

SECOND IMPLEMENTATION AGREEMENT TO
OWNER PARTICIPATION AGREEMENT

28468

This Second Implementation Agreement to Owner Participation Agreement ("**Agreement**") is made this 11th day of August, 2005, by and among the Redevelopment Agency of the City of Long Beach, a public body corporate and politic ("**Agency**"), the City of Long Beach, a municipal corporation and charter city ("**City**"), Coventry Long Beach Plaza LLC, a Delaware limited liability company ("**Participant**") and Promenade Loft Partners, LLC, a California limited liability company ("**Assignee**").

RECITALS

A. Agency, City and Participant are parties to that certain Owner Participation Agreement dated as of September 12, 2000, as implemented by that certain First Implementation Agreement to Owner Participation Agreement dated as of June 12, 2001 (as implemented, the "**OPA**") regarding the development of certain real property (the "**Site**") as depicted on the Site Map, Attachment No. 1 to the OPA. Capitalized terms used herein but not defined shall have those meanings ascribed to them in the OPA.

B. The OPA contemplates that Participant will assign and delegate certain of its rights and obligations under the OPA to other developers for the purpose of developing portions of the Site with retail and residential improvements.

C. Participant has entered into a Purchase and Sale Agreement and Joint Escrow Instructions dated as of June 9, 2005 (the "**Purchase Agreement**") with Assignee for the sale and development of Lots 17 and 17A of the Site (the "**3rd Street Site**"). Assignee's obligation to purchase the 3rd Street Site is contingent upon the parties' execution and delivery to the Escrow Holder (as defined in the Purchase Agreement) of the Assignment and Assumption Agreement, Consent and Amendment to Owner Participation Agreement in form as attached hereto as Exhibit A (the "**OPA Assignment and Assumption Agreement**").

D. The parties are entering into this Second Implementation Agreement in order to provide for the sale and development of the 3rd Street Site in accordance with the OPA and the OPA Assignment and Assumption Agreement and to establish a schedule of performance accordingly.

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

1. Certificate of Completion – Main Site. Participant submitted to the Executive Director a written request that Agency issue a Certificate of Completion for the Main Site together with a form of Certificate of Completion, which form is acceptable to Agency. As of the date of this Agreement, there is only one “punch list” item remaining for the completion of all construction on the Main Site: fabricating and installing signs at each Parking Structure regarding van parking. Participant has obtained from responsible contractors and submitted to the Executive Director bids (the “Bids”) for the performance of the remaining work. Agency agrees that it shall assume the responsibility to cause and to pay for the remaining work pursuant to the Bids, and Participant agrees that Agency may reimburse itself from the Deposit for its actual, third party costs to perform the remaining work up to an amount equal to 125% of the amount of the Bids; the balance of the Deposit shall then be returned to Participant. Accordingly, Participant has completed construction of the Main Site pursuant to the OPA and Agency shall within five (5) business days after the full execution of this Agreement execute with notary acknowledgement and deliver to Participant the Certificate of Completion for the Main Site. For purposes of this Section 1, the Main Site does not include the 3rd Street Site.
2. Schedule of Performance – 3rd Street Site. Attached hereto as Exhibit C is the Schedule of Performance – 3rd Street Site. The Schedule of Performance – 3rd Street Site sets forth those tasks to be accomplished by Assignee prior to the Close of Escrow. Assignee agrees to comply with the Schedule of Performance – 3rd Street Site. On and after the Close of Escrow Assignee shall comply with the Schedule of Performance attached to the Assignment and Assumption Agreement as Exhibit E.
3. OPA Assignment and Assumption Agreement. Within ten (10) days after the full execution of this Agreement, Participant and Assignee shall execute and submit to the Executive Director of Agency the OPA Assignment and Assumption Agreement in form as attached hereto as Exhibit A. Within ten (10) days after receipt of the OPA Assignment and Assumption Agreement executed by Participant and Assignee, Agency and City shall execute and submit to Escrow Holder (as defined in the Purchase Agreement) the OPA Assignment and Assumption Agreement. The OPA Assignment and Assumption Agreement provides that it shall not become effective until the 3rd Street Site has been conveyed to Assignee. Agency and City reserve the right to withdraw the OPA Assignment and Assumption Agreement if this Agreement is terminated prior to the Close of Escrow.

4. Performance Deposit. Within five (5) days following approval of this Agreement by the City, Assignee shall deliver to Agency a performance deposit (the "**Performance Deposit**") in the amount of Fifty Thousand Dollars (\$50,000) as security for the performance of Assignee's obligations hereunder. The Performance Deposit may be in the form of cash, certificate of deposit, a letter of credit or other security reasonably acceptable to Agency.
 - 4.1 Liquidated Damages. Upon termination of this Agreement pursuant to Section 12.2 below, the Performance Deposit shall be retained by Agency as liquidated damages.
 - 4.2 Good Faith Deposit. Upon conveyance of the 3rd Street Site to Assignee, the Performance Deposit shall become the Good Faith Deposit under the OPA Assignment and Assumption Agreement and the disposition of the Good Faith Deposit shall be as provided in the OPA Assignment and Assumption Agreement.
5. Agency Approvals Prior to the Close of Escrow. Assignee hereby agrees that Sections 4.1, Financing Plan, 4.2, Submission of Evidence of Financing Commitments, 4.3, Application for City and Other Governmental Approvals, 4.6, Construction Contracts, 4.7, Performance and Payment Bonds, and 5.4, Agency Approval of Plans, Drawings, and Related Documents, of the OPA are incorporated and made a part hereof as though fully set forth herein, except that the term "Participant" shall be replaced with the term "Assignee."
6. Agency Purchase of the 3rd Street Site. If either (i) the Purchase Agreement is terminated without the Close of Escrow for the 3rd Street Site or (ii) the 3rd Street Site has not been conveyed to Assignee by April 1, 2006, then Agency may, in its sole discretion, elect to purchase the 3rd Street Site from Participant, and Participant agrees to convey the 3rd Street Site to Agency, for a purchase price equal to the Purchase Price as set forth at Section 2.1 of the Purchase Agreement except that there shall be no adjustment of the Purchase Price pursuant to Section 2.3 because if Agency (or its assignee) purchases the 3rd Street Site, the project developed on the 3rd Street Site will require the payment of prevailing wages as determined pursuant to the California Labor Code. Without in any way extending the closing date under the Purchase Agreement or in any way limiting Participant's rights thereunder, Participant and Assignee agree that if the 3rd Street Site has not been conveyed to Assignee by April 1, 2006, they shall terminate the Purchase Agreement upon receipt by each of them of written notice from Agency as described in the following sentence. If Agency elects to purchase the 3rd Street Site, Agency shall deliver written notice of such election (the "**Election to Purchase**") to Participant and Assignee on or before June 1, 2006.

- 6.1 Notice of Termination of Purchase Agreement. If the Purchase Agreement is terminated without the Close of Escrow, Participant shall notify Agency in writing of such termination as soon as feasible but in any event within ten (10) days after such termination.
- 6.2 Terms and Conditions. The other terms and conditions of the sale of the 3rd Street Site to Agency shall be as set forth in the Purchase Agreement.
- 6.3 Close of Escrow. Participant shall convey and Agency shall purchase the 3rd Street Site within forty-five (45) days after Participant's receipt of the Election to Purchase.
- 6.4 Assignment. Agency may assign its rights hereunder without the consent of Participant to a developer for development of a retail/residential project similar to the project described in Assignee's Stage II drawings or such other retail/residential project as Agency deems appropriate in its sole discretion.
- 6.5 Expiration of Purchase Right. If Agency has elected not to purchase the 3rd Street Site, Agency shall, at Participant's request, execute and deliver to Participant a quitclaim deed quitclaiming all of Agency's rights to purchase the 3rd Street Site under this Section. If Agency has made no election to purchase the 3rd Street Site by June 1, 2006 (as such date may be extended as provided above), Participant may send written notice to the Executive Director referring to this Agreement and requesting Agency in writing to quitclaim any rights it may have to purchase the 3rd Street Site. Within fifteen (15) days after the Executive Director's receipt of Participant's notice and request Agency shall either make the election to purchase the 3rd Street Site in accordance with this Section 6 or deliver a quitclaim deed to Participant quitclaiming any and all rights it may have to purchase the 3rd Street Site.

7. Grant of Easements. Upon satisfaction of those conditions precedent set forth below at Section 8 and for good and valuable consideration (the "**Purchase Price**"), City shall grant to Assignee certain easements (collectively, the "**Easements**") as described below.

- 7.1 Grant of the Stairway Easement. Immediately west of and adjacent to the 3rd Street Site is a portion (the "**City Parcel**") of Lot 18, owned by the City. The City Parcel is depicted on Exhibit D-1 and legally described in Exhibit D-2. City agrees to grant to Assignee an easement (the "**Stairway Easement**") over a portion of the City Parcel ("**Stairway Easement Parcel**") as depicted on Exhibit D-1 and legally described in Exhibit D-2, by the execution and delivery of the Grant of Easements, in form as attached hereto as Exhibit E.

The Stairway Easement may be used for the development and maintenance of a portion of the Project on the Stairway Easement Parcel.

- 7.2 Grant of the Encroachment Easement. City agrees to grant to Assignee an easement (the "**Encroachment Easement**") over that portion of Lot 18 (the "**Encroachment Easement Parcel**"), which includes and is immediately north of and above the Mural (defined below), as depicted on Exhibit D-1 and legally described in Exhibit D-2, by the execution and delivery of the Grant of Easements. The Encroachment Easement may be used for the development and maintenance of a portion of the Project on the Encroachment Easement Parcel excluding therefrom the Mural.
- 7.3 Grant of the Open Space Easement. City agrees to grant to Assignee an easement (the "**Open Space Easement**") over that portion of Lot 18 immediately north of the Project and above Parking Structure C, as depicted on Exhibit D-1 and legally described in Exhibit D-2, by the execution and delivery of the Grant of Easements. The Open Space Easement permits the Project to incorporate non-operable (or operable as City's Building Department may permit) windows on the north side of the Project above Parking Structure C.
- 7.4 Grant of the Exclusive Access Easement. City agrees to grant to Assignee an easement (the "**Exclusive Access Easement**") over that portion of the upper floor of Parking Structure C, as depicted on Exhibit D-1 and legally described in Exhibit D-2, by the execution and delivery of the Grant of Easements. The Exclusive Access Easement permits the Project to incorporate stairway access to and from Parking Structure C.
- 7.5 Purchase Price. The Purchase Price consists of (i) Assignee's covenant to maintain, repair and replace, as required by ordinary wear and tear, the driveway within the City Parcel providing access to and from 3rd Street and Parking Structure C for so long as the Project exists, (ii) Assignee's covenant to maintain and illuminate the Mural and the View and Access Easement Parcels (as defined below) and (iii) Assignee's grant to City for the benefit of the general public of the View and Access Easement Parcels.

8. Conditions Precedent to Grant of Easements; Delivery.

- 8.1 Conditions Precedent. City shall not be obligated to grant the Easements to Assignee until City has determined that the following conditions have been satisfied:

8.1.1 Assignee has approved the environmental, geological and soils condition of the City Parcel and the Encroachment Easement Parcel.

8.1.2 Participant has conveyed (or will convey upon payment of the purchase price) the 3rd Street Site to Assignee.

8.1.3 Titles to the Easements are in a condition to permit development of the Project.

8.1.4 Assignee shall have approved, executed and delivered to City the Grant of Easements.

8.1.5 Assignee shall have executed and delivered to Escrow Agent for recordation in the official records the "**Mural View Easement and Covenants Agreement**" in form as attached hereto as Exhibit F.

8.1.6 Assignee shall not be in default under this Agreement.

8.2 Delivery of the Grant of Easements. City shall deliver the Grant of Easements to the Escrow Holder within five (5) business days after Assignee delivers to City's Director of Community Development a written request to do so together with a statement that to Assignee's best knowledge all conditions precedent to conveyance of the Easements have been satisfied. City or Agency shall be responsible to pay the cost of an easement policy of title insurance only; all other costs of conveyance, including without limitation, escrow fees, premiums for the title insurance policy in excess of that portion to be paid by City or Agency, recording fees, notary fees and any State, County or City documentary stamps or transfer tax, shall be the responsibility of Assignee.

8.3 Recordation of the Grant of Easements. The Escrow Agent is authorized to record the Grant of Easements immediately following the recordation of (i) the grant deed by Participant as grantor conveying the 3rd Street Site to Assignee and (ii) the Mural View Easement and Covenants Agreement.

8.4 Grant of the Easements and Delivery of Possession. Subject to any mutually agreed on extensions of time, conveyance to the Assignee of the Easements (in accordance with the provisions of Section 8.5 of this Agreement) will be completed on or prior to the date specified in the Schedule of Performance – 3rd Street Site. Possession of the Easements will be delivered to Assignee concurrently with conveyance of title. Assignee will accept title to and possession of the Easements on grant of the Easements by the City.

8.5 Condition of Title. Title to the Easements shall be lien free (other than taxes not yet due and payable), free of possessory rights and subject only to those reservations and covenants contained in the Grant of Easements, including without limitation, such matters that do not interfere with development of the Project (collectively, the "**Permitted Exceptions**"). At the Close of Escrow, Title Company will deliver to Assignee an easement policy of title insurance insuring the Easements, subject only to the Permitted Exceptions, in the amount of the fair market value of such Easements.

8.6 Condition of the Easements.

8.6.1 AS-IS. ASSIGNEE SPECIFICALLY ACKNOWLEDGES AND AGREES THAT CITY IS SELLING AND ASSIGNEE IS PURCHASING THE EASEMENTS ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT, ASSIGNEE IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM CITY OR AGENCY, THEIR AGENTS, EMPLOYEES OR OFFICERS AS TO ANY MATTERS CONCERNING THE EASEMENTS INCLUDING WITHOUT LIMITATION: (i) the quality, nature, adequacy and physical condition and aspects of the Stairway Easement Parcel and the Encroachment Easement Parcel, (ii) the quality, nature, adequacy, and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Easements, (iv) the development potential of the Easements, and the use, habitability, merchantability, or fitness, or the suitability, value or adequacy of the Easements for any particular purpose, (v) the zoning or other legal status of the Easements or any other public or private restrictions on use of the Easements, (vi) the compliance of the Easements with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity, (vii) the presence of hazardous materials on, under or about the Easements or the adjoining or neighboring property, and (viii) the condition of title to the Easements.

8.6.2 Environmental Disclosures. It is the Assignee's sole responsibility, at its expense, to determine the suitability of the Stairway Easement Parcel and the Encroachment Easement Parcel for the proposed development. If the structural or geological conditions of the Stairway Easement Parcel and the Encroachment Easement Parcel, or any portion thereof, are not in all respects entirely suitable for the use or uses to which the Stairway Easement Parcel and the Encroachment Easement Parcel will be put, then it is the obligation of Assignee to take such actions as may be necessary to place the Stairway Easement Parcel and the Encroachment Easement Parcel in a

condition entirely suitable for the development thereof. City and Agency will give all known environmental information regarding the Stairway Easement Parcel and the Encroachment Easement Parcel to Assignee; however, City and Agency make no representations or warranties as respects the suitability of the soils for the use or uses to which the Stairway Easement Parcel and the Encroachment Easement Parcel will be put.

8.6.3 Stairway Easement Parcel and the Encroachment Easement Parcel Remediation. In the event that prior to the Close of Escrow, the environmental, soils or geological conditions of the Stairway Easement Parcel and the Encroachment Easement Parcel, are not suitable, or the Stairway Easement Parcel and the Encroachment Easement Parcel contains contaminants in excess of permissible levels, for the use or uses to which the Stairway Easement Parcel and the Encroachment Easement Parcel will be put, as determined by Assignee in its reasonable discretion, Assignee may so advise City of such condition and request that the City improve or remediate the Stairway Easement Parcel and the Encroachment Easement Parcel to an acceptable condition. City or Agency may, but shall be under no obligation to, take such actions as may be necessary to place the Stairway Easement Parcel and the Encroachment Easement Parcel and the soil conditions of the Stairway Easement Parcel and the Encroachment Easement Parcel in all respects in a condition entirely suitable for the development of the Stairway Easement Parcel, the Encroachment Easement Parcel and Lot 17A; if City or Agency fails to take such action, Assignee may terminate this Agreement prior to the Close of Escrow, effective immediately upon delivery to City and Agency of written notice of termination.

8.6.4 Assignee Responsibility After Close of Escrow. After the Close of Escrow, and whether or not City or Agency have provided any of the disclosures set forth above, it shall be Assignee's responsibility to remedy such soil or geologic condition at its cost and to fulfill its obligations under the OPA Assignment and Assumption Agreement.

