regime with respect to the Premises by, among other actions, causing the recordation of that certain Declaration of Covenants, Conditions and Restrictions Establishing a Plan of Subleasehold Condominium Ownership for the Marina City Club Tower Apartments

("CC&Rs") dated as of _____, 198__, and recorded on _____, 198__, as Instrument No _____ in the Official Records of the Los Angeles County Recorder; causing the recordation of the Condominium Plan; and causing the formation of the Association and the adoption of its Bylaws. Under the terms of the Master Condominium Sublease, Master Sublessee was given the right, following establishment of the subleasehold condominium regime, to assign all of its subleasehold interest under the Master Condominium Sublease, on a Condominium by Condominium basis, to individual Condominium sublessees. "Condominium" as used herein shall mean the subleasehold estate consisting of a Unit, together with the undivided subleasehold interest in the Common Area and the Appurtenant Rights applicable to such Unit.

C. Subject to the terms and conditions set forth herein, Master Sublessee now wishes to assign to Condominium Sublessee all of its right, title and interest in the below-described Condominium (the "Subject Condominium").

(1) Unit and Parking Area.

Unit No. _____ located in the _____ tower and Parking Space(s) No(s). _____ located in the _____ tower of the Tower Apartments, at 4333 Admiralty Way, Marina del Rey, in the County of Los Angeles, State of California, shown, delineated and described on the Condominium Plan;

(2) Common Area.

An undivided _____ (_____) interest in the Common Area shown, delineated and described on the Condominium Plan; and

(3) Appurtenant Rights.

The Appurtenant Rights of ingress, egress, support, use, enjoyment and other like matters applicable to the Unit and more particularly described in the Master Condominium Sublease.

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

1. Assignment and Assumption of Condominium Sublease.

Subject to the terms, conditions, provisions and restrictions set forth below, and the payment to Sublessor by Condominium Sublessee of the Condominium Payment described below, Master Sublessee hereby assigns to Condominium Sublessee all of the Master Sublessee's right, title and interest in the Subject Condominium. This interest hereby assigned is referred to herein as the "Condominium Sublease". By accepting this Assignment, Condominium Sublessee expressly assumes and agrees to keep, perform, and fulfill all of the terms, covenants, conditions, obligations and duties imposed under the Master Condominium Sublease with respect to the Subject Condominium as though

Condominium Sublessee were the original sublessee under the Master Condominium Sublease with respect thereto, including, without limitation, payment of all applicable Monthly Maintenance Fees, Taxes and Assessments, Ground Rent, Change in Ownership Fees, Supplemental Maintenance Fees, or other applicable costs, expenses, fees or obligations. By accepting this Assignment, Condominium Sublessee further expressly agrees to accept the Subject Condominium subject to, and to perform all applicable obligations or duties imposed by, the Master Lease, the CC&Rs, the Bylaws, the Articles of Incorporation, the Marina City Condominiums Rules and Regulations ("Rules and Regulations") attached as Exhibit H to the Master Condominium Sublease, as they may hereafter be amended, such other rules and regulations as may from time to time be promulgated by the Association with respect to the Common Area, and all other matters of record. Upon execution of this Assignment, the Master Sublessee and its principals, officers, partners, employees, representatives, agents, successors and assigns shall be released from any and all obligations or liabilities hereafter arising under the Master Condominium Sublease or otherwise with respect to the Subject Condominium (as provided in Section 23.10 of the Master Condominium Sublease), and Condominium Sublessee hereby agrees to indemnify, defend and hold Master Sublessee and such entities or individuals harmless from such matters.

2. Condominium Payment. The Condominium Payment is \$_____. The Condominium Payment shall be payable to Sublessor

in full, in advance. Payment of the Condominium Payment to Sublessor is a condition to the effectiveness of this Assignment.

3. Monthly Maintenance Fee and Operating Expenses Percentage. The initial Monthly Maintenance Fee for the Subject Condominium is \$_____. The Operating Expenses Percentage for the Subject Condominium is _____. The Monthly Maintenance Fee is subject to adjustment for each calendar year during the term of this Condominium Sublease as provided in the Master Condominium Sublease.

4. Ground Rent. The initial Ground Rent per month for the Subject Condominium is \$_____. This is calculated by multiplying the initial Applicable Percentage of ____% times the initial monthly Shadow Rent amount of \$_____ per month. The Ground Rent is due and payable monthly in advance on the first day of each and every month during the term of this Condominium Sublease. The Shadow Rent, Applicable Percentage and Ground Rent are subject to adjustment for each calendar year during the term of the Condominium Sublease as provided in the Master Condominium Sublease.

5. Term of Master Condominium Sublease. Unless extended or sooner terminated as provided in the Master Condominium Sublease, the term of the Master Condominium Sublease shall continue until 11:59 p.m. on July 29, 2067, the expiration

date of the Master Lease. If Master Sublessee for any reason whatsoever cannot deliver possession of the Condominium to Condominium Sublessee by the commencement date of this Condominium Sublease, neither Sublessor, Master Sublessee, nor their employees or agents, shall be liable for any damages caused thereby.

6. Incorporation of Master Condominium Sublease. The terms, covenants, conditions, provisions and restrictions set forth in the Master Condominium Sublease are hereby incorporated by reference as though set forth in full herein, and the use, occupancy, enjoyment, transfer, repair, replacement and maintenance of the Subject Condominium is hereby agreed to be subject thereto.

7. Trust Deed. Concurrently with the execution of this Assignment, the Condominium Sublessee shall execute, acknowledge and cause to be recorded a Condominium Subleasehold Deed of Trust securing payment of Condominium Sublessee's Accrued Monetary Obligations. The form of the Condominium Subleasehold Deed of Trust is attached to the Master Condominium Sublease as Exhibit J.

8. Copies of Documents. By accepting this Assignment, Condominium Sublessee acknowledges that it has received and reviewed to its satisfaction, including consultation with legal counsel of its choice, all of the following: (1) the

Master Lease and any amendments thereto, (2) the Master Condominium Sublease and any amendments thereto, (3) the CC&Rs, (4) the Articles of Incorporation, (5) the Bylaws of the Association, and (6) the Rules and Regulations.

9. Gender and Number. Whenever the context so requires all words used in the singular shall be deemed to have been used in the plural and the masculine shall include the feminine and neuter and vice versa.

10. Definitions. Except as otherwise expressly provided herein, capitalized words and phrases when used in this Assignment shall have the same meanings as are applied to such terms in the Master Condominium Sublease.

11. Notices. Addresses for notices given under this Assignment shall be as set forth in Section 21 of the Master Condominium Sublease.

12. Further Transfer. Condominium Sublessee shall not transfer or assign its interest hereunder except as provided in,

and subject to the terms, covenants, conditions and restrictions set forth in, Article 14 of the Master Condominium Sublease.

The Parties have executed this Assignment as of the day and year first written above.

"Master Sublessee"

MARINA CITY CONDOMINIUMS
a California Limited Partnership

By _____,
_____, General Partner

"Condominium Sublessee"

ACKNOWLEDGEMENTS

STATE OF CALIFORNIA)
)
) SS.
COUNTY OF LOS ANGELES)

On _____, 198__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ known to me (or proved to me on the basis of satisfactory evidence) to be a general partner of Marina City Condominiums, a California Limited Partnership, the limited partnership that executed the within instrument and acknowledged to me that he executed the same as a general partner of the limited partnership and that said limited partnership executed the same.

WITNESS MY HAND AND OFFICIAL SEAL

NOTARY PUBLIC

STATE OF CALIFORNIA)
)
) SS.
COUNTY OF LOS ANGELES)

On _____, 198__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that he/she/they executed the same.

WITNESS MY HAND AND OFFICIAL SEAL

NOTARY PUBLIC

EXHIBIT "D"

LEGAL DESCRIPTION OF THE PROPERTY

Parcels 527 to 537 inclusive, 540 to 580 inclusive, and 590 to 631 inclusive, in the County of Los Angeles, State of California, as shown on Los Angeles County Assessor's Map No. 88, filed in Book 1, pages 53 to 70 inclusive, of Assessor's Maps, in the office of the Recorder of said County.