8.6.5 Preliminary Work by the Assignee. Prior to the conveyance of title to the Easements to Assignee, representatives of the Assignee will have the right of access to the City Parcel and the Encroachment Easement Parcel at all reasonable times for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement; provided, however, that Assignee shall not interfere with access by the general public to Parking Structure C. Assignee hereby indemnifies and holds the City and the Agency harmless from any injury or damages arising out of any activity of Assignee, its agents, employees and contractors, performed and conducted on the City Parcel or the Encroachment Easement Parcel pursuant to this Section.

9. The Mural. A tile mural (the “**Mural**”) that has been designated as a Long Beach Historic Landmark by the Cultural Heritage Commission is installed adjacent to the 3rd Street Site and within the Encroachment Easement Parcel. The Mural is owned by City and will be incorporated into the Project by Assignee. Assignee agrees to execute with notary acknowledgement and deliver to Agency for recording in the official records a covenants and easements agreement in form as attached hereto as Exhibit F (the “**Mural View Easement and Covenants Agreement**”). The Mural View Easement and Covenants Agreement shall be recorded in the official records concurrently with the recordation of the Grant of Easements. The Mural View Easement and Covenants Agreement provides for the following:
- 9.1 Maintenance of the Mural. Assignee shall be responsible, at its cost, to maintain the Mural at its current location adjacent to the 3rd Street Site in a clean, graffiti-free condition.
- 9.2 Illumination. Assignee shall be responsible to illuminate the Mural in accordance with the lighting design plan approved by the Cultural Heritage Commission.
- 9.3 Access to the Mural and Parking Structure C. Assignee shall grant to City for the benefit of the general public an easement over the View and Access Easement Parcels as depicted on Exhibit D-1 and legally described on Exhibit D-2, which easements shall allow the general public to view the Mural from 3rd Street and to access the Mural and Parking Structure C from 3rd Street at all times; there shall be no enclosure at the courtyard entry.
- 9.4 Signage Program. Assignee shall maintain next to the Mural a signage program approved by the Cultural Heritage Commission interpreting the history of the Mural.
- 9.5 Maintenance by City and Agency. Assignee shall grant to Agency and City an easement over the View and Access Easement Parcels to access all portions of the Mural and the structure which supports the Mural for purposes of maintenance and repair.
- 9.6 Restrict Access. Assignee may restrict access to the View and Access Easement Parcels if required for maintenance or repair; provided that if the View and Access Easement Parcels are to be closed to the public at any time between 6:00 a.m. and 10:00 p.m., Assignee or its successor shall obtain the prior written consent of the Director of Public Works to such closure, such consent not to be unreasonably withheld.

10. Release. Assignee, on behalf of itself and its successors and assigns, waives its right to recover from, and forever releases and discharges Agency, City and their affiliates, and the directors, officers, attorneys, employees and agents of each of them, and their respective successors and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with the OPA, the 3rd Street Site and the Easements including, without limitation, the physical or environmental condition of the City Parcel and the Encroachment Easement Parcel or any law or regulation applicable thereto, or the acts or failure to act of Agency and/or City. Upon execution of this Agreement, Assignee agrees that it will not pursue any legal action against Agency or City for issues covered by this Section. Nothing contained in this Section shall be deemed to constitute any admission by any party that it has any valid claims against any other party. With respect to the waiver and release set forth herein relating to unknown and unsuspected claims, Assignee hereby acknowledges that such waiver and release is being made after obtaining the advice of counsel and with full knowledge and understanding of the consequences and effects of such waiver, and that such waiver is made with the full knowledge, understanding and agreement that California Civil Code Section 1542 provides as follows, and that the protections afforded by said code section are hereby waived:

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

11. Warranties, Representations and Covenants.

11.1 Of Participant, City and Agency. Each of Participant, City and Agency hereby confirm that their respective warranties, representations and covenants set forth at Article 11 of the OPA remain true and correct in all material respects as of the date of this Agreement.

11.2 Of Assignee. Assignee hereby covenants that the following representations and warranties of Assignee are true as of the date of this Agreement and shall be true and correct as of the Close of Escrow. Agency's rights with respect to the following representations and warranties shall survive the Close of Escrow.

11.2.1 Power and Authority of Assignee. Assignee is a limited liability company duly organized, validly existing and in good standing under the laws

of the State of California. Assignee has the requisite right, power and authority to enter into and carry out the terms of this Agreement and the execution and delivery hereof and of all other instruments referred to herein. The person(s) executing this Agreement on behalf of Assignee has been duly authorized to do so. The performance by Assignee of Assignee's obligations hereunder will not violate or constitute an event of default under the terms and provisions of any material agreement, document or instrument to which Assignee is a party or by which Assignee is bound. All proceedings required to be taken by or on behalf of Assignee to authorize it to make, deliver and carry out the terms of this Agreement have been duly and properly taken. No further consent of any person or entity is required in connection with the execution and delivery of, or performance by Assignee of its obligations under this Agreement, including, without limitation, the consent or approval of any bankruptcy or other court having jurisdiction over Assignee.

11.2.2 Validity of Agreement. This Agreement is a valid and binding obligation of Assignee, enforceable against Assignee in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, or other similar laws affecting the rights of creditors generally and general equitable principles.

11.2.3 No Bankruptcy Proceedings. Assignee has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Assignee's creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of Assignee's assets, or (iv) suffered the attachment or other judicial seizure of all or substantially all of Assignee's assets.

12. Rights of Termination Prior to Conveyance of the 3rd Street Site to Assignee.

12.1 Termination by Assignee for Agency or City Default. Provided that Assignee is not in default of any of the terms and conditions of this Agreement, and:

12.1.1 Agency or City breaches any of the representations, warranties or covenants of this Agreement; or

12.1.2 Agency or City is in breach of any other material obligation herein,

and such failure is not cured (or Agency or City has not commenced to cure and is not diligently prosecuting such cure) within thirty (30) days after the date of written demand from Assignee stating with specificity the nature of the breach and those actions which Assignee recommends be taken to cure such breach, then Assignee

shall have the right to terminate this Agreement by written notice to Agency. In such event, the Performance Deposit shall be returned to Assignee.

12.2 Termination by Agency for Assignee's Default. Provided that Agency is not in default of any of the terms and conditions of this Agreement, and:

12.2.1 The Purchase Agreement is terminated; or

12.2.2 Assignee breaches any of the representations, warranties or covenants of this Agreement; or

12.2.3 Assignee is in breach of any other material obligation herein,

and such failure is not cured (or Assignee has not commenced to cure and is not diligently prosecuting such cure) within thirty (30) days after the date of written demand from Agency stating with specificity the nature of the breach and those actions which Agency recommends be taken to cure such breach, then Agency shall have the right to terminate this Agreement by written notice to Assignee. Agency may elect to terminate only those portions of this Agreement affecting Assignee and maintain the remainder of this Agreement in full force and effect.

NOTWITHSTANDING ANY CONTRARY PROVISION CONTAINED HEREIN, IN THE EVENT THIS AGREEMENT IS TERMINATED BECAUSE OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF ASSIGNEE, THE PERFORMANCE DEPOSIT (I.E., \$50,000) SHALL BE RETAINED BY AGENCY AS LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT AGENCY'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY ASSIGNEE WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE PERFORMANCE DEPOSIT HAS BEEN AGREED ON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF AGENCY'S DAMAGES AND AS AGENCY'S EXCLUSIVE REMEDY AGAINST ASSIGNEE IN THE EVENT OF A DEFAULT ON THE PART OF ASSIGNEE. IN THE EVENT THIS PROVISION SHOULD BE HELD TO BE VOID OR UNENFORCEABLE FOR ANY REASON, AGENCY SHALL BE ENTITLED TO ANY AND ALL DAMAGES AND REMEDIES WHICH AGENCY WOULD HAVE HAD UNDER LAW OR IN EQUITY IN THE ABSENCE OF SAID PROVISION.

AGENCY AND ASSIGNEE ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF, AND CONFIRM THE ACCURACY OF THE STATEMENTS MADE IN THIS PARAGRAPH AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Agency's Initials

PW

Assignee's Initials

SKC

12.3 Other Termination by Assignee. Assignee may terminate this Agreement by notice in writing to Agency if the environmental, geological and soils condition of the City Parcel, or the condition of title to the Easements, is not suitable for development of the Project. Upon termination of the Agreement pursuant to this Section, the Performance Deposit shall be returned to Assignee.

13. No Assignment. Assignee may not assign its rights hereunder without the prior written consent of Agency, which consent may be withheld in Agency's sole and absolute discretion.
14. Attorneys Fees. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out of court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including actual attorneys' fees. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit, including actual attorneys' fees (collectively "Costs") incurred in enforcing, perfecting and executing such judgment. For the purposes of this Section, Costs shall include, without limitation, attorneys' fees, costs and expenses incurred in (i) postjudgment motions, (ii) contempt proceeding, (iii) garnishment, levy, and debtor and third party examination, (iv) discovery and (v) bankruptcy litigation.
15. Plans and Data. If this Agreement is terminated by Agency pursuant to Section 12.2, then Assignee shall deliver to Agency any and all plans, drawings, studies and related documents concerning the 3rd Street Site. Agency shall have the right to use such materials without obligation to Assignee, but subject to the rights of third parties who have an interest therein.
16. Force Majeure. In addition to specific provisions of this Agreement, performance by a party hereunder shall not be deemed to be in default, and time for performance shall be extended on account of, delays due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, or suppliers; acts of the other party; acts or failure to act of Agency or

City or any other public or governmental agency or entity (except that acts or failure to act of Agency or City shall not excuse performance by Agency or City); or any other cause beyond the reasonable control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause.

17. Notices. Notices when given hereunder shall be given as provided at Section 13.1 of the OPA. Assignee's address for notice purposes is:

Promenade Loft Partners, LLC
c/o Urban Pacific Builders, LLC
244 Pine Avenue
Long Beach, California 90802
Attention: Scott K. Choppin
Telephone: (562) 590-5600 x101
Telecopy: (562) 590-5601

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Agreement attached thereto.
19. Time of Essence. Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement.
20. Approval by City, Agency, Assignee and Participant. Wherever this Agreement requires City, Agency, Assignee or Participant to approve or consent to any contract, document, plan, proposal, specification, drawing or other matter or action, such approval shall not be unreasonably withheld, conditioned or delayed, unless expressly provided to the contrary.
21. OPA Not Otherwise Affected. Except as expressly provided in this Implementation Agreement, the terms and conditions of the OPA shall continue in full force and effect.
22. Purchase Agreement Not Affected. Nothing in this Agreement shall modify the terms of the Purchase Agreement.

IN WITNESS WHEREOF, Agency, City, Participant and Assignee have signed this Second Implementation Agreement as of the date set opposite their signatures.

AGENCY

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA, a public body corporate and politic

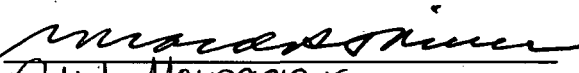
October 1, 2005

By: 
Executive Director/Secretary

CITY

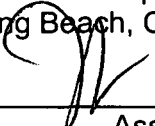
THE CITY OF LONG BEACH, a charter city and municipal corporation

October 6, 2005

By: 
Its: City Manager

Approved as to form this 27th day of September, 2005.

ROBERT E. SHANNON, City Attorney of the City of Long Beach, General Counsel to the Redevelopment Agency of the City of Long Beach, California

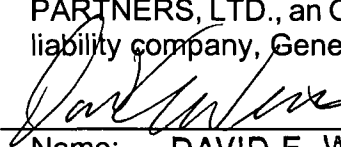
By: 
Assistant

PARTICIPANT

COVENTRY LONG BEACH PLAZA LLC, a Delaware limited liability company

By: RETAIL VALUE INVESTMENT PROGRAM LIMITED PARTNERSHIP III, a Delaware limited partnership, its sole member

By: COVENTRY REAL ESTATE PARTNERS, LTD., an Ohio limited liability company, General Partner

By: 
Name: DAVID E. WEISS
Its: VICE PRESIDENT

_____, 2005

ASSIGNEE

PROMENADE LOFT PARTNERS, LLC, a California limited liability company

By: Urban Pacific Builders, LLC, a California limited liability company, its sole member

By: _____
Scott K. Choppin, its Managing Member

By: _____
Mark F. Tolley, its Managing Member

_____, 2005

_____, 2005

3245.0505/Urban Pac Imp Agtv7

PARTICIPANT

COVENTRY LONG BEACH PLAZA LLC, a Delaware limited liability company

By: RETAIL VALUE INVESTMENT PROGRAM LIMITED PARTNERSHIP III, a Delaware limited partnership, its sole member

By: COVENTRY REAL ESTATE PARTNERS, LTD., an Ohio limited liability company, General Partner

_____, 2005

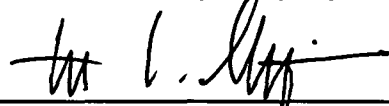
By: _____
Name: _____
Its: _____

ASSIGNEE

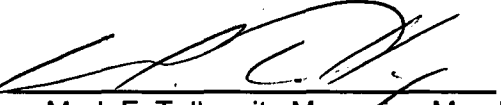
PROMENADE LOFT PARTNERS, LLC, a California limited liability company

By: Urban Pacific Builders, LLC, a California limited liability company, its sole member

6-14 _____, 2005

By:  _____
Scott K. Choppin, its Managing Member

6-14 _____, 2005

By:  _____
Mark F. Tolley, its Managing Member

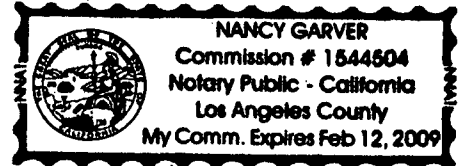
3245.0505/Urban Pac Imp Agtv7

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

On this 4th day of October, 2005, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared Patrick H. West, personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument, and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Nancy Garver (Seal)
Notary's Signature

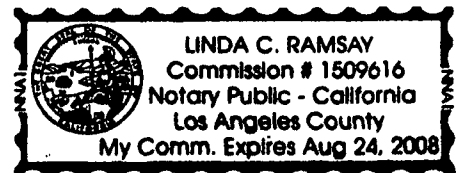


STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On this 6th day of October, 2005, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared GERALD R. MILLER, personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument, and acknowledged to me that ~~(he/she/they)~~ executed the same in ~~(his/her/their)~~ authorized capacity(~~ies~~), and that by ~~(his/her/their)~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Linda C. Ramsay (Seal)
Notary's Signature



STATE OF OHIO)
) ss.
COUNTY OF CUYAHOGA)

On this 28th day of June, 2005, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared DAVID E. Weiss personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

GLORIA J. HARMON, Notary Public
State of Ohio
Recorded in Lake County
My Commission Expires on 2-16-2008

Gloria J. Harmon (Seal)
Notary's Signature

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

On this _____ day of _____, 2005, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.


WITNESS my hand and official seal.

Notary's Signature (Seal)

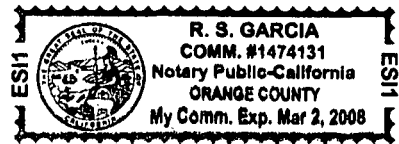
STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On this 14th day of JUNE, 2005, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared SCOTT K. CHOPPIN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.




Notary's Signature (Seal)



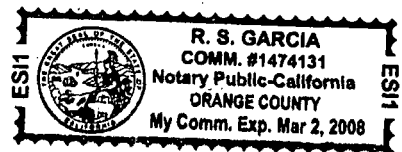
STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On this 14th day of JUNE, 2005, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared MARK F. TOUHEY, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Notary's Signature (Seal)



**UNANIMOUS WRITTEN CONSENT OF
PROMENADE LOFT PARTNERS, LLC**

The undersigned, being all the members of Urban Pacific Builders, LLC, a California limited liability company ("Urban Pacific"), the sole member of Promenade Loft Partners, LLC, a California limited liability company (the "Company"), hereby approve and adopt the following resolutions by unanimous written consent:

WHEREAS, Company has entered into a Purchase and Sale Agreement and Joint Escrow Instructions with Coventry Long Beach Plaza LLC ("Coventry") for the purchase and development as a residential and retail project (the "Project") of certain property in Long Beach, California known as Lots 17 and 17A of Tract No. 53306 (the "Property").

WHEREAS, the Property is subject to an Owner Participation Agreement dated as of September 12, 2000, as implemented by that certain First Implementation Agreement to Owner Participation Agreement dated as of June 12, 2001 (as implemented, the "OPA") among the Redevelopment Agency of the City of Long Beach ("Agency"), the City of Long Beach ("City") and Coventry.

WHEREAS, in order to purchase and develop the Property, Agency and City require that Company enter into that certain Second Implementation Agreement and that certain Assignment and Assumption Agreement, Consent and Amendment to Owner Participation Agreement and attachments thereto (the "Project Documents").