Together with a right of way for utility purposes in and across said Parcels 590 and 591, within the following described boundaries:

Beginning at the intersection of the northerly boundary of said Parcel 590 with a line parallel with and 5 feet westerly, measured at right angles, from the easterly line of said last mentioned parcel; thence South along said parallel line to the northerly line of the southerly 20 feet of said Parcel 591; thence North $77^{\circ}07'44''$ West along said northerly line to the westerly line of the easterly 90 feet of said last mentioned parcel; thence North along said westerly line to the northerly line of the southerly 31 feet of said last mentioned parcel; thence South $77^{\circ}07'44''$ East along said last mentioned northerly line to the westerly line of the easterly 15 feet of said last mentioned parcel; thence northerly along said last mentioned westerly line and its northerly prolongation to said northerly boundary; thence easterly along said northerly boundary to the point of beginning.

Also together with a non-exclusive right of way for pedestrian and vehicular ingress and egress purposes in and across said Parcel 603, 608 and 617, within a strip of land 20 feet wide, lying 10 feet on each side on the following described center line:

Beginning at the westerly terminus of that certain course of North $72^{\circ}24'01''$ West 75.86 feet in the northerly boundary of Parcel 605, as shown on said map; thence South $72^{\circ}24'01''$ East along said last mentioned certain course and its easterly prolongation 195.23 feet to the true point of beginning; thence South $4^{\circ}00'28''$ East 201.00 feet to the beginning of a tangent curve concave to the East and having a radius of 111.95 feet; thence southerly along said curve through a central angle of $44^{\circ}03'43''$ an arc distance of 86.09 feet to the beginning of a reverse curve concave to

the West and having a radius of 35 feet; thence southerly along said reverse curve through a central angle of $44^{\circ}03'43''$ a distance of 26.92 feet; thence South $4^{\circ}00'28''$ East tangent to said reverse curve 114.22 feet, more or less, to the southerly line of said Parcel 617;

The side lines of said 20 foot strip of land shall be prolonged or shortened at the beginning thereof so as to terminate in said easterly prolongation and shall be prolonged or shortened at the end thereof so as to terminate in said last mentioned southerly line.

Also together with a non-exclusive right of way for pedestrian and vehicular ingress and egress purposes in and across the northerly 5.5 feet of the southerly 11.0 feet of said parcels 613 to 617 inclusive, 591, 593, 595, 597 and 599.

Excepting from said northerly 5.5 feet that portion thereof which lies westerly of the easterly boundary of the above described 20 foot strip of land and that portion thereof which lies within the easterly 90 feet of said parcel 591.

Excepting therefrom that portion thereof within the following described boundaries:

Beginning at the southwesterly corner of said Parcel 541; thence North $85^{\circ}59'32''$ East along the southerly line of said last mentioned parcel a distance of 145.00 feet; thence North $4^{\circ}00'28''$ West 179.90 feet to the northwesterly line of said last mentioned parcel; thence North $34^{\circ}51'37''$ East along said northwesterly line 25.81 feet to the northerly line of said last mentioned parcel; thence North $85^{\circ}59'32''$ East along said northerly line 15.00 feet to the center line of that certain 20 foot easement for fire access, storm drain and harbor utility purposes, in said Parcels 537 and 540, as said center line is shown on said map; thence North $4^{\circ}32'55''$ West along said center line 173.94 feet to the northwesterly line of said Parcel 537; thence southwesterly and southeasterly along said last mentioned northwesterly line and the southwesterly line of said last mentioned parcel to the most westerly corner of said Parcel 540; thence southeasterly along the southwesterly line of said last mentioned parcel to said northwesterly line of Parcel 541; thence southwesterly along said last mentioned northwesterly line to the point of beginning.

Also excepting therefrom that portion thereof within the following described boundaries:

Beginning at the northeasterly corner of said Parcel 590; thence westerly along the northerly boundary of said last mentioned parcel to a line parallel with and 90 feet westerly, measured at right angles, from the easterly line of said last mentioned parcel; thence South along said parallel line 205.31 feet to the southerly line of said Parcel 591; thence North $77^{\circ}07'44''$ West along said southerly line to a point distant North $77^{\circ}07'44''$ West thereon 100.00 feet from the southeasterly corner of said last mentioned parcel; thence South $12^{\circ}52'16''$ West to a line parallel with and 80 feet southerly, measured at right angles, from said southerly line; thence South $77^{\circ}07'44''$ East along said last mentioned parallel line 56.73 feet to a line parallel with and 60 feet westerly, measured at right angles, from the easterly line of said Parcel 631; thence South along said last mentioned parallel line 123.09 feet to the southerly line of said last mentioned parcel; thence South $77^{\circ}07'44''$ East along said last mentioned southerly line to the southeasterly corner of said last mentioned parcel; thence North along the easterly lines of said Parcels 631, 591 and 590 a distance of 407.24 feet to the point of beginning.

Excepting further therefrom that portion thereof within the following described boundaries:

All of Parcels 592, 594, 596, 598, 600, 601, 602, 609 through 612 inclusive and those portions of Parcels 590, 591, 593, 595, 597, 599, 603, 608, 613, 614, 615, 616, and 617, in the County of Los Angeles, State of California, as shown on Los Angeles County Assessors Map No. 88, filed in Book 1, Pages 53 to 70 inclusive, of Assessor's Maps, in the Office of the Registrar-Recorder of said County, described as a whole as follows:

Beginning at the westerly terminus of that certain course of North $72^{\circ}24'01''$ West 75.86 feet in the northerly boundary of Parcel 605, as shown on said map; thence South $72^{\circ}24'01''$ East along said last mentioned certain course and its easterly prolongation 195.23 feet to the true point of beginning; thence South $4^{\circ}00'28''$ East 201.00 feet to the beginning of a tangent curve concave to the East and having a radius of 111.95 feet; thence southerly along said curve through a central angle of $44^{\circ}03'43''$ an arc distance of 86.09 feet to the beginning of a reverse curve concave to the West and having a radius of 35 feet; thence southerly along said reverse curve through a central angle of

44°03'43" a distance of 26.92 feet; thence South 4°00'28" East tangent to said reverse curve 108.72 feet to a line parallel with and distant northerly 5.50 feet, measured at right angles, from the southerly line of said Parcel 617; thence easterly along said parallel line and its easterly prolongation East 516.80 feet to a line parallel with and distant northerly 5.50 feet, measured at right angles, from the southerly line of said Parcel 597; thence easterly along said last mentioned parallel line and its easterly prolongation South 77°07'44" East 317.35 feet to the westerly line of the easterly 90.00 feet of said Parcel 591; thence northerly along said westerly line and its northerly prolongation North 199.68 feet to a point on a curve concave northerly having a radius of 5964.65 feet a radial of said last mentioned curve at said last mentioned point bears South 15°15'08" West, said last mentioned curve also being the southerly line of Admiralty Way, 80 feet wide, as shown on said map; thence northwesterly along said last mentioned curve through a central angle of 2°20'51" an arc distance of 244.38 feet; thence continuing along said southerly line of Admiralty Way North 72°24'01" West 694.32 feet to said true point of beginning.

Reserving and excepting unto the County of Los Angeles a right of way for fire access, storm drain and harbor utility purposes in and across the above described parcel of land, within the following described boundaries:

Beginning at the intersection of the northerly line of said Parcel 541 with the center line of that certain 20 foot easement for fire access, storm drain and harbor utility purposes, in said Parcels 537 and 540, as said center line is shown on said map; thence North 4°32'55" West along said center line 173.94 feet to the northwesterly line of said Parcel 537; thence North 52°40'22" East along said northwesterly line to a line parallel with and 10 feet easterly, measured at right angles, from said center line; thence South 4°32'55" East along said parallel line to said northerly line; thence South 85°59'32" West along said northerly line to the point of beginning.