WHEREAS, the sole member of the Company and all members of Urban Pacific deem it advisable and in the best interests of the Company to enter into the Project Documents.

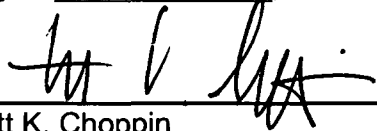
NOW, THEREFORE, BE IT RESOLVED, that Urban Pacific and the Company hereby authorize and approve the transactions involving the development of the Project and the Project Documents; and

FURTHER RESOLVED, that either Scott K. Choppin or Mark F. Tolley as Managing Members of Urban Pacific are hereby authorized and directed, for and in the name and on behalf of Urban Pacific and the Company to execute and deliver the Project Documents and all other documents necessary and desirable in furtherance of the transaction involving the development of the Project, each such document to be in such form as a Managing Member shall approve, the execution of each such document to be conclusive evidence of such approval and authority; and

FURTHER RESOLVED, that either Scott K. Choppin or Mark F. Tolley as Managing Members of Urban Pacific are authorized to take any and all actions that they, as Managing Members, deem desirable to facilitate the transactions contemplated by the Project Documents; and

FURTHER RESOLVED, that all actions heretofore taken by Scott K. Choppin, Mark F. Tolley and Urban Pacific for or on behalf of themselves and the Company in connection with the transactions and documents approved in the foregoing resolutions and any transactions or documents related or incidental thereto are hereby ratified, confirmed and approved in all respects.

IN WITNESS WHEREOF, the undersigned, being all the members of Urban Pacific, have hereunto subscribed their names this 14th day of JUNE, 2005.



Scott K. Choppin



Mark F. Tolley

ATTACHMENTS

- Exhibit A - Assignment and Assumption Agreement, Consent and Amendment to Owner Participation Agreement
- Exhibit B - [Intentionally omitted]
- Exhibit C - Schedule of Performance – 3rd Street Site
- Exhibit D-1 - Depiction of the City Parcel, Stairway Easement Parcel, the Encroachment Easement Parcel, the Open Space Easement Parcel, the Exclusive Access Easement Parcel and the View and Access Easement Parcels (which consist of the Mural and Public Access Easement and the Public Access Easement)
- Exhibit D-2 - Legal Descriptions of the City Parcel, the Stairway Easement Parcel, the Encroachment Easement Parcel, the Open Space Easement Parcel, the Exclusive Access Easement Parcel and the View and Access Easement Parcels (which consist of the Mural and Public Access Easement and the Public Access Easement)
- Exhibit E - Grant of Easements
- Exhibit F - Mural View Easement and Covenants Agreement

EXHIBIT A

**Assignment and Assumption Agreement, Consent and Amendment
to Owner Participation Agreement**

EXHIBIT A

TO SECOND IMPLEMENTATION AGREEMENT

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT, CONSENT AND AMENDMENT TO OWNER PARTICIPATION AGREEMENT (this "Agreement") is dated, for references purposes only, as of June 9, 2005 by and among **COVENTRY LONG BEACH PLAZA LLC**, a Delaware limited liability company ("Assignor"), **PROMENADE LOFT PARTNERS, LLC**, a California limited liability company ("Assignee"), the **REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH**, a public body, corporate and politic (the "Redevelopment Agency"), and the **CITY OF LONG BEACH**, a charter city and municipal corporation (the "City"), with reference to the following facts:

RECITALS

A. Assignor has entered into an Owner Participation Agreement dated as of September 12, 2000 with the Redevelopment Agency and the City, as implemented by a First Implementation Agreement to Owner Participation Agreement dated as of June 12, 2001 (as so implemented, the "**Owner Participation Agreement**"), that provides, among other things, that Assignor will develop certain real property located in the City of Long Beach, State of California and more particularly described on Exhibit A to this Agreement (the "**Site**") with the "Project" (as defined in the Owner Participation Agreement), which is to be a mixed use development that includes commercial and residential uses. The Owner Participation Agreement further provides that Assignor may, subject to obtaining the prior approval of the Redevelopment Agency, assign its right and delegate its obligation to build certain components of the Project to third-party developers, although Assignor will remain the "master developer" for the entire Project.

B. Assignor and Assignee have entered into an agreement (the "**Purchase Agreement**") that provides, among other things, that (i) Assignor will sell to Assignee, and Assignee will purchase from Assignor, that portion of the Site more particularly described on Exhibit B to this Agreement (the "**Property**"), and (ii) Assignor will assign and delegate to Assignee, and Assignee will accept and assume from Assignor, all of Assignor's rights and obligations under the Owner Participation Agreement to develop the Property with a mixed-use project, the ground floor of which will be leased for retail uses and the upper floors of which will be leased as residential apartment units or sold as residential condominium units at market rates free of any restrictions by the City regarding affordability or low-income housing. The Purchase Agreement provides that the closing of the transactions contemplated thereby is subject to and conditioned upon, among other things, the Redevelopment Agency's consent thereto.

C. Assignor, Assignee, the Redevelopment Agency and the City have entered into that certain Second Implementation Agreement to Owner Participation

Agreement dated as of June __, 2005 (the "**Second Implementation Agreement**") and, pursuant thereto, the Redevelopment Agency desires to consent to the transactions described above. The parties are entering into this Agreement to (i) effectuate the assignment and delegation by Assignor, and the acceptance and assumption by Assignee, of Assignor's rights and obligations under the Owner Participation Agreement with respect to the Property, (ii) evidence the Redevelopment Agency's consent to such assignment and acceptance and such delegation and assumption, and (iii) clarify certain provisions of the Owner Participation Agreement as it relates to the Property.

NOW, THEREFORE, with reference to the foregoing Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Effectiveness. This Agreement shall be effective as of the date and time on which the Grant Deed covering the Property between Assignor, as grantor, and Assignee, as grantee, is recorded in the Official Records of Los Angeles County, California.

2. Assignment, Assumption and Consent. Assignor hereby assigns and delegates to Assignee, and Assignee hereby accepts and assumes from Assignor, all of Assignor's rights and obligations as the "Participant" under the Owner Participation Agreement, as implemented by the Second Implementation Agreement, with respect to the Property and the improvements to be constructed thereon, which rights and obligations are more particularly described in Paragraph 3 of this Agreement, except that Assignor is not assigning Assignor's right to receive any portion of the financial assistance described in Article 9 of the Owner Participation Agreement regardless of whether Assignor has previously allocated any portion of such assistance to the Property. Without limiting the foregoing, Assignee hereby agrees, for the benefit of Assignor, the Redevelopment Agency and the City, to perform all of the obligations of the "Participant" under the Owner Participation Agreement, as implemented by the Second Implementation Agreement, that relate to the Property. The Redevelopment Agency hereby consents to the assignment and delegation by Assignor, and the acceptance and assumption by Assignee, of such rights and obligations.

3. Rights and Obligations of Assignee. The rights and obligations of Assignee under the Owner Participation Agreement are those under the Sections of the Owner Participation Agreement listed in Part 1 of Exhibit C attached to this Agreement, provided that as among Assignee, the Redevelopment Agency and the City with respect to the Property only, certain of the Sections listed in Part 1 of Exhibit C are hereby amended as provided in Part 2 of Exhibit C. Without limiting the foregoing, Assignor has not assigned or delegated to Assignee any of Assignor's rights and obligations under the Owner Participation Agreement with respect to the remainder of the Site.

4. Conditional Release of Assignor. The Redevelopment Agency and the City hereby release and discharge Assignor from its obligations under the Owner Participation Agreement that relate to the Property; provided, however, that Assignor

shall continue to be the master developer of the Project and from and after the date on which Assignor reacquires possession and control of the Property (if that occurs), Assignor shall again have the obligation to develop the Property as provided in the Owner Participation Agreement. The Redevelopment Agency and the City further agree that in no event, however, shall Assignor have any liability for any acts or omissions of Assignee or its agents with respect to the Property or for any defaults by Assignee under the Owner Participation Agreement, as implemented by the Second Implementation Agreement as assigned to and assumed by Assignee hereunder and as amended hereby.

5. No Effect on Assignor's Other Obligations Under the Owner Participation Agreement. Nothing in this Agreement shall affect the rights and obligations of Assignor, the Redevelopment Agency and the City under the Owner Participation Agreement with respect to the remainder of the Site.

6. Additional Covenants of Assignor and Assignee. Pursuant to the Purchase Agreement, Assignor has the right under certain circumstances to purchase the Property from Assignee (see Exhibit E to Purchase Agreement, the "Form of Option Agreement"). Pursuant to Section 12.8.2 of the Owner Participation Agreement as modified by this Agreement, if Assignee has not commenced construction by July 1, 2006 (which date shall be extended by one day for each day that the date for commencement of construction specified in the Schedule of Performance is extended pursuant to Section 12.8.1), Agency may request Assignor to assign to Agency Assignor's rights as Optionee under the Option Agreement to purchase the Property. Upon receipt of such request, Assignor shall assign to Agency all of its rights under the Option Agreement. In addition, upon a "Triggering Event" (as defined in the Option Agreement) Assignor shall notify Agency in writing (the "Notice of Rights") that Assignor has the right pursuant to the Option Agreement to purchase the Property and that Agency may, for a period of sixty (60) days following its receipt of the Notice of Rights, elect to assume Assignor's rights under the Option Agreement. Within sixty (60) days after receipt of the Notice of Rights, Agency may elect to require Assignor to assign its rights under the Option Agreement to Agency. Upon Assignor's receipt of written notice of such election, Assignor shall assign its rights under the Option Agreement to Agency.

6.1 Purchase Price. If Assignor's rights under the Option Agreement are assigned to Agency, Assignee hereby agrees that the Purchase Price (as that term is defined at Paragraph 1.5 of the Option Agreement) shall be one million dollars (\$1,000,000) regardless of whether construction has started or the extent of progress on the construction. Provided, however, that Agency's right to purchase the Property hereunder shall be subject to and be limited by and shall not defeat, render invalid, or limit:

(a) Any mortgage or deed of trust or other security instrument permitted by the Owner Participation Agreement or approved by Agency; or

(b) Any rights or interests provided in the Owner Participation Agreement for the protection of the holders of such mortgage, deed of

trust, or other security interest.

6.2 Assignment. Agency may assign its rights hereunder without the consent of Assignor to a developer for development of a retail/residential project similar to the project described in Assignee's Stage II drawings or such other project as Agency deems appropriate in its sole discretion.

6.3 Expiration of Purchase Right. If Agency has not elected to purchase the Property within sixty (60) days after receipt of the Notice of Rights, then Assignor shall proceed to re-purchase the Property as provided in accordance with the Option Agreement.

6.4 Quitclaim. If Agency has not elected to purchase the Property within sixty (60) days after receipt of the Notice of Rights, Agency shall, at Assignor's request, execute and deliver to Assignor a quitclaim deed quitclaiming all of Agency' rights to purchase the Property under this Section.

7. Notices to Assignee. Assignee's address for notices under the Owner Participation Agreement is c/o Urban Pacific Builders, LLC, 244 Pine Avenue, Long Beach, California 90802, Attention: Scott K. Choppin.

8. Entire Agreement. This Agreement is the entire Agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the parties with respect to the matters contained in this Agreement. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or in behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Agreement attached thereto.

10. Further Assurances. Each of the parties agrees to execute such further and supplemental instruments as may be requested by another party to effectuate the purposes and intent of this Agreement.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to its conflicts of law principles.

12. Third Party Beneficiaries. No third party shall have any rights under this Agreement.

13. Exhibits. Exhibits A through E, inclusive, attached to this Agreement are hereby incorporated into and are made a part of this Agreement.

14. Time of Essence. Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ASSIGNOR:

COVENTRY LONG BEACH PLAZA LLC,
a Delaware limited liability company

By: Retail Value Investment Program Limited
Partnership III,
a Delaware limited partnership,
Its Sole Member

By: Coventry Real Estate Partners, Ltd.,
an Ohio limited liability company
General Partner

By: _____
Name: _____
Its: _____

ASSIGNEE:

PROMENADE LOFT PARTNERS, LLC,
a California limited liability company

By: Urban Pacific Builders, LLC, a California
limited liability company

By: _____
Scott K. Choppin,
Managing Member

By: _____
Mark F. Tolley,
Managing Member

[Signatures Continued On Next Page]

REDEVELOPMENT AGENCY:

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic

By: _____
Its: _____

CITY:

THE CITY OF LONG BEACH, a municipal corporation and charter city

By: _____
Its: _____

Approved as to form this _____
day of _____, 200__.

ROBERT E. SHANNON,
City Attorney of the City of Long Beach. General Counsel for the Redevelopment Agency of the City of Long Beach, California

By: _____
Assistant

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT - EXHIBIT A

Description of Site

Lots 1, 2, 3, 4, 5, 6, 8, 8A, 9, 9A, 12, 12A, 13, 14, 15, 15A, 16, 17, 17A, 19 and 19A of Tract No. 53306, in the City of Long Beach, State of California, as per the Map recorded in Book 1261, Pages 31 through 34, inclusive, in the office of the County Recorder of said County.

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT - EXHIBIT B

Legal Description of Property

Lots 17 and 17A of Tract No. 53306 in the City of Long Beach, County of Los Angeles, State of California as per the Map recorded in Book 1261, Pages 31 through 34, inclusive, in the Office of the County Recorder of said County.

Excepting therefrom all oil, gas, hydrocarbon substances and minerals of every kind and character lying more than 500 feet below the surface of said land, together with the right to drill into, through and to use and occupy all parts of said land lying more than 500 feet below the surface thereof for any and all purposes incidental to the exploration for and production of oil, gas, hydrocarbon substances or minerals from said land or other lands, but without however, the right to use either the surface of said land or any portion of said land within 500 feet of the surface for any purpose or purposes whatsoever as reserved in various deeds of record.

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT - EXHIBIT C

Rights and Obligations of Assignee

1. PROVISIONS OF OWNER PARTICIPATION APPLICABLE TO ASSIGNEE

The following Sections of the Owner Participation Agreement shall be applicable to Assignee, subject to the modifications to certain of said Sections set forth in Part 2 of this Exhibit C:

- Section 1.5.4 – Prohibition Against Change in Ownership, Management and Control of Participant
 - Section 3.8 – Taxes and Assessments
- Section 3.10 – Condition of the Agency Parcels, the 4th Street Parcel and the Acquisition Parcels
- Section 3.12 – Right of Agency to Satisfy Liens on the Site After Title Passes
 - Section 4.1 – Financing Plan
 - Section 4.2 – Submission of Evidence of Financing Commitment
 - Section 4.3 – Application for City and Other Governmental Approvals
 - Section 4.6 – Construction Contracts
 - Section 4.7 – Performance and Payment Bonds
 - Section 5.1 – Scope of Development
 - Section 5.3 – Landscaping and Finish Grading Plans
- Section 5.4 – Agency Approval of Plans, Drawings, and Related Documents
 - Section 5.5 – Cost of Construction
 - Section 5.7 – Schedule of Performance
- Section 5.8 – Indemnification; Bodily Injury and Property Damage Insurance
 - Section 5.9 – City and Other Governmental Agency Permits
 - Section 5.12 – Rights of Access
 - Section 5.13 – Local, State and Federal Laws
 - Section 5.14 – Nondiscrimination During Construction
 - Section 5.15 – Certificate of Completion
- Section 6.1 – No Encumbrances Except Mortgages, Deeds of Trust or Other Conveyance for Financing for Development
- Section 6.2 – Holder Not Obligated to Construct Improvements
- Section 6.3 – Notice of Default to Mortgagee or, Deed of Trust or Other Security Interest Holders; Right to Cure
- Section 6.4 – Failure of Holder to Complete Project
- Section 6.5 – Right of Agency to Cure Mortgage, Deed of Trust Default or Other Security Interest Default
- Article 7 – Prohibition Against Transfer

- Section 8.1 – Uses
- Section 8.2 – Stipulated Taxable Assessed Value
- Section 8.3 – Obligation to Refrain from Discrimination; Americans with Disabilities Act
- Section 8.4 – Form of Nondiscrimination and Nonsegregation Clauses
- Section 8.5 – Effect and Duration of Covenants
- Section 11.1 – Warranties, Representations, and Covenants of Participant
- Section 11.2 – Warranties, Representations, and Covenants of Agency
- Section 11.3 – Warranties, Representations, Covenants of City
- Section 12.1 – Defaults – General
- Section 12.2 – Legal Actions
- Section 12.3 – Rights and Remedies are Cumulative
- Section 12.4 – Damages
- Section 12.5 – Specific Performance
- Section 12.6 – Remedies and Rights of Termination
- Section 13.1 – Notices, Demands and Communications Between the Parties
- Section 13.2 – Conflicts of Interest
- Section 13.3 – Warranty Against Payment of Consideration for Agreement
- Section 13.4 – Nonliability of Agency Officials and Employees
- Section 13.5 – Attorneys’ Fees
- Section 13.6 – Approval by City, Agency and Participation
- Section 13.7 – Plans and Data
- Section 13.8 – Force Majeure
- Section 13.9 – Real Estate Commissions
- Section 13.10 – Parties Not Co-Venturers
- Section 13.11 – Multiple Originals; Counterparts
- Section 13.12 – Successors and Assigns
- Section 14.1 – Rights to Estoppel Certificates
- Section 14.2 – Good Faith Deposit
- Section 14.3 – Percent for Public Art

2. MODIFICATIONS TO OWNER PARTICIPATION AGREEMENT

As among Assignee, the Redevelopment Agency and the City with respect to the Property only:

2.1 General Modifications

2.1.1 All references in the Owner Participation Agreement to “Participant” shall be deemed to refer to Assignee.

2.1.2 All references in the Owner Participation Agreement, as amended hereby, to the “Site” shall mean the Property.

2.1.3 The "Scope of Development" is, and all references in the Owner Participation Agreement to the "Scope of Development" shall be deemed to refer to, the Scope of Development attached to this Agreement as Exhibit D.