Reserving and excepting unto the County of Los Angeles a right of way for storm drain purposes in and across the above described parcel of land, within the following described boundaries:

Beginning at the intersection of a line parallel with and 10 feet easterly, measured at right angles, from the center line of that certain 20 foot easement for fire

access, storm drain and harbor utility purposes, in said Parcels 537 and 540, as said center line is shown on said map, with the northwesterly line of said Parcel 537; thence North $52^{\circ}40'22''$ East along said northwesterly line to a line parallel with and 26 feet easterly, measured at right angles, from said center line; thence South $4^{\circ}32'55''$ East along said last mentioned parallel line to the southerly line of the northerly 17 feet of said Parcel 541; thence South $85^{\circ}59'32''$ West along said southerly line 36.00 feet; thence North $4^{\circ}00'28''$ West 17.00 feet to the northerly line of said last mentioned parcel; thence North $85^{\circ}59'32''$ East along said northerly line to a line which bears North $4^{\circ}32'55''$ West and which passes through the point of beginning; thence North $4^{\circ}32'55''$ West to said point of beginning.

Also reserving and excepting unto the County of Los Angeles a right of way for fire access, sanitary sewer and harbor utility purposes in and across the above described parcel of land, within a strip of land 20 feet wide, lying 10 feet on each side of the following described center line:

Beginning at the westerly terminus of that certain course of North $72^{\circ}24'01''$ West 75.86 feet in the northerly boundary of Parcel 605, as shown on said map; thence South $72^{\circ}24'01''$ East along said last mentioned certain course and its easterly prolongation 195.23 feet to the true point of beginning; thence South $4^{\circ}00'28''$ East 201.00 feet to the beginning of a tangent curve concave to the East and having a radius of 111.95 feet; thence southerly along said curve through a central angle of $44^{\circ}03'43''$ an arc distance of 86.09 feet to the beginning of a reverse curve concave to the West and having a radius of 35 feet; thence southerly along said reverse curve through a central angle of $44^{\circ}03'43''$ a distance of 26.92 feet; thence South $4^{\circ}00'28''$ East tangent to said reverse curve 114.22 feet, more or less, to the southerly line of said Parcel 617;

The side lines of said 20 foot strip of land shall be prolonged or shortened at the beginning thereof so as to terminate in said easterly prolongation and shall be prolonged or shortened at the end thereof so as to terminate in said last mentioned southerly line.

Also reserving and excepting unto the County of Los Angeles a right of way for sanitary sewer purposes in and across the above described parcel of land, within a strip of land 6 feet wide, lying 3 feet on each side of the following described center line:

Beginning at the intersection of a line parallel with and 7 feet westerly, measured at right angles, from the center line of that certain 20 foot easement for fire access, storm drain and harbor utility purposes, in said Parcels 537 and 540, as said center line is shown on said map, with a line parallel with and 21 feet northerly, measured at right angles, from the northerly line of said Parcel 541; thence North $85^{\circ}59'32''$ East along said last mentioned parallel line 148.60 feet; thence North $4^{\circ}00'28''$ West to a line parallel with and 33 feet northerly, measured at right angles, from the northerly line of said Parcel 547; thence North $85^{\circ}59'32''$ East along said last mentioned parallel line 1272.43 feet.

The side lines of said 6 foot strip of land shall be prolonged or shortened so as to terminate at their points of intersection.

Excepting from said 6 foot strip of land that portion thereof which lies southerly of a line parallel with and 21 feet northerly, measured at right angles, from the northerly line of said Parcel 541.

Also excepting from said 6 foot strip of land that portion thereof which lies within the above described 20 foot strip of land for fire access, sanitary sewer and harbor utility purposes.

Also reserving and excepting unto the County of Los Angeles a right of way for sanitary sewer and harbor utility purposes in and across the above described parcel of land, within the following described boundaries:

Beginning at the intersection of the northerly line of said Parcel 541 with the center line of that certain 20 foot easement for fire access, storm drain and harbor utility purposes, in said Parcels 537 and 540, as said center line is shown on said map; thence North $4^{\circ}32'55''$ West along said center line to a line parallel with and 21 feet northerly, measured at right angles, from said northerly line; thence North $85^{\circ}59'32''$ East along said parallel line to a line parallel with and 11 feet northerly, measured at right angles, from the northerly line of said Parcel 621; thence East along said last mentioned parallel line to a line parallel with and 11 feet northerly, measured at right angles, from the northerly line of said Parcel 630; thence South $77^{\circ}07'44''$ East along said last mentioned parallel line to the westerly line of the easterly 90 feet of said parcel 591; thence South along said westerly line to the southerly

line of said last mentioned parcel; thence westerly along the southerly lines of said Parcels 591, 593, 595, 597, 599, 613 to 619 inclusive, 578, 575, 570, 567, 562, 559, 555, 552, 549, 546, 543 and 540 to the point of beginning.

Also reserving and excepting unto the County of Los Angeles a right of way for fire alarm purposes in and across the above described parcel of land, within a strip of land 3 feet wide, the northerly boundary of which is described as follows:

Commencing at the easterly terminus of that certain 960 foot radius curve in the northerly boundary of said Parcel 605; thence westerly along said curve and its westerly continuation 30.42 feet to the true point of beginning; thence easterly along said westerly continuation and said certain curve 30.42 feet to said easterly terminus; thence South 72°24'01" East along the straight line in said northerly boundary and its easterly prolongation 195.23 feet.

Excepting from said 3 foot strip of land that portion thereof which lies within the above described 20 foot strip of land for fire access, sanitary sewer and harbor utility purposes.

Subject to non-exclusive rights of way for pedestrian and vehicular ingress and egress purposes in and across the above described parcel of land within the westerly 10 feet of the first above described 20 foot strip of land and within the southerly 5.5 feet of said parcels 613 to 617 inclusive, 591, 593, 595, 597 and 599, excepting from said southerly 5.5 feet that portion thereof which lies westerly of the easterly boundary of the above described 20 foot strip of land and that portion thereof which lies within the easterly 90 feet of said parcel 591, as set forth in the Amended and Restated Lease (Hotel Parcel) being entered into concurrently herewith covering property adjacent to the above described parcel.