2.1.4 The "Schedule of Performance" is, and all references in the Owner Participation Agreement to the "Schedule of Performance" shall be deemed to refer to, the Schedule of Performance attached to this Agreement as Exhibit E.

2.2 Section 1.5.4 – Prohibition Against Change in Ownership, Management and Control of Participant. As used in Section 1.5.4 and elsewhere in the Owner Participation Agreement, "Significant Change" means "a sale, transfer or assignment in one or more transactions of a controlling interest in Participant."

2.3 Cost of Construction. Section 5.5 of the Owner Participation Agreement is hereby amended and restated as follows:

"5.5 Cost of Construction. The cost of developing the Property and of constructing all improvements thereon shall be borne by Participant.

"Within ten (10) days after the request of the Executive Director, Participant shall provide to the Executive Director payroll information related to the development of the Project certified by an officer of Participant to be true and correct. In addition, Participant shall require its contractors and subcontractors to provide such certified payroll information to the Executive Director within ten (10) days of the Executive Director's request."

2.4 Section 6.1 – No Encumbrances Except for Mortgages, Deed of Trust or Other Conveyances for Financing or Development. Section 6.1 of the Owner Participation Agreement is hereby amended and restated as follows:

"6.1 No Encumbrances Except Mortgages, Deeds of Trust or Other Conveyance for Financing for Development

"Mortgages, deeds of trust or any other form of conveyance required for any reasonable method of financing are permitted after acquisition of the Property and before completion of the construction of the improvements, but only for the purpose of securing loans of funds to be used for financing the acquisition of the Property, the construction of the Project, and any other expenditures necessary and appropriate to develop the Property under this Agreement. Participant will notify Agency in advance of granting any mortgage or deed of trust against the Property. Participant will not enter into any conveyance for financing not previously approved in the Financing Plan without the prior

written approval of the Agency's Executive Director, which approval will not be unreasonably withheld."

2.5 Article 7 – Prohibition Against Transfer. Article 7 of the Owner Participation Agreement is hereby amended and restated as follows:

"7. PROHIBITION AGAINST TRANSFER

"Prior to issuance by Agency of a Certificate of Completion (referred to in Section 5.15 of this Agreement) and subject to the last sentence of this Article 7, Participant shall not assign this Agreement, nor make any total or partial sale, transfer, conveyance, assignment or subleasing of the whole or any part of the Property, or the improvements thereon, without prior written approval of Agency. Agency may withhold its approval of any proposed assignment in its sole and absolute discretion. This prohibition shall not be deemed to prevent the granting of easements or permits or the making of dedications to facilitate the development of the Property, nor shall it prohibit the following: (i) granting any security interests expressly described in this Agreement for financing the acquisition and development of the Site, or (ii) transfers approved pursuant to this Article 7."

2.6 Section 8.2 – Stipulated Taxable Assessed Value. For purposes of Section 8.2.1 of the Owner Participation Agreement, the Stipulated Value of the Property as improved with the Project will be based on the values specified in Paragraph 8(1) of the Agreement Containing Covenants Affecting Real Property recorded in the official records of Los Angeles County on September 24, 2001 as instrument number 01-1799118 (the "Agreement Containing Covenants").

2.7 Section 11.1 – Warranties, Representations, and Covenants of Participant. Section 11.1 of the Owner Participation Agreement is hereby amended and restated as follows:

"11.1 Warranties, Representations, and Covenants of Participant

"Participant hereby warrants, represents, and/or covenants to Agency that:

"11.1.1 Participant has no actual knowledge of, nor is it aware of, any actions, suits, material claims, legal proceedings, or any other proceedings involving the Property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign which, if decided adversely to Participant would be likely to have a material adverse effect on Participant's ability to develop the Property as provided in this Agreement.

"11.1.2 [Intentionally Omitted]

“11.1.3 Participant has no actual knowledge of, nor is it aware of, any event which, with the passage of time or the giving of notice, would be a default under any of its agreements which could adversely affect Participant’s ability to fulfill its obligations under this Agreement.

“11.1.4 Participant has no actual knowledge, without investigation, of the presence of any hazardous materials on the Property.

“11.1.5 Participant has no actual knowledge, without investigation, of any legal or physical impediments to the development of the Property contemplated by the Scope of Development.

“11.1.6 [Intentionally omitted]

“11.1.7 It shall maintain the Property as vacant and not permit any third party to occupy any of the Property until the development has been completed.

“For breach of any of the warranties, representations, or covenants of this Section, Agency may, at its option, terminate this Agreement pursuant to Section 12.6.2 below.”

2.8 Section 11.2 – Warranties, Representations, and Covenants of Agency.
Section 11.2 of the Owner Participation Agreement is hereby amended and restated as follows:

“11.2 Warranties, Representations, and Covenants of Agency

“Agency hereby warrants, represents, and/or covenants to Participant that:

“11.2.1 Agency has no actual knowledge of, nor is it aware of, any actions, suits, material claims, legal proceedings, or any other proceedings affecting the Property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign.

“11.2.2 Agency has no actual knowledge of, nor is it aware of, any actions, suits, material claims, legal proceedings, or any other proceedings challenging the validity of the Redevelopment Plan;

“11.2.3 Agency has complied with its rules regarding the rights of owners to participate in the redevelopment of the Property;

“11.2.4 [Intentionally omitted]

“11.2.5 Agency has no actual knowledge of, nor is it aware of, any event which, with the passage of time or the

giving of notice, would be a default under any of its agreements which could adversely affect Agency's ability to fulfill its obligations under this Agreement.

"11.2.6 Agency has no actual knowledge of, nor is it aware of, any actions, suits, material claims, legal proceedings, or any other proceedings involving the Property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign which, if decided adversely to Agency would be likely to have a material adverse effect on Participant's ability to develop the Property as provided in this Agreement.

"11.2.7 Agency has no actual knowledge, without investigation, of the presence of any hazardous materials on the Property.

"11.2.8 Agency has no actual knowledge, without investigation, of any legal or physical impediments to the development of the Property contemplated by the Scope of Development.

"11.2.9. [Intentionally Omitted]

"11.2.10 [Intentionally Omitted]

"For breach of any of the warranties, representations, or covenants of this Section, Participant may, at its option, terminate this Agreement pursuant to Section 12.6.1 below."

2.9 Section 11.3 – Warranties, Representations, and Covenants of City.
Section 11.3 of the Owner Participation Agreement is hereby amended and restated as follows:

"11.3 Warranties, Representations, and Covenants of City

that: "City hereby warrants, represents, and/or covenants to Participant

"11.3.1 City has no actual knowledge of, nor is it aware of, any actions, suits, material claims, legal proceedings, or any other proceedings affecting the Property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign.

"11.3.2 [Intentionally Omitted]

"11.3.3 [Intentionally Omitted]

"11.3.4 The zoning classification of PD-30 permits the project contemplated by this Agreement.

"11.3.5 [Intentionally Omitted]

“For breach of any of the warranties, representations, or covenants of this Section, Participant may, at its option, terminate this Agreement pursuant to Section 12.6.1 below.”

2.10 Section 12.6 – Remedies and Rights of Termination. Section 12.6 of the Owner Participation Agreement is hereby amended and restated as follows:

“12.6 Remedies and Rights of Termination

“12.6.1 Termination by Participant for Agency Default

“Provided Participant is not in default of any of the terms and conditions of this Agreement, and:

“(a) [Intentionally Omitted]

“(b) [Intentionally Omitted]

“(c) Agency or City breaches any of the representations, warranties or covenants set forth at Sections 11.2 or 11.3, as applicable, of this Agreement; or

“(d) Agency or City is in breach of any other material obligations herein,

“and such failure is not cured (or Agency or City has not commenced to cure and is not diligently prosecuting such cure) within thirty (30) days after the date of written demand from Participant, then, without limiting Participant’s rights under Section 12.4 and 12.5, Participant shall have the right to terminate this Agreement by written notice to Agency.”

“12.6.2 Termination by Agency for Participant Default

“In the event that:

“(a) Participant (or any successor in interest) assigns or attempts to assign this Agreement or any rights herein, or makes any total or partial sale, transfer, conveyance, or leasing of the whole or any part of the Property or the improvements to be developed thereon, in violation of this Agreement; or

“(b) There is any Significant Change with respect to Participant in violation of the terms of this Agreement; or

“(c) [Intentionally Omitted]

“(d) [Intentionally Omitted]

“(e) Participant fails to submit the Financing Plan or its evidence of financing in accordance

with this Agreement by the time provided therefor in the Schedule of Performance; or

“(f) Participant breaches any of the representations, warranties, or covenants set forth in Section 11.1 of this Agreement; or

“(g) Participant does not submit plans, drawings and related documents as required by Section 5.4 of this Agreement by the times respectively provided therefor in the Schedule of Performance; or

“(h) Participant is in breach of any other material obligation herein, and

“any default or failure shall not be cured within thirty (30) days after the date of written demand by Agency, or, if impossible of cure within said thirty (30) day period, then commenced to be cured within said thirty (30) day period, which cure is diligently and continuously prosecuted to completion, then this Agreement and any rights of Participant thereof arising from this Agreement may, at the option of Agency, be terminated by Agency by written notice thereof to Participant. Notwithstanding the foregoing, if Participant has not commenced construction (as that phrase is defined in Section 12.8) by July 1, 2006 (which date shall be extended by one day for each day the commencement of construction is delayed pursuant to Section 12.8.1), there shall be no cure period and the only notice required shall be notice of termination as set forth at Section 12.8.”

2.11 New Section 12.8 – Agency’s Remedies for Default After Close of Escrow.
The Owner Participation Agreement is hereby amended by adding the following as a new Section 12.8 thereto:

“12.8 Agency’s Remedies for Default After Close of Escrow.

“12.8.1 Failure to Timely Commence Construction; Liquidated Damages. If Participant has not commenced construction of its project by the date specified in the Schedule of Performance (*i.e.*, April 1, 2006), then, commencing on said date and continuing on the first day of each month thereafter until construction has commenced, Participant shall pay Agency the amount of Five Thousand Dollars (\$5,000) (the “Monthly Liquidated Damages Amount”); provided, however, that the foregoing April 1, 2006 commencement date shall be extended by one (1) day for each day by which the plan check process exceeds eight (8) months for reasons other than the fault of

Participant. If the plan check process exceeds eight (8) months because of delays caused by Participant, then the Monthly Liquidated Damages Amount shall be payable beginning on April 1, 2006.

“(a) For purposes of this Section 12.8, the plan check process will commence on the earlier of (i) August 31, 2005 or (ii) the date Participant submits materials to City’s Department of Building and Planning for plan check. For purposes of this Section 12.8, Participant shall be deemed to have commenced construction of its project when (a) City’s Department of Building and Planning has issued a building permit for construction of the building on the Property (*i.e.*, not foundation only), (b) a construction contract has been executed, (c) the Project has been adequately financed and (d) the contractor is working on the Property.

“(b) Participant acknowledges that Agency’s actual damages in the event construction of Participant’s project is not timely commenced would be extremely difficult or impracticable to determine and acknowledges that the Monthly Liquidated Damages Amount has been agreed upon after negotiation as a reasonable estimate of Agency’s damages in the event construction is not commenced as required under the Schedule of Performance. In the event this provision should be held to be void or unenforceable for any reason, Agency shall be entitled to any and all damages and remedies that Agency would have had under law or in equity in the absence of said provision.

“12.8.2 Failure to Timely Commence Construction; Right to Purchase. If Participant has not commenced construction on or before July 1, 2006 (which date shall be extended by one day for each day the commencement of construction is delayed pursuant to Section 12.8.1), and if Agency elects, in its sole and absolute discretion, to purchase the Property, Participant agrees that, in addition to any rights Agency may have pursuant to the Agreement Containing Covenants, Agency may request Coventry Long Beach Plaza LLC (“Coventry”) to assign to Agency its rights under the Option Agreement between Coventry as “Optionee” and Participant as “Optionor” affecting the Property (the “Option Agreement”), a memorandum of which is recorded in the official records, and thereafter may exercise the option to purchase the

Property at a Purchase Price as provided in Paragraph 6 of the Assignment and Assumption Agreement.

“12.8.3 Other Default; Right to Purchase. In addition to the remedies provided in the Agreement Containing Covenants and above at Section 12.8.2, Participant agrees that upon a “Triggering Event” as that term is defined in the Option Agreement, and if Agency elects, in its sole and absolute discretion, to purchase the Property, Agency may request Coventry to assign to Agency its rights under the Option Agreement, and thereafter may exercise the option to purchase the Property at a Purchase Price as provided in Paragraph 6 of the Assignment and Assumption Agreement.

“12.8.4 Failure to Timely Complete Construction; Liquidated Damages. If Participant has not completed construction of the Project before October 1, 2007 (and Agency has not exercised its rights under this Section to purchase the Property), Participant shall pay to Agency as liquidated damages the Monthly Liquidated Damages Amount commencing on October 1, 2007 and on the first of each month thereafter until the Project has been completed for purposes of issuance of a Certificate of Completion. Participant acknowledges that Agency’s actual damages in the event construction of Participant’s project is not timely completed would be extremely difficult or impracticable to determine and acknowledges that the Monthly Liquidated Damages Amount has been agreed upon after negotiation as a reasonable estimate of Agency’s damages in the event construction is not completed by the date required by the Schedule of Performance. In the event this provision should be held to be void or unenforceable for any reason, Agency shall be entitled to any and all damages and remedies that Agency would have had under law or in equity in the absence of said provision.

“12.8.5 Rights of Mortgagees. Nothing contained in this Section 12.8 shall be interpreted to adversely affect the holder of any mortgage, deed of trust or other security instrument permitted by the Owner Participation Agreement.”

2.12 Section 13.12 – Successors and Assigns. Section 13.12 of the Owner Participation Agreement is hereby amended and restated as follows:

“13.12 Successors and Assigns

“Subject to Article 7, the terms and conditions of this Agreement shall be binding upon and inure to the benefit of any successors and assigns of City, Agency and Participant.”

2.13 Section 14.2 – Good Faith Deposit. Section 14.2 of the Owner Participation Agreement is hereby amended and restated as follows:

“14.2 Good Faith Deposit. Pursuant to that certain Second Implementation Agreement to Owner Participation Agreement dated _____, 2005, Participant (Promenade Loft Partners, LLC) deposited with the Agency a performance deposit (the “Performance Deposit”) in the amount of Fifty Thousand Dollars (\$50,000). At and after the Close of Escrow (whereby Participant acquires title to the Property), Agency will continue to hold the Performance Deposit as the “Good Faith Deposit” to secure Participant’s performance under this Agreement. In the event that this Agreement is terminated pursuant to Sections 12.6.2 or 12.8 or a Certificate of Completion is not issued pursuant to Section 5.15, Agency shall retain or otherwise realize upon the Good Faith Deposit. In the event that Participant is required to pay Agency the Monthly Liquidated Damages Amount (as defined at Section 12.8), Agency may deduct the Monthly Liquidated Damages Amount from the Good Faith Deposit. In the event that this Agreement is terminated pursuant to Section 12.6.1, the Good Faith Deposit (less any Monthly Liquidated Damages Amounts which may have been paid) shall be returned to the Participant. In the event that this Agreement is not terminated and a Certificate of Completion is issued pursuant to Section 15.5, the Performance Deposit (less any Monthly Liquidated Damages Amounts which may have been paid) shall be returned to Participant.”

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT - EXHIBIT D

Scope of Development

A mixed-use building containing approximately 6,500 square feet of retail space on the ground floor and a total of 39 condominium units on the upper floors.

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT - EXHIBIT E

Schedule of Performance

APPROVALS

1. Stage I Approval. Assignee shall submit revised concept drawings to the Redevelopment Agency's Design Review Subcommittee for Stage I approval. Completed.
2. Stage II Approval. Assignee shall submit schematics to the Redevelopment Agency's Design Review Subcommittee for Stage II approval. Completed.
3. Stage III Approval. Assignee shall submit design development documents to the Redevelopment Agency's Design Review Subcommittee for Stage III approval. Completed. *[Not yet complete, but to be completed prior to the close of escrow]*
4. Stage IV Approval. Assignee shall submit construction documents to the Redevelopment Agency staff for Stage IV approval. Completed. *[Not yet complete, but to be completed prior to the close of escrow]*
5. First Plan Check. Assignee shall submit materials to the City's Department of Planning and Building for plan check. Completed. *[Not yet complete, but to be completed prior to the close of escrow]*
6. Second Plan Check. Assignee shall submit revised plans to the City's Department of Planning and Building for second plan check. Completed. *[Not yet complete, but to be completed prior to the close of escrow]*
7. Third Plan Check. Assignee shall submit revised plans to the City's Department of Planning Completed. *[Not yet complete, but to be completed prior to the close of escrow]*

and Building for third plan check.

8. Submission of Evidence of Financing. Assignee shall submit to Agency the Financing Plan and Evidence of Financing. Completed. *[Not yet complete, but to be completed prior to the close of escrow]*
9. Submission of Construction Contract. Assignee shall submit its construction contract to the Redevelopment Agency's Executive Director. Completed. *[Not yet complete, but to be completed prior to the close of escrow]*
10. Approval of Evidence of Financing. The Redevelopment Agency shall approve or disapprove the Financing Plan and Evidence of Financing. Completed. *[Not yet complete, but to be completed prior to the close of escrow]*
11. Approval of Construction Contract. The Redevelopment Agency shall approve or disapprove the construction contract. Completed. *[Not yet complete, but to be completed prior to the close of escrow]*
12. Close of Escrow. Assignee shall have closed on its purchase of the Site. Completed. *[Not yet complete, but to be completed on or before February 15, 2006].*
13. Building Permit. Assignee shall obtain a building permit for Assignee's project. Concurrently with the Close of Escrow.

CONSTRUCTION OF
PROJECT

- | | |
|--|--|
| 14. <u>Commencement of Construction of Improvements.</u> Assignee shall commence construction of the improvements on the Site. | On or before April 1, 2006. • |
| 15. <u>Right of Agency to Assess Liquidated Damages for Failure to Timely Commence Construction.</u> Agency may assess the Monthly Liquidated Damages Amount for failure to timely commence construction. | After April 1, 2006. • |
| 16. <u>Right of Agency to Purchase Property for Failure to Commence Construction of Improvements.</u> Agency may elect to purchase the improvements on the Property if Assignee has not timely commenced construction. | After July 1, 2006. • |
| 17. <u>Right of Agency to Assess Liquidated Damages for Failure to Timely Complete Construction.</u> Agency may assess liquidated damages for failure to timely complete construction. | October 1, 2007. |
| 18. <u>Completion of Construction of Improvements.</u> Assignee shall complete the construction of the improvements on the Site. | Within 18 months after the date on which Assignee commences construction. |
| 19. <u>Certificate of Completion.</u> Agency shall issue a Certificate of Completion. | Within 30 days after Assignee's request for the Certificate and satisfaction of the requirements of Section 5.15 of the Owner Participation Agreement. |

• These dates are subject to extension pursuant to Section 12.8.1.

EXHIBIT B

[INTENTIONALLY OMITTED]

EXHIBIT C

Schedule of Performance – 3rd Street Site

<u>SUBMISSION</u>	<u>DEADLINE</u>
1. <u>Stage I Approval</u> . Assignee shall submit revised concept drawings to the Agency's Design Review Subcommittee for Stage I approval.	Approved.
2. <u>Stage II Approval</u> . Assignee shall submit schematics to the Agency's Design Review Subcommittee for Stage II approval.	Approved.
3. <u>Stage III Approval</u> . Assignee shall submit design development documents to the Agency's Design Review Subcommittee for Stage III approval.	Submitted and to be approved upon full execution of this Agreement.
4. <u>Stage IV Submittal</u> . Assignee shall submit construction documents to the Agency staff for Stage IV Approval.	August 31, 2005.
5. <u>First Plan Check</u> . Assignee shall submit materials to the City's Department of Building and Planning for plan check.	August 31, 2005.
6. <u>Second Plan Check</u> . Assignee shall submit revised plans to the City's Department of Building and Planning for second plan check.	Within 21 days after receipt of first plan check comments from all required City departments.
7. <u>Third Plan Check</u> . Assignee shall submit revised plans to the City's Department of Planning and Building for third plan check.	Within 14 days after receipt of second plan check comments from all required City departments.
8. <u>Stage IV Approval</u> . Agency shall approve or disapprove Assignee's	At least 30 days prior to the Close of

EXHIBIT C

Stage IV submittal.

Escrow for the 3rd Street Site.

9. Submission of Evidence of Financing and Insurance. Assignee shall submit to Agency the Financing Plan and Evidence of Financing and insurance certificates (or where applicable the form of insurance certificates).
At least 30 days prior to the Close of Escrow for the 3rd Street Site.
10. Submission of Construction Contract. Assignee shall submit its construction contract to the Redevelopment Agency's Executive Director.
At least 30 days prior to the Close of Escrow.
11. Approval of Evidence of Financing and Insurance. Agency shall approve or disapprove the Financing Plan and Evidence of Financing and insurance.
Within 15 days after receipt and prior to the Close of Escrow.
12. Approval of the Construction Contract. Agency shall approve or disapprove the construction contract.
Within 15 days after receipt and prior to the Close of Escrow.
13. Approval of the Condition of the Easements. Assignee shall approve or disapprove the condition of the Easements.
At least 15 days prior to the Close of Escrow.
14. Close of Escrow – 3rd Street Site. Participant shall convey to, and Assignee shall accept, the 3rd Street Site.
On or before February 15, 2006.
15. Conveyance by City to Assignee of the Stairway Easement, the Encroachment Easement, the Exclusive Access Easement and the Open Space Easement. City shall convey to Assignee the Stairway Easement, the Encroachment Easement, the Exclusive Access
Concurrently with conveyance of the 3rd Street Site to Assignee.

EXHIBIT C

Easement and the Open Space Easement.

- | | |
|---|--|
| 16. <u>Conveyance by Assignee to City of the View and Access Easement Parcels.</u> Assignee shall convey to City the View and Access Easement Parcels. | Concurrently with conveyance of the 3 rd Street Site to Assignee. |
| 17. <u>Building Permit.</u> Assignee shall obtain a building permit for Assignee's project. | Concurrently with the Close of Escrow. |
| 18. <u>Agency Purchase of the 3rd Street Site.</u> Agency may elect to purchase the 3 rd Street Site if either the Purchase Agreement has terminated or Assignee has not acquired the 3 rd Street Site by April 1, 2006. | Not later than June 1, 2006. |

EXHIBIT D-1

Depiction of the City Parcel, Stairway Easement Parcel, the Encroachment Easement Parcel, the Open Space Easement, the Exclusive Access Easement Parcel and the View and Access Easement Parcels (which consist of the Mural and Public Access Easement and the Public Access Easement)

EXHIBIT D-1

EXHIBIT D-2

Legal Descriptions of the City Parcel, the Stairway Easement Parcel, the Encroachment Easement Parcel, the Open Space Easement Parcel, the Exclusive Access Easement Parcel and the View and Access Easement Parcels (which consist of the Mural and Public Access Easement and the Public Access Easement)

[Note: These easement descriptions will be revised as required prior to Close of Escrow.]

The City Parcel

THE FOLLOWING DESCRIBED PROPERTY LOCATED IN TRACT NO. 53306 IN THE CITY OF LONG BEACH, STATE OF CALIFORNIA, AS PER THE MAP RECORDED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY:

BEGINNING AT THE MOST SOUTHWESTERLY CORNER OF LOT 18; THENCE NORTH 00°00'39" FOR A DISTANCE OF 48.43 FEET; THENCE EAST A DISTANCE OF 8.00 FEET; THENCE SOUTH A DISTANCE OF 48.42 FEET; THENCE WEST A DISTANCE OF 8.00 FEET TO THE POINT OF BEGINNING

The Stairway Easement Parcel

AN EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY, SOUTHWEST CORNER OF SAID LOT 18; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 18 NORTH 89°58'13" EAST 4.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID SOUTHERLY LINE PARALLEL WITH THE WESTERLY LINE OF SAID LOT 18, NORTH 00°00'49" WEST 48.43 FEET TO A POINT ON THE NORTHERLY LINE OF LOT 17A OF SAID TRACT NO. 53306; THENCE ALONG SAID NORTHERLY LINE EAST 13.00 FEET; THENCE LEAVING SAID NORTHERLY LINE

EXHIBIT D-2

PARALLEL WITH THE WESTERLY LINE OF SAID LOT 18, SOUTH 00°00'49" EAST 48.43 FEET TO THE SOUTHERLY LINE OF SAID LOT 18; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 18 SOUTH 89°58'13" WEST 13.00 FEET TO THE TRUE POINT OF BEGINNING.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

The Encroachment Easement Parcel

AN EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, COMMENCING AT THE NORTHWESTERLY CORNER OF LOT 17 OF SAID TRACT NO. 53306; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 17 EAST 125.76 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID NORTHERLY LINE, CONTINUING EAST 25.33 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 17; THENCE ALONG SAID NORTHERLY LINE SOUTH 9.15 FEET; THENCE LEAVING SAID NORTHERLY LINE WEST 25.33 FEET TO A POINT ON SAID NORTHERLY LINE; THENCE ALONG SAID NORTHERLY LINE NORTH 9.15 FEET TO THE TRUE POINT OF BEGINNING.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

The Open Space Easement Parcel

AN OPEN SPACE EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

EXHIBIT D-2

BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 17A OF SAID TRACT NO. 53306; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 17A EAST 194.90 FEET; THENCE LEAVING SAID NORTHERLY LINE, CONTINUING EAST 25.33 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 17A; THENCE ALONG SAID NORTHERLY LINE EAST 38.77 FEET TO THE NORTHEASTERLY CORNER OF SAID LOT 17A; THENCE LEAVING SAID NORTHERLY LINE NORTH 5.00 FEET; THENCE PARALLEL WITH SAID NORTHERLY LINE WEST 259.00 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 18; THENCE ALONG SAID WESTERLY LINE SOUTH 00°00'49" EAST 5.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LOT 18 LYING BELOW ELEVATION 58.8 FEET.

THE VERTICAL DATUM FOR SAID TRACT NO. 53306 AND THIS DESCRIPTION ARE BASED ON CITY OF LONG BEACH BENCH MARK No. 240, HAVING AN ELEVATION OF 34.27.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

The Exclusive Access Easement Parcel

AN EXCLUSIVE ACCESS EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEASTERLY CORNER OF LOT 17A OF SAID TRACT NO. 53306; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 17A WEST 18.34 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE WEST 20.43 FEET; THENCE LEAVING SAID NORTHERLY LINE, CONTINUING WEST 22.57 FEET; THENCE NORTH 10.00 FEET; THENCE PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 17A EAST 43.00 FEET; THENCE AT RIGHT ANGLES TO SAID

EXHIBIT D-2

NORTHERLY LINE SOUTH 10.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LOT 18 LYING BELOW ELEVATION 53.3 FEET.

THE VERTICAL DATUM FOR SAID TRACT NO. 53306 AND THIS DESCRIPTION ARE BASED ON CITY OF LONG BEACH BENCH MARK No. 240, HAVING AN ELEVATION OF 34.27 FEET.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

The View and Access Easement Parcels

Parcel 1, Mural and Public Access Easement

THAT PORTION OF LOTS 17 AND 17A OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID LOT 17; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 17 SOUTH 89°58'13" WEST 35.17 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 89°58'13" WEST 32.53 FEET; THENCE LEAVING SAID SOUTHERLY LINE NORTH 9.02 FEET; THENCE WEST 3.50 FEET; THENCE NORTH 21.35 FEET; THENCE EAST 7.10 FEET; THENCE NORTH 5.55 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 17; THENCE ALONG SAID NORTHERLY LINE EAST 25.33 FEET; THENCE LEAVING SAID NORTHERLY LINE SOUTH 5.55 FEET; THENCE EAST 7.10 FEET; THENCE SOUTH 21.35 FEET; THENCE WEST 3.50 FEET; THENCE SOUTH 9.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LOT 17A LYING ABOVE ELEVATION 71.1 FEET.

THE VERTICAL DATUM FOR SAID TRACT NO. 53306 AND THIS DESCRIPTION ARE BASED ON CITY OF LONG BEACH BENCH MARK No. 240, HAVING AN ELEVATION OF 34.27.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

EXHIBIT D-2

Parcel 2, Public Access Easement

THAT PORTION OF LOT 17 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID LOT 17; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 17 EAST 118.69 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE EAST 5.00 FEET; THENCE LEAVING SAID NORTHERLY LINE SOUTH 17.97 FEET; THENCE PARALLEL WITH SAID NORTHERLY LINE WEST 5.00 FEET; THENCE NORTH 17.97 FEET TO THE NORTHERLY LINE OF SAID LOT 17 AND TRUE POINT OF BEGINNING.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

EXHIBIT E

TO BE RECORDED AND WHEN
RECORDED RETURNED TO:

Promenade Loft Partners, LLC
c/o Urban Pacific Builders, LLC
244 Pine Avenue
Long Beach, California 90802
Attention: Scott K. Choppin

Mail tax statements to return address above.

APN: _____

Documentary Transfer Tax is \$ _____

GRANT OF EASEMENTS AND COVENANTS AGREEMENT

THIS GRANT OF EASEMENTS AND COVENANTS AGREEMENT is made by and between THE CITY OF LONG BEACH, a charter city and municipal corporation, as "Grantor" and PROMENADE LOFT PARTNERS, LLC, a California limited liability company as "Grantee" as of the date set forth below.

RECITALS

A. Grantor is the fee owner of real property located in the City of Long Beach, County of Los Angeles, State of California and legally described in Exhibit "A" ("Lot 18").

B. The easements to be granted by Grantor to Grantee encumber portions of Lot 18 as are legally described or depicted in Exhibit "B" (the "Stairway Easement"), Exhibit "C" (the "Encroachment Easement"), Exhibit "D" (the "Open Space Easement") and Exhibit "E" (the "Exclusive Access Easement"), attached hereto. Collectively, the Stairway Easement, the Encroachment Easement, the Open Space Easement and the Exclusive Access Easement are referred to as the "Easements."

C. Grantee is the fee owner of real property located in the City of Long Beach and legally described in Exhibit "F" (the "Grantee's Parcels"); the Grantee's Parcels consist of a fee parcel ("Lot 17") and an air rights parcel ("Lot 17A").

D. The Grantee's Parcels and the Easements are depicted on Exhibit "G" attached hereto and are referred to herein as the "Site."

E. By this Grant of Easements, Grantor is acting to carry out the public purposes of that certain Assignment and Assumption OPA, Consent and Amendment to Owner Participation OPA dated as of _____, 2005 (the "OPA") among Grantor, Grantee, the Redevelopment Agency of the City of Long Beach ("Agency"), and Coventry Long Beach Plaza LLC ("Coventry"); pursuant to the OPA Grantee is obligated to construct a retail and residential project on the Site (the "Project").

F. As used herein unless otherwise indicated, "Grantee" shall refer to Grantee and its successors and assigns, and every successor in interest to the Grantee's Parcels.

G. By this Grant of Easements the parties intend to grant the Easements as necessary and appropriate for Grantee to fulfill its obligations pursuant to the OPA.