DESCRIPTION APPROVED
NOV 12 1990

GEORGE Y. TICE, DIRECTOR
FACILITY MANAGEMENT DEPARTMENT

BY Stanley Sunda DEPUTY

EXHIBIT E
NON-RESIDENTIAL COST ALLOCATION

COST CATEGORY		CLUB FACILITY		DETAIL LEASES		JOB SHOP		PROP. 101 UNITS		LEASEHOLD 100 UNITS		TOTAL
		ALLC.	DIRECT	ALLC.	DIRECT	ALLC.	DIRECT	ALLC.	DIRECT	ALLC.	DIRECT	
ADMINISTRATION												
1. OFFICE EXPENSE	-DIRECT		100%		100%				100%			
	-ALLOCABLE	0.01		0.01		0.01		13.42		06.63		100.01
2. MANAGEMENT FEES	-DIRECT		100%		100%		100%		100%			
	-ALLOCABLE	0.01		0.01		0.01		13.42		06.63		100.01
3. LEGAL	-DIRECT		100%		100%				100%			
	-ALLOCABLE	0.01		0.01		0.01		13.42		06.63		100.01
PERSONNEL												
4. RESIDENT PERSONNEL	-DIRECT		100%		100%		100%		100%			
	-ALLOCABLE	0.01		0.01		0.01		13.42		06.63		100.01
5. ACCOUNTING PERSONNEL	-ALLOCABLE	0.01		0.01		0.01		13.42		06.63		100.01
6. MAINTENANCE PERSONNEL	-DIRECT		100%									
7. MAINTENANCE	-ALLOCABLE	0.01		0.01		0.01		13.42		06.63		100.01
8. GROUND PERSONNEL	-ALLOCABLE	5.01		15.01		5.01		9.01		06.63		100.01
9. PAINTERS	-ALLOCABLE	2.01		6.01		2.01		11.01		76.72		100.01
10. CUSTODIANS	-ALLOCABLE	2.01		1.01		1.01		12.01		82.72		100.01
11. SOCIAL PERSONNEL	-ALLOCABLE	0.01		0.01		0.01		13.42		06.63		100.01
12. TELEPHONE OPERATOR	-ALLOCABLE	2.01		15.01		0.01		3.01		09.32		100.01
12. PAYROLL TAXES	-DIRECT		100%		100%		100%		100%			
CONTRACTS												
13. SECURITY	-ALLOCABLE	7.51		10.51		3.51		10.51		44.22		100.01
14. VALET PARKING	-ALLOCABLE	0.01		00.01		2.12		6.71		43.22		100.01
15. TELEPHONE	-ALLOCABLE	3.01		15.01		0.01		10.71		09.32		100.01
16. LANDSCAPING	-ALLOCABLE	2.01		14.01		2.01		10.71		09.32		100.01
17. ELEVATORS	-ALLOCABLE	0.01		20.01		0.01		20.01		30.32		100.01
18. OTHER CONTRACTS	-ALLOCABLE	0.01		5.01		2.01		12.01		00.01		100.01
UTILITIES												
19. ELECTRICITY	-ALLOCABLE	3.12		29.41		1.32		1.91		56.32		100.01
20. NATURAL GAS	-ALLOCABLE	0.01		63.01		0.01		4.62		30.01		100.01
21. WATER	-ALLOCABLE	0.71		21.21		0.71		10.32		56.32		100.01
22. TRASH	-ALLOCABLE	4.01		14.32		0.32		10.71		09.32		100.01
OTHER COSTS												
23. MAINTENANCE	-DIRECT		100%		100%		100%		100%			
24. MAINTENANCE	-ALLOCABLE	1.63		2.51		0.91		12.71		02.12		100.01
25. OTHER-OPMT. COSTS	-DIRECT									100%		
26. COST OF SALES-ORIG.	-DIRECT								100%			
27. INSURANCE	-DIRECT		100%		100%		100%					
28. INSURANCE	-ALLOCABLE	0.01		0.01		0.01		13.42		06.63		100.01
29. REAL ESTATE TAXES	-ALLOCABLE	0.01	100%	0.01		100%	100%		100%	0.01		
30. COUNTY FEES	-DIRECT		100%		100%		100%		100%			
31. CONTINGENCY	-ALLOCABLE	0.01		0.01		0.01		13.42		06.63		100.01
REPLACEMENT RESERVES		0.01		10.01		0.01		12.12		77.92		100.01

EXHIBIT F
OPERATING EXPENSE PERCENTAGES

<u>Type</u>	<u>Percentage</u>
One Bedroom - Towers	0.113676
Two Bedrooms - Towers	0.172868
Three Bedrooms - Towers	0.209191
Three Bedrooms (PH) - Towers	0.322531
Four Bedrooms (PH) - Towers	0.376006
Guest Suites	0.048766

EXHIBIT G
PARKING SCHEDULE

LEGEND

CT CENTER TOWER
CTT CENTER TOWER TANDEM (In CT G1 & CT G2)
ET EAST TOWER
WT WEST TOWER
PM PROMENADE

(The Following Schedule Refers to Parking Spaces Depicted on the Condominium Plan).

<u>Parking Space No.</u>	<u>Parking Space No.</u>	<u>Parking Space No.</u>	<u>Parking Space No.</u>
WT116	WT119	WT452	WT458
WT392	WT301	WT400	WT404
WT470	WT487	WT383	WT411
WT483	WT465	WT253	WT289
WT347	WT111	WT120	WT496
WT508	WT385	WT229	WT145
WT455	WT415	WT332	WT266
WT401	WT497	WT484	WT439
WT201	WT303	WT419	WT465
WT281	WT493	WT415	WT366
WT285	WT108	WT481	WT368
WT287	WT237	WT125	WT358
WT377	WT391	WT486	WT203
WT273	WT273	WT421	WT247
WT137	WT107	WT153	WT127
WT379	WT476	WT336	WT352
WT130	WT313	WT393	WT467
WT155	WT149	WT437	WT505
WT345	WT151	WT151	WT307
WT359	WT319	WT249	WT323
WT361	WT369	WT325	WT322
WT351	WT316	WT469	WT157
WT507	WT143	WT218	WT501
WT328	WT472	WT146	WT367
WT376	WT101	WT409	WT492
WT436	WT353	WT403	WT135
WT349	WT444	WT262	WT408
WT474	WT103	WT144	WT405
WT474	WT264	WT412	WT311
WT140	WT327	WT458	WT286
WT277	WT448	WT255	WT348
WT129	WT427	WT117	WT381
WT461	WT278	WT356	WT300

Parking
Space No.

Parking
Space No.

Parking
Space No.

Parking
Space No.

WT309	WT460	WT257	WT429
WT227	WT232	WT231	WT451
WT321	WT276	WT326	WT105
WT423	WT148	WT424	WT475
WT344	WT478	WT413	WT251
WT250	WT279	WT503	WT265
WT387	WT482	WT354	WT489
WT428	WT355	WT375	WT139
WT245	WT308	WT488	WT462
WT339	WT320	WT453	WT440
WT152	WT254	WT239	WT287
WT389	WT480	WT147	WT357
WT441	WT312	WT466	WT131
WT303	WT370	WT333	WT270
WT415	WT380	WT275	WT491
WT209	WT378	WT431	WT457
WT259	WT315	WT442	WT261
WT217	WT283	WT304	WT246
WT425	WT112	WT331	WT274
WT417	WT386	WT407	WT479
WT483	WT205	WT221	WT133
WT305	WT388	WT384	WT211
WT433	WT123	WT233	WT446
WT263	WT219	WT242	WT477
WT477	WT156	WT485	WT207
WT116	WT119	WT452	WT458
WT392	WT301	WT400	WT404
WT470	WT487	WT383	WT411
WT483	WT465	WT253	WT289
WT347	WT111	WT120	WT496
WT508	WT385	WT229	WT145
WT455	WT415	WT332	WT266
WT401	WT497	WT484	WT439
WT201	WT303	WT419	WT465
WT281	WT493	WT415	WT366
WT285	WT108	WT481	WT368
WT287	WT237	WT125	WT358
WT377	WT391	WT486	WT203
WT273	WT273	WT421	WT247
WT137	WT107	WT153	WT127
WT379	WT476	WT336	WT352
WT130	WT313	WT393	WT467
WT155	WT149	WT437	WT505
WT345	WT151	WT151	WT307
WT359	WT319	WT249	WT323
WT361	WT369	WT325	WT322
WT351	WT316	WT469	WT157
WT507	WT143	WT218	WT501
WT328	WT472	WT146	WT367
WT376	WT101	WT409	WT492
WT436	WT353	WT403	WT135
WT349	WT444	WT262	WT408
WT474	WT103	WT144	WT405
WT474	WT264	WT412	WT311

Parking
Space No.

Parking
Space No.

Parking
Space No.

Parking
Space No.

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PM137

Parking
Space No.

Parking
Space No.

Parking
Space No.

Parking
Space No.

PM11
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PM72
PM71
PM83
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Parking
Space No.

Parking
Space No.

Parking
Space No.

Parking
Space No.

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Parking
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Parking
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Parking
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EXHIBIT H

MARINA CITY CONDOMINIUMS RULES & REGULATIONS

ARCHITECTURAL CONTROL

1. Any structural or architectural modification to the interior of units or balconies and patios is prohibited without the written consent of J.H. Snyder Company, a California Limited Partnership, or its successor ("Sublessor").
2. Requests for unit modification must be submitted to Sublessor in writing accompanied by detailed plans and specifications.

GARAGE, STREETS & DRIVEWAYS

1. The speed limit within Marina City Club is 15 miles per hour.
2. All residents shall observe entry and exit signs and the directional traffic.
3. Residents shall be limited to parking in their assigned spaces within the parking structure.
4. Guests shall park in areas designated as visitor parking and they may utilize the valet parking services. Guests shall also be permitted to use a resident's additional space(s) if they are registered with the valet service.
5. Improperly parked vehicles are subject to towing at the owner's expense.
6. Boats, campers, trailers, and motor homes (RV's) may not be parked or stored in garage parking areas.
7. Automobile repair or maintenance is not permitted in garage and parking areas.
8. The riding of bicycles or playing in the garage area is prohibited.

STORAGE

1. Loose items may not be stored in the garage area. Storage items must be placed in designated storage lockers or residents must arrange for storage accommodations elsewhere.

2. Bicycles must be kept chained to the bike racks or other areas so specified by Sublessor.
3. The storage of combustible materials in storage or garage areas is prohibited.

PATIOS, BALCONIES & WINDOWS

1. All windows shall be covered with closewoven white or off-white draperies or drapery lining.
2. Windows may be tinted or new glass may be installed, but colors shall be grey and written approval must be provided by Sublessor.
3. No clothing, towels, bathing suits, etc., shall be hung over balcony railings. No objects of any kind shall be attached or hung from the balconies.
4. No signs shall be displayed to public view on patios or balconies.
5. Balconies are not to be used for the storage of bicycles or other such recreational equipment. Patio furniture visible from balcony and patio areas must be maintained in acceptable condition and appearance.
6. The storage or use of barbecues of any variety is not permitted on balconies.

PETS

1. One small dog, cat or bird (25 pounds or under) is permitted per unit.
2. Pets shall not be objectionable to other residents, and pet owners must respond to any complaints from other residents or Sublessor concerning their pets.
3. Pets must be on a leash or carried while in any common area.
4. Residents shall not allow their pets to relieve themselves in the public or front areas of the building or garage. It is the responsibility of pet owners to clean up after their pets.

TELEPHONE SERVICE

1. The receptionist at Marina City Club shall not be responsible for handling personal business calls.

TRASH ROOMS

1. All residents shall refrain from using the trash chute between the hours of 10:00 p.m. and 8:00 a.m.
2. All loose items shall be placed in a tied or secured bag.
3. Do not attempt to put boxes or bulky items down the chute. Boxes may be placed in the trash room for pickup.
4. Please notify management if the chute appears to be obstructed or full.

LAUNDRY ROOMS

1. The laundry rooms shall not be used between the hours of 10:00 p.m. and 8:00 a.m.
2. The laundry rooms shall not be used for personal storage of laundry soap and supplies. The shelves and benches are provided for daily use only.
3. Please clean the lint trap after each usage of the dryer.
4. Do not utilize the laundry room or facilities for dyeing or tinting fabrics or clothing.
5. Do not attempt to wash heavily soiled or chemically exposed items in the machines.
6. Please leave the room clean for your neighbors, and promptly remove your laundry from the machines.
7. Do not use the trash cans in the laundry rooms for disposal of your household trash.

QUIET ENJOYMENT

1. No disturbing noise is permitted at any time before 9:00 a.m. or after 10:00 p.m. Singing, the playing of musical instruments, or loud playing of television, radio or phonograph equipment is not permitted if disturbing to other residents.

MISCELLANEOUS

1. For your own personal safety, residents and guests are not allowed on the roof or in the building's equipment and service areas.

2. The building cannot accept responsibility for residents' personal items handled by the front desk, i.e. mail, books laundry, flowers, etc.
3. Door to door soliciting by anyone is prohibited and the display or distribution of posters or flyers in any public area is also prohibited. Any requests by residents for notices or bulletins must be approved by Sublessor.
4. Smoking is prohibited in the elevators.
5. No television, radio or other antennae shall be placed anywhere on the property without the written consent of the Sublessor.
6. The use of skateboards and rollerskating is prohibited anywhere on the premises at Marina City Club.

PERMITTED USES

1. Except as otherwise approved by Sublessor in writing, the premises may be used for a private residence only, and no business, commercial, manufacturing, vending, or nonresidential enterprise shall be permitted.

EXHIBIT I

TRANSFER NOTICE AND ACKNOWLEDGEMENT

The County of Los Angeles (the "County") has required that you, as a prospective sublessee, receive this Transfer Notice before you make any agreement with the existing sublessee (the "Transferor") regarding the occupancy of any unit in the Marina City Club Apartment Complex for a period of 35 years or more or the balance of the Sublease term, whichever is less.

You are specifically notified of the following:

1. THE INTEREST BEING OFFERED IS A SUBLEASE OF A PARTICULAR CONDOMINIUM IN THE MARINA CITY CLUB TOWERS FOR A SPECIFIED TERM (THE "APPLICABLE TERM"). THE TOWERS AND OTHER IMPROVEMENTS (THE "APARTMENT COMPLEX") OF WHICH THE CONDOMINIUM IS A PART ARE ON LAND OWNED BY THE COUNTY OF LOS ANGELES WHICH LAND IS LEASED (THE "LAND MASTER LEASE") TO J. H. SNYDER COMPANY, A CALIFORNIA LIMITED PARTNERSHIP ("SUBLESSOR") FOR A TERM EXPIRING JULY 29, 2067. AT THE EXPIRATION OF THE APPLICABLE TERM YOU WILL HAVE NO FURTHER RIGHT TO OCCUPY THE CONDOMINIUM AND AFTER JULY 29, 2067 THE SUBLESSOR WILL HAVE NO FURTHER RIGHT TO HAVE THE APARTMENT COMPLEX REMAIN ON THE LAND. YOU WILL HAVE NO ROLE IN THE MANAGEMENT OF THE APARTMENT COMPLEX, AND NEITHER YOU NOR THE CONDOMINIUM ASSOCIATION WILL OWN THE LAND OR BUILDINGS. YOU ARE ADVISED TO HAVE YOUR ATTORNEY EXPLAIN THIS ARRANGEMENT TO YOU.

2. SUBLESSOR LEASES THE LAND ON WHICH THE MARINA CITY COMPLEX IS LOCATED FROM THE COUNTY OF LOS ANGELES.

SUBLESSOR WILL BE SUBLEASING TO YOU THE EXCLUSIVE RIGHT TO OCCUPY YOUR INDIVIDUAL CONDOMINIUM. WHEN YOUR SUBLEASE EXPIRES, YOU WILL HAVE NO FURTHER RIGHT TO YOUR CONDOMINIUM AND ON JULY 29, 2067, THE OWNERSHIP OF THE APARTMENT COMPLEX WILL PASS TO THE COUNTY. THE COUNTY OR TRANSFEROR, WHICHEVER IS APPLICABLE, IS NOT THEREAFTER OBLIGATED TO ISSUE YOU A LEASE. UNLESS THE COUNTY OR TRANSFEROR, AS APPLICABLE, DETERMINES TO ISSUE YOU A LEASE FOR ANY PERIOD COMMENCING AFTER THE END OF THE APPLICABLE TERM, YOU WILL HAVE TO VACATE YOUR CONDOMINIUM. YOU WILL NOT BE ENTITLED TO ANY COMPENSATION OF ANY TYPE IF YOUR RIGHT TO STAY IS NOT EXTENDED. CONSEQUENTLY, YOU SHOULD ASSUME, IN DECIDING WHETHER TO GO FORWARD, THAT YOUR RIGHT TO REMAIN IN THE CONDOMINIUM WILL NOT EXTEND BEYOND THE END OF THE APPLICABLE TERM. EVEN IF THE COUNTY OR TRANSFEROR, AS APPLICABLE, DECIDES TO ISSUE YOU A LEASE FOR THE CONDOMINIUM FOR ANY PERIOD COMMENCING AFTER THE END OF THE APPLICABLE TERM, IT HAS THE RIGHT TO CHARGE YOU ANY AMOUNT THAT THE TRANSFEROR OR THE COUNTY BOARD OF SUPERVISORS, IN ITS SOLE DISCRETION, DETERMINES TO BE APPROPRIATE.