For valuable consideration, the receipt of which is hereby acknowledged,

1. Grant of Easements. Grantor hereby grants to Grantee easements over portions of Lot 18 described as the Stairway Easement, the Encroachment Easement, the Open Space Easement and the Exclusive Access Easement for the purposes of constructing, installing, maintaining, operating, repairing and replacing the Project. The Easements granted hereby are exclusive.

a. Dominant and Servient Tenements. The Easements granted hereby are expressly granted for the benefit of the Grantee's Parcels, which are the dominant tenement. The portions of Lot 18 subject to such easements shall be the servient tenement. The Easements are appurtenant to the Grantee's Parcels, and may not be transferred or assigned apart from the Grantee's Parcels, or utilized for the benefit of any real property other than the Grantee's Parcels.

b. No Easement by Implication. Neither the execution of this Grant of Easements, nor the grant of the Easements described herein, shall be deemed to grant any easement to any third party or to establish any easement by implication, and the parties hereby agree that the only easements made and conveyed by the parties hereto are those easements which are expressly granted herein. The parties agree that the easements granted in this Article 1 may be terminated in accordance with the terms and conditions of paragraph 12 below.

c. Payment of Impositions. Grantee agrees to pay, not less than ten (10) days before such sums become delinquent, all taxes, assessments, franchises, excises, license and permit fees, impact fees, and other governmental levies and charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever, which at any time may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, and which are or may become a lien on, the Easements, or any part thereof. Nothing contained in this provision shall be interpreted to impose liability on Grantee for levies and charges imposed as a result of activities by third parties not subject to Grantee's control.

d. Taxes and Assessments. The Easements granted to Grantee hereunder shall be assessed and taxed in the same manner as privately owned property; that is, Grantee shall pay taxes on the assessed value of the entire Site including the Easements. This paragraph constitutes notice pursuant to Revenue and Taxation Code Section 107.6 that Grantee's property interest may be subject to property taxation.

e. Held as One Parcel. Grantee agrees for the benefit of Grantor that the Easements and the Grantee's Parcels will be held and used as one parcel, and that the Site shall be regulated and considered under applicable state and municipal laws, regulations, codes and ordinances as one parcel; provided, however, that if a condominium map is recorded against the Site and one or more condominium units are sold, the Site, including the Easements, may be subdivided into condominium units.

f. Mortgages and Deeds of Trust. Grantee agrees that any mortgages, deeds of trust, conveyances and leaseback, or any other form of conveyance required for any reasonable method of financing, or other hypothecation or encumbrance upon the Site shall be placed on the entire Site, and not on only one or the other of the Easements or the Grantee's Parcels or any further subdivision thereof (except as may be appropriate upon the sale of condominium units).

g. Covenants Run with the Land. Each and all of the covenants and conditions contained herein shall run with and bind the respective properties which are burdened and benefited thereby, shall be for the benefit of Grantee, as well as for the benefit of each of the respective properties, and shall be binding upon each owner of the properties and their respective successors, assignees, heirs, and personal representatives.

2. Exceptions to Title. Title to the Easements is conveyed subject to all those exceptions to title of record or apparent.

3. Limitations Prior to Recordation of the Certificate of Completion. Grantee hereby covenants for itself, its successors, its assigns and every successor in interest to the Easements or any part thereof that prior to recordation of the Certificate of Completion for the improvements (the "Improvements") to be constructed on the Easements:

- a. Grantee shall have no power to make any total or partial sale, transfer, conveyance, encumbrance, lease or assignment of the Easements or any part thereof without the prior written consent of Grantor, except to a mortgagee or trustee under a mortgage or deed of trust or other conveyance permitted by paragraph 3(b) of this Grant of Easements or by a purchaser on foreclosure or to municipal corporations or public utilities or others as owner of easements or permits to facilitate development of the Site, or except as otherwise permitted in the OPA. In the absence of specific written agreement by Grantor, no such unauthorized sale, transfer, conveyance or assignment of the Easements shall be deemed to relieve Grantee or any other party from any obligations under this Grant of Easements.
- b. Grantee shall not place or suffer to be placed on the Easements any lien or encumbrance other than mortgages, deeds of trust, sale and lease-back or other methods of financing encumbering the entire Site to finance the Improvements to be constructed on the entire Site.
- c. Grantee shall pay prior to delinquency all real property taxes and assessments assessed and levied on or against the Site subsequent to the conveyance of the Easements.
- d. Grantee shall remove, or shall have removed, any levy or attachment made on the Site or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder.
- e. Grantee shall cure any violation of the provisions of this paragraph 3 within thirty (30) days after the date of receipt of written notice of such violation by Grantor to Grantee.
- f. Nothing herein contained shall be deemed to prohibit Grantee from contesting the validity or amounts of any levy, attachment, tax assessment, encumbrance or lien, nor to limit the remedies available to

Grantee in respect thereto.

4. Right to Purchase the Site. Prior to recordation of the Certificate of Completion for the Improvements Agency has the right as third party beneficiary of that certain Option Agreement and Joint Escrow Instructions between Grantee and Coventry (the "Option"), a memorandum of which was recorded in the official records concurrently with the recordation of this Grant of Easement, to purchase the Site, including the Easements, upon a "Triggering Event" (as defined in the Option).
 - a. Agency's right to purchase the Site shall be subject to and be limited by and shall not defeat, render invalid, or limit:
 - i. Any mortgage or deed of trust or other security instrument permitted by the OPA or approved by Agency;
 - ii. Any rights or interests provided in the OPA for the protection of the holders of such mortgage, deed of trust, or other security interest.
 - b. Upon the recordation of the Certificate of Completion under Section 5.15 of the OPA, Agency's right to elect to purchase the Site shall terminate.
 - c. In the event Agency purchases the Site pursuant to the Option, and whether or not Grantee has commenced construction, Grantee agrees that the only compensation to which Grantee shall be entitled will be the purchase price as set forth in the Option.

5. Non-Discrimination. Grantee covenants and agrees for itself, its successors, assigns, and every successor in interest to the Site or any part thereof that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, religion, national origin, sex, sexual orientation, AIDS, AIDS-related condition, age, marital status, disability or handicap, or Vietnam Era veteran status in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of their property, nor shall Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in their property. The foregoing covenants shall run with the land.
 - a. All deeds, leases or contracts made relative to the Site, improvements thereon, or any part thereof, shall contain or be subject to substantially the following non-discrimination or non-segregation clauses:

- b. In deeds: "Grantee herein covenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, religion, national origin, sex, sexual orientation, AIDS, AIDS-related condition, age, marital status, disability or handicap, or Vietnam Era veteran status in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the land herein conveyed, nor shall Grantee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."
 - c. In leases: "The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and this lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, religion, national origin, sex, sexual orientation, AIDS, AIDS-related condition, age, marital status, disability or handicap, or Vietnam Era veteran status in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein leased."
 - d. In contracts: "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, religion, national origin, sex, sexual orientation, AIDS, AIDS-related condition, age, marital status, disability or handicap, or Vietnam Era veteran status in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."
6. Covenant to Maintain the Driveway. Grantee, its successors and assigns, hereby covenants to maintain, without expense to Grantor or Agency, the

driveway (the "Driveway") currently existing on Lot 18 and adjacent to the Site in a clean condition, free of dirt, mud, trash, debris or other matters which are unsightly to the same standard as the standards established for public parking facilities operated by Grantor or Agency in the Downtown Parking District, and in compliance with all applicable laws. All repairs and replacement of all or any portion of the Driveway shall be with concrete. Grantee shall not be obligated to improve or replace the Driveway; Grantee's obligation being limited to maintaining the Driveway in good condition and repair. The Driveway is and shall remain the property of Grantor.

- a. Performance of Maintenance. To accomplish the maintenance, repair or replacement, the Grantee shall either staff or contract with qualified and if required by law, licensed personnel to perform the maintenance work, including the provision of labor, equipment, materials, and any and all other items necessary to comply with the requirements of this Grant of Easements. In addition to Grantee's rights as a member of the public, Grantor grants to Grantee a right to enter the Driveway as required to perform its obligations under this paragraph 6.
- b. Failure to Maintain Driveway. In the event the Grantee does not maintain, repair or replace the Driveway in the manner set forth herein, the Grantor and/or Agency shall have the right to perform such maintenance or to contract for the correction of such deficiencies, with or without notice to the Grantee. However, in order to charge Grantee for the costs to correct such maintenance or repair obligation, prior to taking any such action the Grantor and Agency agree to notify the Grantee in writing if the condition of said Driveway does not meet with the standards set forth herein and to specify the deficiencies and the actions required to be taken by the Grantee to cure the deficiencies. Upon notification of any maintenance deficiency, the Grantee shall have thirty (30) days within which to commence, and thereafter diligently correct, remedy or cure the deficiency. If the written notification states the problem is urgent and relates to public health and safety, the Grantee shall have forty-eight (48) hours to commence to rectify the problem.
- c. Right to Maintain. Grantor and Agency reserve the right to perform the maintenance, repair and replacement of the Driveway, as determined by Grantor and Agency in their sole discretion. In the event the Grantee fails to correct, remedy, or cure or has not commenced correcting, remedying or curing such maintenance deficiency after notification and after a reasonable period for correction has lapsed, then the Grantor and/or Agency shall have the right to charge Grantee for the reasonable costs of

such maintenance or repair. The Grantee agrees to pay the Grantor and/or Agency such charges and costs within thirty (30) days after receipt of a written invoice therefor; amounts not timely paid shall bear interest at the maximum lawful rate from the due date until paid.

- d. Indemnity. Grantee agrees to and shall indemnify, defend and hold Grantor and Agency harmless from and against all liability, loss, damage, costs or expenses (including attorneys' fees and court costs) arising from or as a result of Grantee's performance of its obligations under this paragraph. Grantee's indemnity obligations under this paragraph shall survive the expiration or termination, for any reason, of this Grant of Easements.

7. Not Defeat a Mortgage. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant of Easements shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other security instrument permitted by this Grant of Easements and made in good faith and for value; provided, however, that any subsequent owner of the Easements shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such owner's title was acquired by foreclosure, trustee's sale or otherwise.

8. Certificate of Completion. Following completion of the Improvements on the Site, and Grantor's or Agency's determination that the completed Improvements comply with the OPA and the covenants contained herein, Grantor shall record the Certificate of Completion. Following the recording of said Certificate of Completion, the only ongoing obligation of Grantee, and its successors and assigns, shall be the obligations as set forth in paragraph 5 hereof, which covenants against discrimination shall remain in perpetuity and those covenants in paragraph 6 hereof regarding maintenance of the Driveway, which covenants shall remain in effect until these easements are terminated pursuant to paragraph 12 below.

9. Covenants for Benefit of Grantor. All covenants without regard to technical classification or designation shall be binding on Grantee, its successors and assigns, and for the benefit of Grantor and such covenants shall run in favor of Grantor for the entire period during which such covenants shall be in force and effect, without regard to whether Grantor is or remains an owner of any land or interest therein to which such covenants relate. Grantor, in the event of any breach of any such covenant, shall have the right to exercise all the rights and remedies, and to maintain any action at law or suits in equity or other proper proceedings to enforce the curing of such breach.

10. No Forfeiture. All covenants contained in this Grant of Easements shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title.
11. No Merger. None of the terms, covenants, agreements, or conditions heretofore agreed upon in writing in other instruments between the parties to this Grant of Easements with respect to obligations to be performed, kept or observed in respect to the Easements after this conveyance of the Easements shall be deemed to be merged with this Grant of Easements.
12. Termination. Grantee's rights in the Easements granted pursuant to the provisions of paragraph 1 shall terminate:
 - a. Upon termination of the OPA if the OPA is terminated prior to recordation of a Certificate of Completion for the Project; or
 - b. After the recordation of a Certificate of Completion for the Site, upon the occurrence of any of the following:
 - i. upon execution and recording of an agreement so abandoning or terminating Grantee's rights in the Easements by the owners of the dominant and servient tenements, even if they are the same party; Grantor will not unreasonably withhold its consent to terminating any of the Easements created hereby; or
 - ii. when a habitable structure is no longer maintained on the Grantee's Parcels, and Grantee has not, within ninety (90) days of City's or Agency's written request, agreed to undertake the improvement, repair or replacement of such structure.
 - c. Upon termination of the easements, Grantor shall prepare and Grantee shall execute a quitclaim deed or other appropriate instrument in recordable form for recordation in the official records.
13. Mortgages.
 - a. Mortgages on Dominant Tenement and Easement Areas. Grantee shall have the right to mortgage, pledge, deed in trust or assign (for purposes of security if required by any mortgagee) its interest in the Easements (provided such mortgage also encumbers the Grantee's Parcels), or otherwise encumber the Easements and the Grantee's Parcels, and/or the

interest of Grantee hereunder, and to assign or pledge the same as security for a debt secured by the Grantee's Parcels and the portions of Lot 18 subject to the Easements through a mortgage.

- b. Covenants and Restrictions. All rights acquired by a mortgagee shall be subject to each and all of the covenants, conditions and restrictions set forth in this Easement, and to all rights of Grantor hereunder, none of which covenants, conditions and restrictions is or shall be waived by Grantor by reason of the giving of such mortgage.
 - c. Grantor's Fee Title. No provision hereof authorizing encumbrance of Grantee's interest herein shall be construed to authorize encumbrance of Grantor's fee title to the Servient Tenement, and Grantee shall not by any act or deed cloud Grantor's fee title.
14. Nonsubordination of Fee Interest and Reversionary Rights. Grantor's interest in the portions of Lot 18 subject to the Easements under this Grant of Easement is a vested reversionary interest. Grantor's fee title to the Servient Tenement, or any part thereof, including all rights and appurtenances, and the reversionary interest hereby retained, shall not be subordinate to, or pledged to the payment of, any mortgage, deed of trust, other security instrument or other obligation of Grantee.
15. General Provisions.
- a. Notices, Demands and Communications Between the Parties. Formal notices, demands and communications between Grantor and Grantee shall be deemed sufficiently given three (3) days after deposit in the U.S. Mail if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the addressees as set forth below:

If to Grantor: The City of Long Beach
 Community Development Department
 333 West Ocean Boulevard, 3rd Floor
 Long Beach, California 90802
 Attn: Director
 Telecopy: (562) 570-6215

With a copy to: Office of the City Attorney
City of Long Beach
333 West Ocean Boulevard, 11th Floor
Long Beach, California 90802
Attn: Assistant City Attorney
Telecopy: (562) 436-1579

If to Grantee: Promenade Loft Partners, LLC
c/o Urban Pacific Builders, LLC
244 Pine Avenue
Long Beach, California 90802
Attention: Scott K. Choppin
Telecopy: (562) 590-5601

Any party can notify the other party of their change of address by notifying the other party in writing of the new address.

- b. Attorney's Fees. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out of court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including actual attorneys' fees. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit, including actual attorneys' fees (collectively "Costs") incurred in enforcing, perfecting and executing such judgment. For the purposes of this paragraph, Costs shall include, without limitation, attorneys' fees, costs and expenses incurred in (i) postjudgment motions, (ii) contempt proceeding, (iii) garnishment, levy, and debtor and third party examination, (iv) discovery, and (v) bankruptcy litigation.
- c. Severability. If any provision of this Grant of Easement shall be adjudged invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Grant of Easement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.
- d. Binding Effect. This Easement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to

the benefit of the parties hereto and their respective legal representatives, successors and assigns. If a condominium map is recorded against the Site, and one or more individual residential units are sold as condominium units, then Grantee's successor in interest shall be the homeowner's association for the Project.

16. Amendment. Both before and after recording of the Certificate of Completion, only Grantor, its successor, and assigns, and Grantee and the successor and assigns of Grantee in and to all or any part of the title to the Easements, shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or other restrictions contained in this Grant of Easements or to subject the Easements to additional covenants, easements, or other restrictions without the consent of any tenant, lessee, easement holder or licensee. The covenants contained in this Grant of Easements without regard to technical classification or designation shall not benefit or be enforceable by any person, firm, or corporation, public or private, except Grantor, the Agency and Grantee and their respective successors and assigns.
17. Conflict. In the event of an express conflict between this Grant of Easements and the OPA, this Grant of Easements shall prevail.

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunder duly authorized, as of this ____ day of _____, 200__.

GRANTOR

THE CITY OF LONG BEACH, a charter city
and municipal corporation

By: _____
Its: _____

Approved as to form this ____ day of _____, 200__.

ROBERT E. SHANNON, City Attorney
of the City of Long Beach

By: _____
Assistant

Grantee hereby accepts and approves each of the covenants, conditions and restrictions set forth in this Grant of Easements.

GRANTEE

PROMENADE LOFT PARTNERS, LLC, a California limited liability company

By: Urban Pacific Builders, LLC, a California limited liability company, its sole member

By: _____
Scott K. Choppin, its Managing Member

By: _____
Mark F. Tolley, its Managing Member

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

On this _____ day of _____, 200____, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____ (Seal)
Notary's Signature

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

On this _____ day of _____, 200____, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____ (Seal)
Notary's Signature

Exhibit "A"

Legal Description of Lot 18

LOT 18 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1261 PAGES 31 THROUGH 34 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Exhibit "B"

Legal Description of the Stairway Easement Parcel

[Note: below is per Urban Pac's surveyor; review prior to Close of Escrow.]

AN EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY, SOUTHWEST CORNER OF SAID LOT 18; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 18 NORTH 89°58'13" EAST 4.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID SOUTHERLY LINE PARALLEL WITH THE WESTERLY LINE OF SAID LOT 18, NORTH 00°00'49" WEST 48.43 FEET TO A POINT ON THE NORTHERLY LINE OF LOT 17A OF SAID TRACT NO. 53306; THENCE ALONG SAID NORTHERLY LINE EAST 13.00 FEET; THENCE LEAVING SAID NORTHERLY LINE PARALLEL WITH THE WESTERLY LINE OF SAID LOT 18, SOUTH 00°00'49" EAST 48.43 FEET TO THE SOUTHERLY LINE OF SAID LOT 18; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 18 SOUTH 89°58'13" WEST 13.00 FEET TO THE TRUE POINT OF BEGINNING.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

Exhibit "C"

Legal Description of the Encroachment Easement Parcel

[Note: legal description per Urban Pacific's surveyor; review prior to Close of Escrow.]

AN EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, COMMENCING AT THE NORTHWESTERLY CORNER OF LOT 17 OF SAID TRACT NO. 53306; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 17 EAST 125.76 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID NORTHERLY LINE, CONTINUING EAST 25.33 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 17; THENCE ALONG SAID NORTHERLY LINE SOUTH 9.15 FEET; THENCE LEAVING SAID NORTHERLY LINE WEST 25.33 FEET TO A POINT ON SAID NORTHERLY LINE; THENCE ALONG SAID NORTHERLY LINE NORTH 9.15 FEET TO THE TRUE POINT OF BEGINNING.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

Exhibit "D"

Legal Description of the Open Space Easement Parcel

[Note: below is per Urban Pac's surveyor; review prior to Close of Escrow.]

AN OPEN SPACE EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 17A OF SAID TRACT NO. 53306; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 17A EAST 194.90 FEET; THENCE LEAVING SAID NORTHERLY LINE, CONTINUING EAST 25.33 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 17A; THENCE ALONG SAID NORTHERLY LINE EAST 38.77 FEET TO THE NORTHEASTERLY CORNER OF SAID LOT 17A; THENCE LEAVING SAID NORTHERLY LINE NORTH 5.00 FEET; THENCE PARALLEL WITH SAID NORTHERLY LINE WEST 259.00 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 18; THENCE ALONG SAID WESTERLY LINE SOUTH 00°00'49" EAST 5.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LOT 18 LYING BELOW ELEVATION 58.8 FEET.

THE VERTICAL DATUM FOR SAID TRACT NO. 53306 AND THIS DESCRIPTION ARE BASED ON CITY OF LONG BEACH BENCH MARK No. 240, HAVING AN ELEVATION OF 34.27.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

EXHIBIT "E"

Legal Description of the Exclusive Access Easement Parcel

[Note: below is per Urban Pac's surveyor; review prior to Close of Escrow.]

AN EXCLUSIVE ACCESS EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 18 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEASTERLY CORNER OF LOT 17A OF SAID TRACT NO. 53306; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 17A WEST 18.34 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE WEST 20.43 FEET; THENCE LEAVING SAID NORTHERLY LINE, CONTINUING WEST 22.57 FEET; THENCE NORTH 10.00 FEET; THENCE PARALLEL WITH THE NORTHERLY LINE OF SAID LOT 17A EAST 43.00 FEET; THENCE AT RIGHT ANGLES TO SAID NORTHERLY LINE SOUTH 10.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LOT 18 LYING BELOW ELEVATION 53.3 FEET.

THE VERTICAL DATUM FOR SAID TRACT NO. 53306 AND THIS DESCRIPTION ARE BASED ON CITY OF LONG BEACH BENCH MARK No. 240, HAVING AN ELEVATION OF 34.27 FEET.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

Exhibit "F"

Legal Description of the Grantee's Parcels

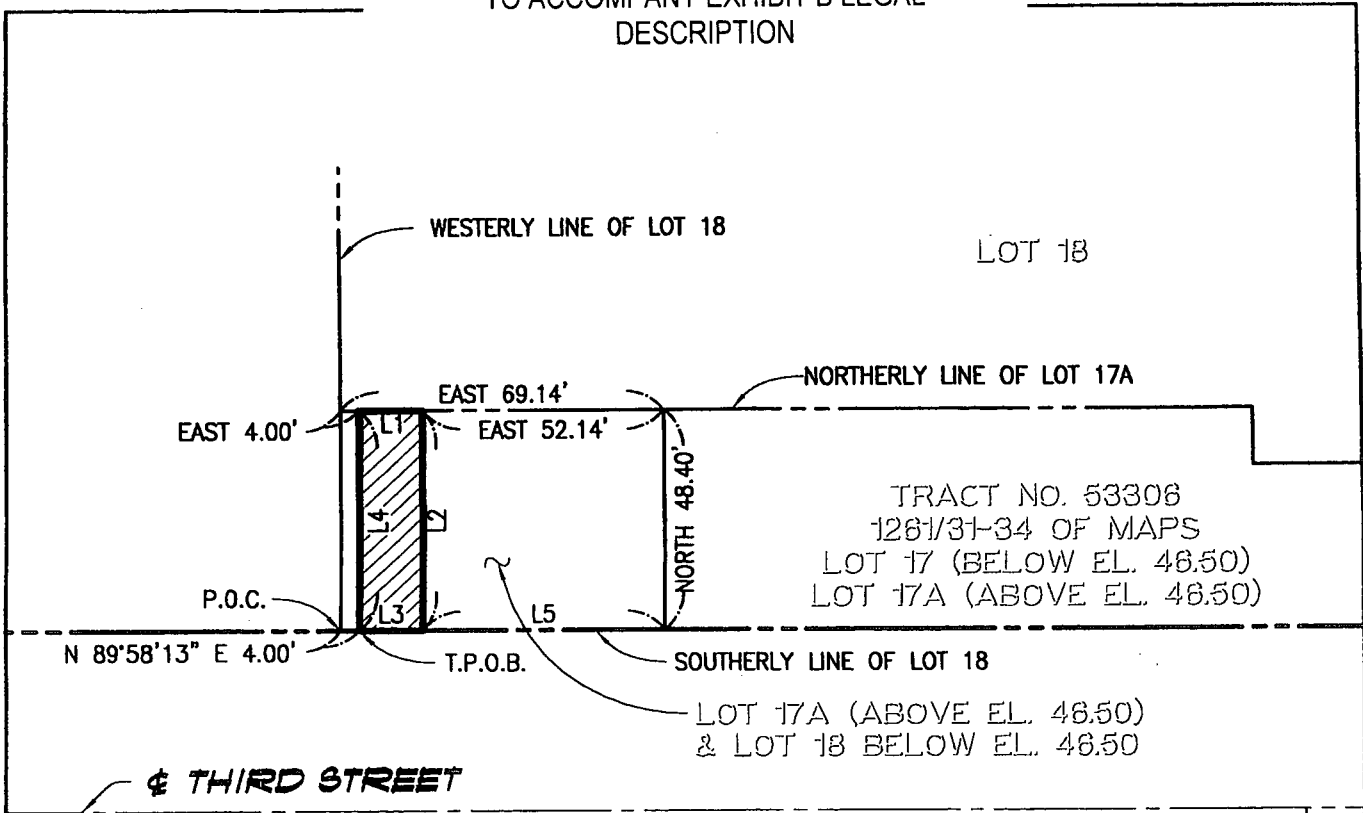
LOTS 17 AND 17A OF TRACT NO. 53306, IN THE CITY OF LONG BEACH,
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP
RECORDED IN BOOK 1261 PAGES 31 THROUGH 34 OF MAPS, IN THE
OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT E-F-1

Exhibit "G"

Depiction of the Grantee's Parcels and the Easements

EXHIBIT G-1
TO ACCOMPANY EXHIBIT B LEGAL
DESCRIPTION



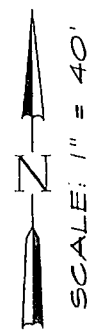
TRACT NO. 53306
1261/31-34 OF MAPS
LOT 17 (BELOW EL. 46.50)
LOT 17A (ABOVE EL. 46.50)

N 89°58'13" E 4.00'

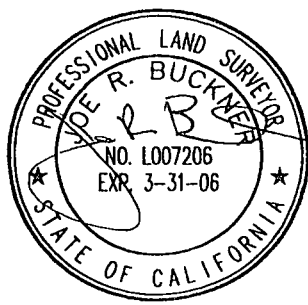
& THIRD STREET

LOT 17A (ABOVE EL. 46.50)
& LOT 18 BELOW EL. 46.50

& THE PROMENADE
NORTH

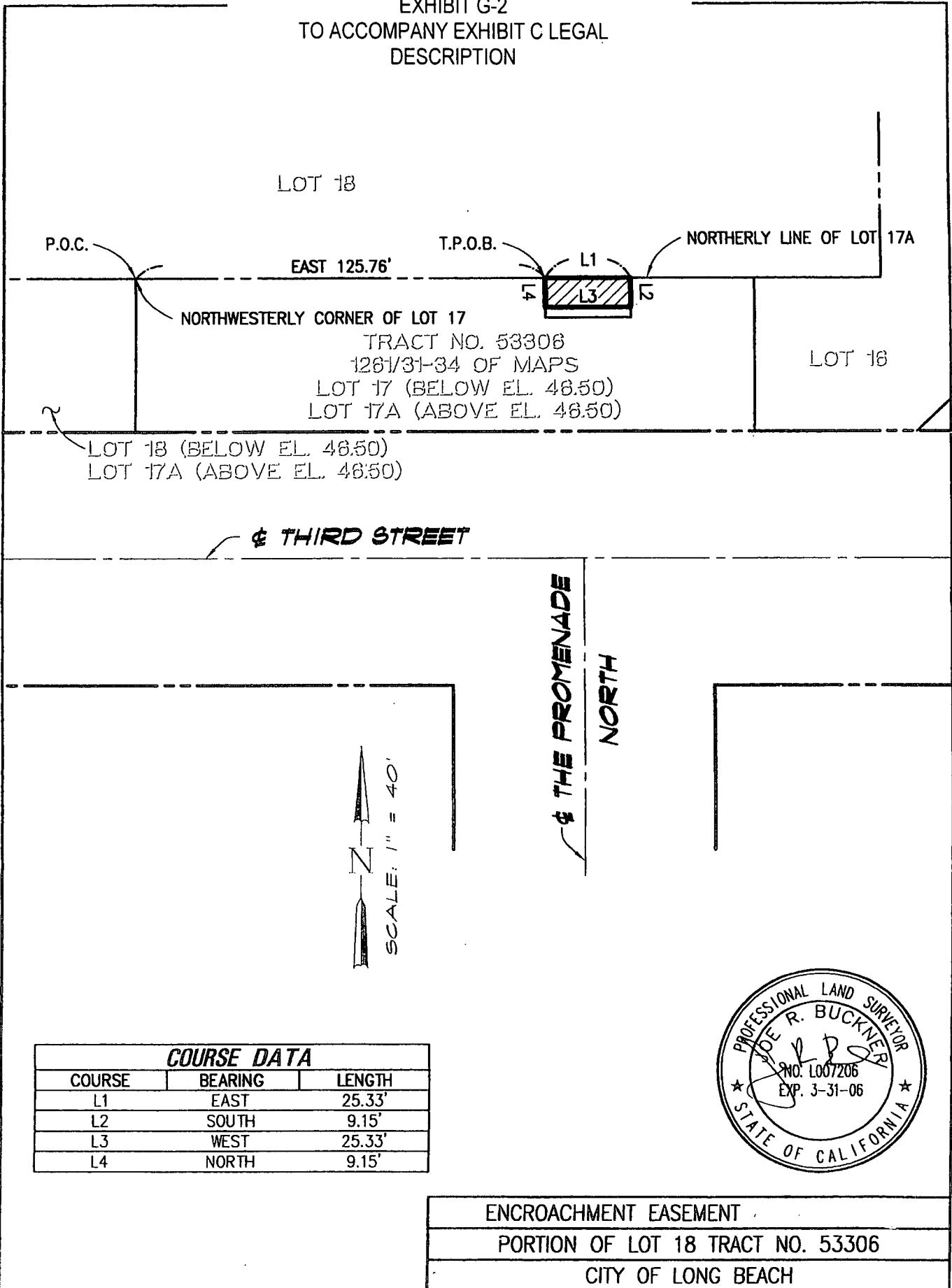


COURSE DATA		
COURSE	BEARING	LENGTH
L1	WEST	13.00'
L2	N 00°00'49" W	48.43'
L3	N 89°58'13" E	13.00'
L4	N 00°00'49" W	48.43'



STAIRWAY EASEMENT
PORTION OF LOT 18 TRACT NO. 53306
CITY OF LONG BEACH

EXHIBIT G-2
 TO ACCOMPANY EXHIBIT C LEGAL
 DESCRIPTION



LOT 18

P.O.C.

EAST 125.76'

T.P.O.B.

NORTHERLY LINE OF LOT 17A

NORTHWESTERLY CORNER OF LOT 17

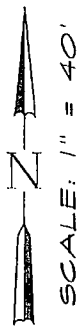
TRACT NO. 53306
 1261/31-34 OF MAPS
 LOT 17 (BELOW EL. 46.50)
 LOT 17A (ABOVE EL. 46.50)

LOT 16

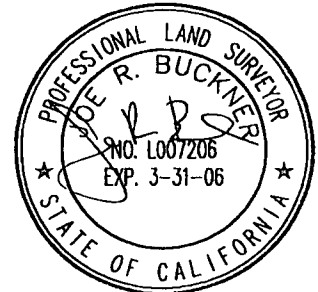
LOT 18 (BELOW EL. 46.50)
 LOT 17A (ABOVE EL. 46.50)

THIRD STREET

THE PROMENADE
 NORTH

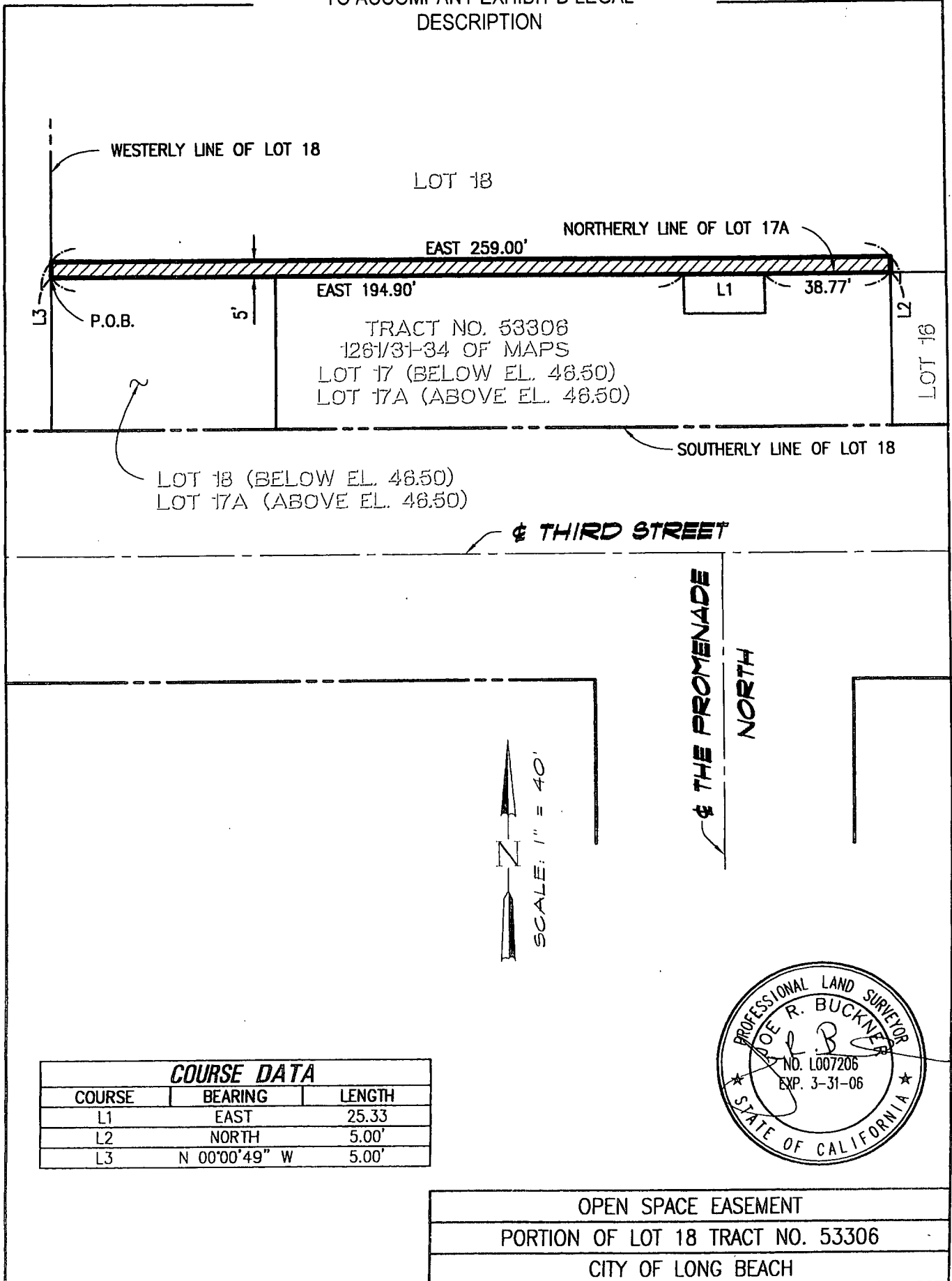


COURSE DATA		
COURSE	BEARING	LENGTH
L1	EAST	25.33'
L2	SOUTH	9.15'
L3	WEST	25.33'
L4	NORTH	9.15'