3. ALTHOUGH THE COUNTY HAS CONSENTED TO THE INITIAL OFFERING OF THE SUBLEASEHOLD CONDOMINIUMS BY SUBLESSOR, THAT CONSENT IS IN NO WAY A RECOMMENDATION OR ENDORSEMENT OF SUCH OFFERING OR THE CONTEMPLATED ARRANGEMENT BETWEEN YOU AND YOUR TRANSFEROR. SIMILARLY, THE ARRANGEMENT IS ONE BETWEEN YOU, YOUR TRANSFEROR AND SUBLESSOR, AND YOUR RIGHTS AND REMEDIES WILL EXIST WITH YOUR TRANSFEROR AND SUBLESSOR, NOT THE COUNTY. THE

COUNTY IS NOT A PARTY TO THE ARRANGEMENT, AND NEITHER SUBLESSOR NOR TRANSFEROR IS ACTING AS AN AGENT OF THE COUNTY IN ANY WAY.

4. THERE IS NO ASSURANCE THAT CONDOMINIUMS WILL BE SOLD FOR ANY SPECIFIED NUMBER OF, OR A MAJORITY OF, APARTMENTS. CONSEQUENTLY, YOUR CONDOMINIUM MAY BE LOCATED AMONG A GROUP OF APARTMENTS WHICH ARE RENTED FOR A PERIOD OF LESS THAN ONE (1) YEAR.

5. OTHER APARTMENTS HAVE BEEN SUBLEASED ON A LONG-TERM BASIS PURSUANT TO A DIFFERENT MARKETING PROGRAM. THERE IS NO REQUIREMENT THAT THESE SUBLESSEES JOIN THE CONDOMINIUM REGIME.

6. YOU HAVE THE OBLIGATION TO PAY, AS AN ADDITIONAL MONTHLY CHARGE, A SPECIFIED SHARE OF THE COSTS INCURRED BY SUBLESSOR IN OPERATING THE APARTMENT COMPLEX, INCLUDING THE COSTS OF MAINTENANCE, CAPITAL REPLACEMENT AND ONGOING COUNTY GROUND RENT. THESE MONTHLY CHARGES ARE EXPECTED TO INCREASE DURING THE TERM OF YOUR OCCUPANCY. IN ADDITION, YOU WILL BE RESPONSIBLE FOR PROPERTY TAXES (OR THE ALTERNATIVE POSSESSORY INTEREST TAXES AND IN LIEU FEES) ALLOCABLE TO YOUR PARTICULAR CONDOMINIUM. IF YOU DO NOT PAY THE MONTHLY CHARGES OR THE PROPERTY TAXES, YOU MAY LOSE YOUR CONDOMINIUM. IF YOU DO LOSE SUCH RIGHT, YOU MAY HAVE THE RIGHT TO COMPENSATION UNDER CERTAIN CIRCUMSTANCES AS PROVIDED IN THE SUBLEASEHOLD DEED OF TRUST.

7. THERE IS NO EARTHQUAKE INSURANCE FOR THE BUILDINGS AND IMPROVEMENTS.

EXHIBIT J
CONDOMINIUM SUBLEASEHOLD
DEED OF TRUST

RECORDING REQUESTED BY:
WHEN RECORDED MAIL TO:

Attention: _____

CONDOMINIUM SUBLEASEHOLD DEED OF TRUST AND ASSIGNMENT OF RENTS

This Deed of Trust and Assignment of Rents ("Deed of Trust") is made and dated as of _____, 198_, by and among _____ ("Trustor") whose address is

CHICAGO TITLE INSURANCE COMPANY ("Trustee") and J. H. Snyder Company, a California Limited Partnership ("Beneficiary").

RECITALS

A. Beneficiary is the lessee of a portion of the Marina del Rey Small Craft Harbor of the County of Los Angeles, California (the "Property"), under that certain Second Amended and Restated Lease [Improved Parcel] No. _____, dated _____, 1987 by and between the County of Los Angeles, as lessor, and Beneficiary, as lessee (said lease, as it may be amended, is referred to herein as the "Master Lease"). Following execution of the Master Lease, Beneficiary entered into a Master Condominium Sublease dated as of _____, 1987 ("Master Condominium Sublease") with Marina City Condominiums, a California Limited Partnership ("Master Sublessee"), pursuant to which a portion of the Property was leased to the Master Sublessee for the purpose of establishing a subleasehold condominium regime with respect thereto. Following creation of subleasehold condominium regime, Master Sublessee has commenced a program of assigning its interest under the Master Condominium Sublease, on a condominium by condominium basis, to sublessees ("Condominium Sublessees") of individual condominiums. Concurrently herewith, Master Sublessee and Trustor, as Condominium Sublessee, pursuant to the above described program have entered into that certain Assignment and Assumption of Condominium Sublease For The Marina City Club Tower Apartments ("Assignment") dated as of _____, 198_, covering that certain Condominium more fully described below. The interest conveyed to Beneficiary under said Assignment is hereafter referred to as the Condominium Sublease.

B. Certain obligations of Trustor as Condominium Sublessee under the Master Condominium Sublease, including the Accrued Monetary Obligations defined hereinbelow, will arise or accrue from time to time under the Master Condominium Sublease. Beneficiary acknowledges receipt from Trustor of the Condominium Payment referred to in Section 4.1 of the Master Condominium Sublease.

C. In view of the Condominium Payment, Beneficiary has agreed to allow Trustor to have the benefit of protections available to debtors on obligations secured by deeds of trust under California law with respect to the Accrued Monetary Obligations payable by Trustor as Condominium Sublessee under the Master Condominium Sublease and thereby to protect the equity, if any, of Trustor, as Condominium Sublessee under the Master Condominium Sublease, that could be lost if Trustor were subject to usual landlord-tenant remedies. Similarly, by the use of such deed of trust, Trustor and Beneficiary desire to clarify and provide reasonable security to Beneficiary for the payment by Trustor, as Condominium Sublessee, of the Accrued Monetary Obligations of Trustor under the Master Condominium Sublease.

D. Trustor and Beneficiary agree that Beneficiary shall have the right to enforce all obligations of Trustor as Condominium Sublessee under the Master Condominium Sublease not secured by this Deed of Trust by any available actions in law or equity, including without limitation, affirmative injunctive relief and actions for specific performance or for damages.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, Trustor hereby irrevocably grants, transfers, sets over, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, upon and subject to the terms and conditions hereof, for the benefit and security of Beneficiary, all right, title, interest and estate of Trustor as Condominium Sublessee under the Master Condominium Sublease, including the following described property (hereinafter collectively referred to as the Condominium: that certain condominium subleasehold estate composed of the following elements: (1) Unit No. ____, located in the _____ tower and Parking Space(s) No.(s) _____, _____, _____ located in the _____ tower of the Marina City Club Tower Apartments, as shown delineated and described on that certain condominium plan ("Condominium Plan") recorded on _____, 1987, as Instrument No. 87-_____; (2) an undivided one-six hundredth (1/600 th) interest in the Common Area shown, delineated and described on the Condominium Plan; and the Appurtenant Rights of ingress, egress, use, support, enjoyment and other like matters

applicable to Unit and more particularly described in Sections 5.2 and 5.3 of the Master Condominium Sublease. Said towers and parking stalls being situated on lot 1 of Tract _____, as shown on a subdivision map, recorded _____, 19____, in Book _____, Pages _____ to _____, of Maps, in the Office of the Los Angeles County Recorder.

TOGETHER WITH:

(i) All income, rents, security or similar deposits, revenues, issues, profits, earnings and proceeds derived from the Condominium (collectively, the "Rents"), together with the right to collect and apply the same to any indebtedness secured hereunder; subject, however, to the right hereinafter given to Trustor to collect the Rents as long as Trustor is not in default hereunder;

(ii) All interest and estate or other rights, in law or in equity, which Trustor now has or may hereafter acquire in, to or under the Condominium Sublease or with respect to the Condominium; and

(iii) All claims or demands relating to insurance or condemnation awards which Trustor now has or may hereafter acquire with respect to the Condominium Sublease or the Condominium.

FOR THE PURPOSE OF SECURING, IN SUCH ORDER OF PRIORITY AS BENEFICIARY MAY ELECT:

The performance of all obligations of Trustor under the Master Condominium Sublease and hereunder which from time to time constitute Accrued Monetary Obligations as defined in Section 16.3 of the Master Condominium Sublease, which definition is hereby incorporated herein by reference and made a part hereof as though fully set forth herein. No obligation of Trustor which is not an Accrued Monetary Obligation, as so defined, shall be secured by this Deed of Trust.

1. AGREEMENTS OF TRUSTOR WITH BENEFICIARY

1.1 Liens. This Deed of Trust shall be prior and superior to any voluntary or involuntary lien or encumbrance which concurrently or hereafter at any time shall attach to the Condominium Sublease or Condominium.

1.2 Defense of Actions and Costs. Trustor shall appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust and/or any additional

or other security for the obligations secured hereby, the interest of Beneficiary or the rights, powers and duties of Trustee hereunder. Trustor shall pay all costs, fees and expenses, including, without limitation, costs of evidence of title, trustees' fees and attorneys' fees, paid or incurred in any action or proceeding in which Beneficiary and/or Trustee may appear or be made a party, whether or not pursued to final judgment, and in any exercise of the power of sale contained herein, whether or not such sale is actually consummated.

1.3 Reimbursement. Trustor shall pay immediately upon demand all sums expended for expenses paid or incurred by Trustee and/or Beneficiary, including, without limitation, court costs, expenses for evidence of title, appraisals and surveys, trustees' fees and attorneys' fees, under any of the terms of this Deed of Trust together with interest on the amount of each expenditure from the date of such expenditure at the highest rate permitted by law.

2. ASSIGNMENT OF RENTS

2.1 Assignment. Trustor hereby assigns and transfers to Beneficiary (i) the Rents together with the right, power and authority to collect the same, (ii) all sub-subleases and assignments by or through Trustor as sub-lessor or assignor, written or oral, now in existence or hereafter arising, all other agreements for the use or occupancy of all or any portion of the Condominium and any and all extensions or renewals thereof (collectively, the "Condominium Sub-Subleases"), together with the right, power and authority of Trustor to alter, modify or change the terms thereof or surrender, cancel or terminate the same, and (iii) any and all guarantees of any obligations of any sub-sublessee or assignee (such sub-sublessees and assignees being referred to collectively herein as the "Condominium Sub-Sublessees") under each of the Condominium Sub-Subleases or assignments of any interest in, to or under the Condominium Sublease. Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact, at the option of Beneficiary at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Trustor or Beneficiary at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Trustor or Beneficiary, for the Rents and apply the same to the indebtedness secured hereby; provided, however, that Trustor shall have the right and license to collect the Rents prior to or at any time there is no default hereunder. The assignment of Rents in this Section 2.1 is, and is intended to be, an absolute assignment

from Trustor to Beneficiary and not merely the passing of a security interest.

2.2 Application of Rents. All Rents collected by or on behalf of Beneficiary shall be applied as follows:

(a) First, to pay all reasonable fees of any receiver approved by the court;

(b) Second:

(i) If received prior to any foreclosure sale of the Condominium Sublease under the provisions of this Deed of Trust, then to Beneficiary for payment of the portion of the obligations secured hereby then due and payable,

(ii) If received during or with respect to the period of redemption, if any, after a foreclosure sale of the Condominium Sublease, then: (x) if the purchaser at the foreclosure sale is not Beneficiary, first to Beneficiary to the extent of any deficiency of the sale proceeds to repay the obligations secured hereby, second to the purchaser at the foreclosure sale as a credit to the redemption price, but if the Condominium Sublease is not redeemed, then to the purchaser of the Condominium Sublease; and (y) if the purchaser at the foreclosure sale is Beneficiary, to Beneficiary to the extent of any deficiency of the sale proceeds to repay the obligations secured hereby and the balance to be retained by Beneficiary as a credit to the redemption price, but if the Condominium Sublease is not redeemed, then to Beneficiary, whether or not such deficiency exists; and

(c) Third, the remaining balance of Rents, if any, shall be paid to Trustor.

2.3 Survival. The rights and powers of Beneficiary under this assignment of Rents and the application of Rents under this Article 2 shall continue until expiration of the redemption period from any foreclosure sale, whether or not any deficiency remains after the foreclosure sale.

2.4 Exculpation of Beneficiary. The acceptance by Beneficiary of the assignment contained herein with all of the rights, powers, privileges and authority created hereby shall not, prior to entry upon and taking possession of the Condominium by Beneficiary, be deemed or construed to make Beneficiary a "mortgagee in possession" nor thereafter or at any time or in any

event obligate Beneficiary to appear in or defend any action or proceeding relating to the Condominium Sublease, the Rents, or the Condominium, or to take any action hereunder or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Condominium Sub-Sublease or to assume any obligation or responsibility for any security deposits or other deposits delivered to Beneficiary, nor shall Beneficiary be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Unit or Common Area. Nothing contained herein is intended to change any right, duty or obligation of Beneficiary under the Master Lease.

2.5 Waiver. Neither the collection of the Rents and the application thereof as provided for herein nor the entry upon or the taking of possession of the Condominium by Beneficiary shall be deemed to cure or waive any default or waive, modify or affect any notice of default under the Master Condominium Sublease or invalidate any act done pursuant to any such notice.

3. DEFAULTS AND REMEDIES.

3.1 Defaults. Any of the following events shall at Beneficiary's option, constitute an event of default under this Deed of Trust:

(a) The existence of an Uncured Default, as defined in the Master Condominium Sublease, as to any Accrued Monetary Obligation; or

(b) The failure of Trustor to observe or perform its obligations pursuant to the provisions of Section 1.3 above, subject to all rights of Trustor under the Master Condominium Sublease to receive notice of and to cure defaults.

3.2 Remedies. Upon the occurrence of any event of default and after the notice(s) required under Article 15 and Article 16 of the Master Condominium Sublease have been served on the Authorized Mortgagee(s) (as defined in the Master Condominium Sublease), if any, and such Authorized Mortgagee(s) has failed or refused to comply with any or all of the conditions to clause (d) of said Article 15 of the Master Condominium Sublease, Beneficiary may declare all sums secured hereby, and the same shall thereupon become, immediately due and payable without any further presentment, demand, protest or notice of any kind. Thereafter, Beneficiary at its option may:

(a) Terminate Trustor's right and license to collect the Rents and either in person or by agent, with or

without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, in its own name or in the name of Trustee do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Condominium, or any part thereof or interest therein, make, modify, enforce, cancel or accept the surrender of any Condominium Sub-Sublease, increase the income therefrom or protect the security hereof, and without taking possession of the Condominium, sue for or otherwise collect the Rents, issues and profits, including, without limitation, those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including, without limitation, attorneys' fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The collection of the Rents and the application thereof as aforesaid, or any of such acts, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice and, notwithstanding the collection, receipt and application of the Rents, Trustee or Beneficiary shall be entitled to exercise every right provided for in the Master Condominium Sublease or by law upon the occurrence of any event of default, including, without limitation, the right to exercise the power of sale provided below;

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

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Condominium Sublease to be sold, which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Los Angeles County; and/or

(d) Exercise all other rights and remedies provided herein, in the Master Condominium Sublease or other document or agreement now or hereafter securing all or any portion of the obligations secured hereby, or by law.

3.3 Foreclosure By Power of Sale. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall, if required, deposit with Trustee this Deed of Trust and the Master Condominium Sublease, the applicable Assignment and Assumption of Condominium Sublease and such other receipts and evidence of expenditures made and secured hereby as Trustee may require.

(a) Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Election to Sell as may then be required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale has been given as required by law, sell the Condominium Sublease at the time and place of sale fixed by it in said Notice of Sale, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to the purchaser or purchasers at such sale its good and sufficient deed or deeds conveying the Condominium Sublease so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title for such purchaser or purchasers.

(b) After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including, without limitation, costs of evidence of title and attorneys' fees of Trustee or Beneficiary in connection with a sale as provided in paragraph (a) above, Trustee shall apply the proceeds of such sale to payment of all sums expended under the terms hereof not then repaid, with accrued interest at the highest rate permitted by law, all other sums then secured hereby and the remainder, if any, to the person or persons legally entitled thereto.

(c) Trustee may postpone the sale of all or any portion of the Condominium Sublease by public announcement at the time and place of the scheduled sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

3.4 Rescission of Notice of Default. Beneficiary may from time to time rescind any Notice of Default and Election to Sell or Notice of Sale before any Trustee's sale as provided above, by executing and delivering to Trustee a written notice of such rescission, which such notice, when recorded, shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided,

other declarations or notices of default and demand for sale to satisfy the obligations of this Deed of Trust or secured hereby, nor otherwise affect any provision, covenant or condition of any instrument or any of the rights, obligations or remedies of Trustee or Beneficiary hereunder or thereunder.

3.5 Appointment of Receiver. If an event of default shall have occurred and be continuing, Beneficiary, as a matter of right and without notice to Trustor or to anyone claiming under Trustor, and without regard to the then value of the Condominium Sublease or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Condominium Sublease, or any portion thereof, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided in Section 3.2(a) above, and shall continue as such and exercise all such powers until the date of confirmation of the sale of the Condominium Sublease, unless such receivership is sooner terminated.

3.6 Waiver. By exercising or by failing to exercise any right, option or election hereunder, Beneficiary shall not be deemed to have waived any provision hereof or to have released Trustor from any of the obligations secured hereby unless such waiver or release is in writing and signed by Beneficiary. The waiver by Beneficiary of Trustor's failure to perform or observe any term, covenant, or condition referred to or contained herein to be performed or observed by Trustor shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent failure of Trustor to perform or observe the same or any other such term, covenant or condition referred to or contained herein, and no custom or practice which may develop between Trustor and Beneficiary during the term hereof shall be deemed a waiver of or any way affect the right of Beneficiary to insist upon the performance by Trustor or the obligations secured hereby in strict accordance with the terms hereof or the Master Condominium Sublease.

3.7 Request for Notice. Trustor hereby requests a copy of any Notice of Default and requests that any Notice of Sale hereunder be mailed to it at the address first set forth above or at such other address or addresses as Trustor may designate pursuant to Section 4.5 below. Otherwise, except for notice required to be given to Authorized Mortgagees, or any other required notices, under the Master Condominium Sublease, neither Trustee nor Beneficiary is under any obligation to notify

any persons or entity of any action or proceeding of any kind in which Trustor, Beneficiary and/or Trustee shall be a party, unless brought by Trustee, or of any pending sale under any other deed of trust. Nothing herein shall be deemed to change any right, duty or obligation of Beneficiary under the Master Condominium Sublease.

4. MISCELLANEOUS PROVISIONS

4.1 Successors; Gender. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder from time to time, including pledgees, of this Deed of Trust, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

4.2 Authorization to Rely. Trustee, upon presentation to it of an affidavit signed by or on behalf of Beneficiary, setting forth any fact or facts showing a default by Trustor under any of the terms or conditions of this Deed of Trust, is authorized to accept as true and conclusive all facts and statements in such affidavit and to act hereunder in complete reliance thereon.

4.3 Governing Law. The provision of this Deed of Trust governing the contractual rights and obligations of Trustor, Beneficiary and Trustee shall be construed according to the laws of the State of California. The provisions of this Deed of Trust are intended to be supplemental and in addition to the provisions contained in the Master Condominium Sublease. In the event of any direct conflict between any of the provisions of this Deed of Trust and the Master Condominium Sublease, the latter shall prevail and be controlling. Any assignment of this Deed of Trust shall be considered an assignment of the interest of the Sublessor under this Condominium Sublease.

4.4 Severability. The invalidity of any one or more covenants, phrases, clauses, sentences or paragraphs of this Deed of Trust shall not affect the remaining portions of this Deed of Trust or any part thereof, and the same shall be construed as if such invalid covenants, phrases, clauses, sentences or paragraphs, if any, had not been inserted herein.

4.5 Notices. Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such

notice, demand, request or other communication shall be in writing and shall be effective upon receipt if the same is delivered by telex or telecopier or personal service. If mailed by registered mail, postage prepaid, return receipt requested, addressed to the addresses first set forth above such notice shall be deemed effective upon the earlier of actual receipt or three (3) business days after mailing. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

4.6 Waiver of Remedies. By accepting payment of any amount secured hereby after its due date, or any amount which is less than the amount then due, or performance of any obligation required hereunder after the date required for such performance, Beneficiary does not waive its right to require prompt payment or performance when due of all other amounts or obligations so secured or declare a default by reason of the failure to so pay or perform.

4.7 Beneficiary Powers. Without affecting the liability of Trustor or any other person liable for the payment of any obligation secured hereby, and without affecting the lien or charge of this Deed of Trust upon any portion of the Condominium Sublease not then or theretofore released as security for the full amount of all unpaid obligations, Beneficiary may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, or join in any agreement modifying the terms of the Master Condominium Sublease, (iii) waive any provision hereof or grant other indulgences, or (iv) make compositions or other arrangements with debtors in relation to any obligation herein mentioned.

4.8 Substitution of Trustee. Beneficiary may, from time to time, by written instrument executed and acknowledged by Beneficiary and recorded in Los Angeles County, and by otherwise complying with the provisions of California Civil Code Section 2934a, or any successor section, substitute a successor or successors for the Trustee named herein or acting hereunder.

4.9 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not to be construed as a part of this Deed of Trust.

4.10 Trust Irrevocable; No Offset. The Trust created hereby is irrevocable by Trustor. No offset or claim that Trustor now or may in the future have against Beneficiary shall

relieve Trustor from paying the amounts or performing the obligations contained herein or secured hereby.

4.11 Corrections. Trustor shall, upon request of Trustee, promptly correct any defect, error or omission which may be discovered in the contents of this Deed of Trust or in the execution or acknowledgment hereof, and will execute, acknowledge and deliver such further instruments and do such further acts as may be necessary or as may be reasonably requested by Trustee to carry out more effectively the purposes of this Deed of Trust, to subject to the lien and security interest hereby created any of Trustor's properties, rights or interest covered or intended to be covered hereby, and to perfect and maintain such lien and security interest.

4.12 Full Reconveyance. Upon written request of Beneficiary stating that all sums hereby have been paid and, if required, upon surrender to Trustee of this Deed of Trust and the Assignment for cancellation and retention, and upon payment of its fees, Trustee shall fully reconvey, without warranty, the entire remaining Condominium Sublease then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

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

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

4.15 Defined Terms. Any defined terms used without definition herein shall be deemed to have the same meaning as set forth in the Master Condominium Sublease.

4.16 Non-Recourse Obligation. Any provision of this Deed of Trust or the Master Condominium Sublease to the contrary notwithstanding, the liability of Trustor for non-payment of Supplemental Maintenance Fees charged to Trustor pursuant to Article 10 or Article 11 of the Master Condominium Sublease shall be limited to recourse against the interest of Trustor in the Condominium Sublease as defined hereinabove.

4.17 No Merger of Lease. If both the Sublessor's and the Condominium Sublessee's estate under the Master Condominium Sublease shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger, and in such event, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary as to the separate estates. Upon the foreclosure of the lien created by this Deed of Trust, the Condominium Sublease shall in no event be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Deed of Trust as of the date first above written.

By _____

(CORPORATE SEAL, IF APPLICABLE)

By _____

"Trustor"