ENCROACHMENT EASEMENT
 PORTION OF LOT 18 TRACT NO. 53306
 CITY OF LONG BEACH

EXHIBIT G-3
 TO ACCOMPANY EXHIBIT D LEGAL
 DESCRIPTION

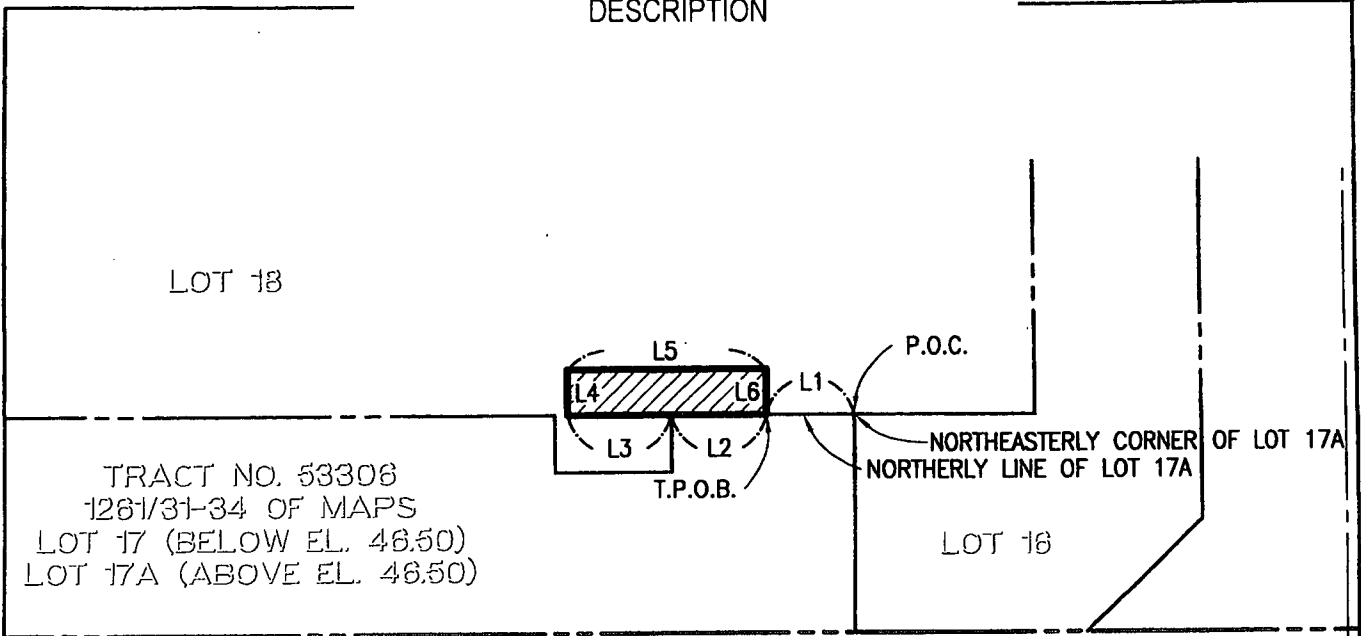


COURSE DATA		
COURSE	BEARING	LENGTH
L1	EAST	25.33
L2	NORTH	5.00'
L3	N 00°00'49" W	5.00'



OPEN SPACE EASEMENT
 PORTION OF LOT 18 TRACT NO. 53306
 CITY OF LONG BEACH

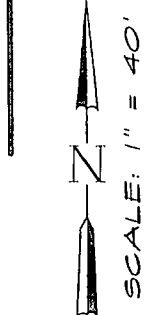
EXHIBIT G-4
 TO ACCOMPANY EXHIBIT E LEGAL
 DESCRIPTION



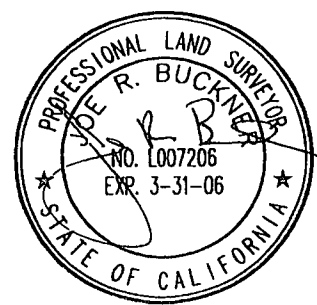
TRACT NO. 53306
 1261/31-34 OF MAPS
 LOT 17 (BELOW EL. 46.50)
 LOT 17A (ABOVE EL. 46.50)

THIRD STREET

THE PROMENADE
 NORTH



COURSE DATA		
COURSE	BEARING	LENGTH
L1	WEST	18.34'
L2	WEST	20.43'
L3	WEST	22.57
L4	NORTH	10.00'
L5	EAST	43.00'
L6	SOUTH	10.00'



EXCLUSIVE ACCESS EASEMENT
 PORTION OF LOT 18 TRACT NO. 53306
 CITY OF LONG BEACH

EXHIBIT G-5
TO ACCOMPANY EXHIBIT F LEGAL
DESCRIPTION

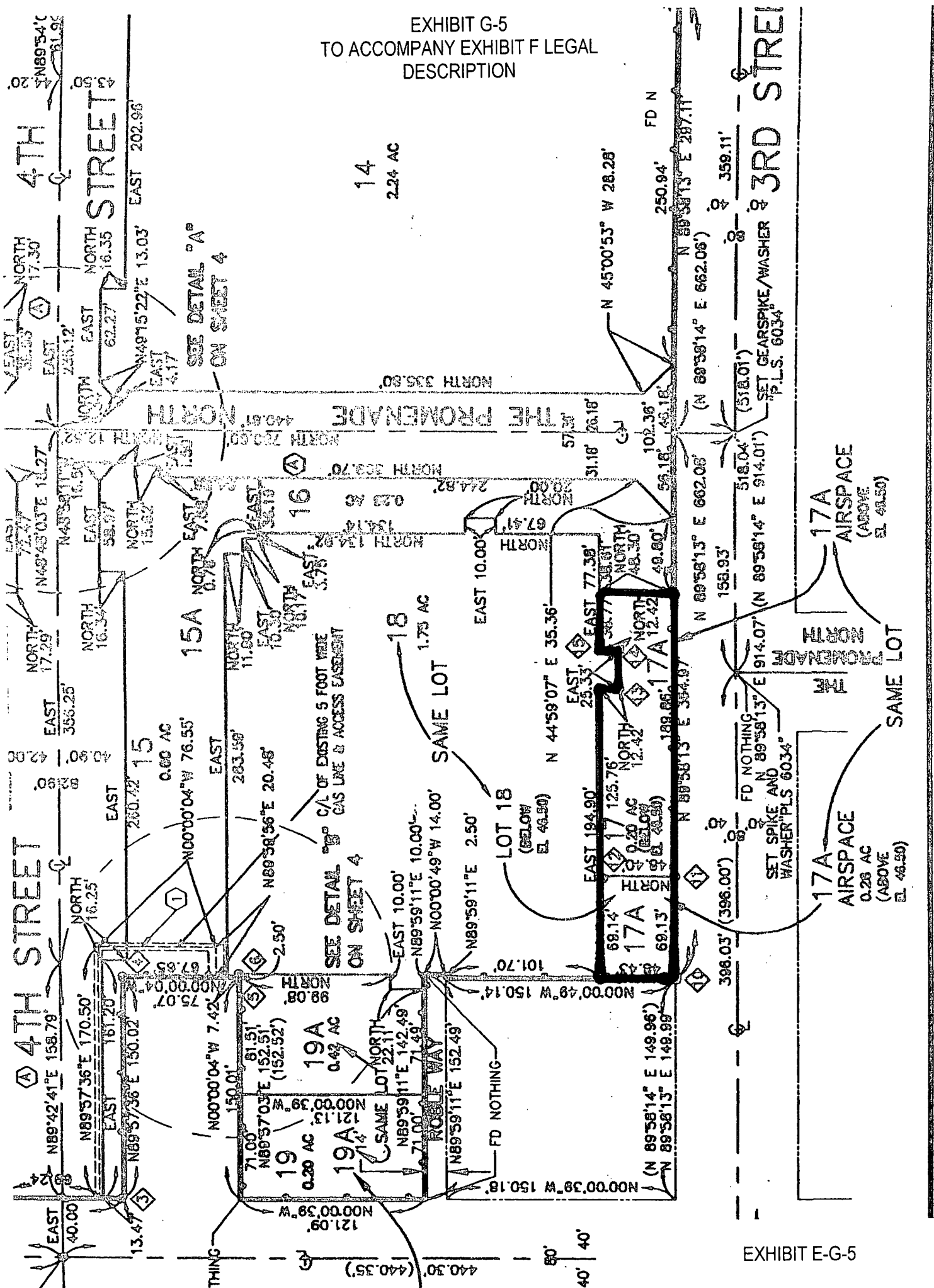


EXHIBIT F

Recording Requested By
and When Recorded Return to:

The City of Long Beach
Community Development Department
333 West Ocean Blvd., Third Floor
Long Beach, California 90802
Attention: Director

Recording of this document is fee-exempt
Under Government Code Section 6103
No Documentary Transfer Tax is due on this transfer
pursuant to Revenue and Taxation Code Section 11922

MURAL VIEW EASEMENT AND COVENANTS AGREEMENT

THIS MURAL VIEW EASEMENT AND COVENANTS AGREEMENT ("Agreement") is entered into as of this ____ day of _____, 200____, by and between PROMENADE LOFT PARTNERS, LLC, a California limited liability company ("Owner" or "Grantor") and THE CITY OF LONG BEACH, a charter city and municipal corporation ("City" or "Grantee"), with reference to the following:

A. Owner is the owner of the real property in the City of Long Beach, County of Los Angeles, State of California (hereinafter referred to as the "Property"), legally described in Exhibit A, attached hereto and incorporated herein by this reference; and

B. Owner, City, the Redevelopment Agency of the City of Long Beach ("Agency") and Coventry Long Beach Plaza LLC, a Delaware limited liability company, are parties to that certain Assignment and Assumption Agreement, Consent and Amendment to Owner Participation Agreement dated as of _____, 2005 (the "OPA"), pursuant to which Owner has agreed to undertake, among other obligations, the obligation to maintain and provide view and access easements in connection with a tile mural (the "Mural") adjacent to the Property, as more specifically provided in this Agreement. The Mural has been designated as a Long Beach Historic Landmark by the Long Beach Cultural Heritage Commission.

C. By this Agreement the Grantor intends to grant easements as necessary and appropriate to fulfill its obligations pursuant to the OPA.

NOW, THEREFORE, OWNER AND CITY COVENANT AND AGREE AS FOLLOWS:

1. Grant of Easements.

a. View and Access Easements. Grantor hereby grants to Grantee for its benefit and the benefit of the general public, an easement over portions of Lots 17 and 17A legally described at Exhibit B hereto (the "View and Access Easement Parcels") for the purposes of viewing the Mural and accessing the Mural and the parking structure located on Lot 18 of Tract No. 53306 ("Parking Structure C") from 3rd Street. The View and Access Easement Parcels consist of the Mural and Public Access Easement and the Public Access Easement, as legally described at Exhibit B.

b. Easement for Repair. Grantor hereby grants to Grantee for its benefit an easement to enter the View and Access Easement Parcels for the purpose of maintaining or repairing the Mural.

c. Easements Non-Exclusive and in Gross. The easements granted hereby are non-exclusive and are easements in gross.

d. No Easement by Implication. Neither the execution of this Agreement, nor the grant of easements over the View and Access Easement Parcels shall be deemed to grant any easement to any third party or to establish any easement by implication, and the parties hereby agree that the only easements made and conveyed by the parties hereto are those easements which are expressly granted herein.

e. No Prescriptive Rights. The parties agree that this Agreement may be terminated in accordance with its terms and conditions and that no prescriptive rights may be acquired in the View and Access Easement Parcels. Owner expressly reserves the right to post and record owner's notices as provided in Sections 813 and 1008 of the California Civil Code.

f. Covenants Run with the Land. Each and all of the covenants and conditions contained herein shall run with and bind the Property, shall be for the benefit of City and the general public, and shall be binding upon Owner and its successors.

2. No Merger. None of the terms, covenants, agreements, or conditions heretofore agreed upon in writing in other instruments between the parties to this Agreement with respect to obligations to be performed, kept or observed in respect to the Property after this grant of easements shall be deemed to be

merged with this Agreement.

3. Nonsubordination of Fee Interest and Reversionary Rights. Owner's interest in the Property encumbered by this Agreement is a vested reversionary interest. Owner's fee title to Lots 17 and 17A, or any part thereof, including all rights and appurtenances, and the reversionary interest hereby retained, shall not be subordinate to, or pledged to the payment of, any mortgage, deed of trust, other security instrument or other obligation of City or its successors.
4. Maintenance of the Mural and the View and Access Easement Parcels. Owner and every successor in interest to the Property hereby covenants for the benefit of City and the general public:
 - a. to maintain, without expense to City or Agency, the Mural and the View and Access Easement Parcels in a clean condition, free of dirt, mud, trash, debris, graffiti or other matters which are unsightly, and to repair or replace immediately any damaged ceramic tile on the face of the Mural with matching tile, and otherwise in compliance with all applicable laws; Owner shall not be obligated to replace the Mural; Owner's obligation is simply to maintain the Mural in the aforesaid state;
 - b. to illuminate the Mural in accordance with a lighting design plan approved by the Cultural Heritage Commission to allow the general public to view the Mural at all times;
 - c. to allow free access between 3rd Street and the Mural, and between 3rd Street and Parking Lot C, at all times; there shall be no enclosure at the courtyard entry; the courtyard will remain open and accessible to the public at all times;
 - d. to maintain within the Mural and Public Access Easement area a signage program approved by the Cultural Heritage Commission interpreting the history of the Mural; and
 - e. to protect the Mural during construction of any kind around and adjacent to the Mural pursuant to a plan prepared by a qualified professional art conservator acceptable to the Director of Community Development.
5. Performance of Maintenance. To accomplish the maintenance and repair of the Mural and the View and Access Easement Parcels, the Owner shall either staff or contract with qualified and if required by law, licensed personnel to perform the maintenance work, including the provision of labor, equipment, materials, and any and all other items necessary to comply with the requirements of this

Agreement.

- a. Failure to Maintain Mural and View and Access Easement Parcels. Owner acknowledges and agrees that if Owner fails to maintain, repair, illuminate or allow access to the Mural and Parking Lot C as provided in this Agreement, City or Agency may exercise those remedies available to the Agency pursuant to the Agreement Containing Covenants Affecting Real Property dated September 21, 2001, and recorded in the official records of Los Angeles County on September 24, 2001 as instrument number 01-1799118. Those remedies include, without limitation, the right for Agency or City to enter the Property and maintain the Mural, to charge Owner for its costs and, if such costs are not reimbursed, to impose a lien against the Property to secure payment of such costs.
 - b. Right to Maintain. Owner hereby grants to Agency and City the right to enter the View and Access Easement Parcels to perform the maintenance and repair of the Mural and View and Access Easement Parcels, as determined by Agency and City in their sole discretion.
 - c. Indemnity. Owner agrees to and shall indemnify, defend and hold Agency and City harmless from and against all liability, loss, damage, costs or expenses (including attorneys' fees and court costs) arising from or as a result of Owner's performance of its obligations under paragraphs 4 and 5. Owner's indemnity obligations under this paragraph shall survive the expiration or termination, for any reason, of this Agreement. In addition, City agrees to and shall indemnify, defend and hold Owner harmless from and against all liability, loss, damage, costs or expenses (including attorneys' fees and court costs) arising from or as a result of City's or Agency's maintenance or repair of the Mural. City's indemnity obligations under this paragraph shall survive the expiration or termination, for any reason, of this Agreement.
6. Rights of a Mortgagee. The provisions of this Agreement do not limit the right of any mortgagee or beneficiary under a deed of trust which secures construction or permanent financing (a "Mortgage") to foreclose or otherwise enforce any Mortgage, or other encumbrance upon the Property or any portion thereof, or the right of any mortgagee or beneficiary under a deed of trust to exercise any of its remedies for the enforcement of any pledge or lien upon the Property, provided, however, that in the event of any foreclosure, under any such Mortgage or other lien or encumbrance, or a sale pursuant to any power of sale included in any such Mortgage, the purchaser or purchasers and their successors and assigns and the Property shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants contained herein.

7. Termination. City's rights in the View and Access Easement Parcels granted pursuant to this Agreement shall terminate:
- a. upon execution by both City and Owner and recording of an agreement so abandoning or terminating City's rights in the View and Access Easement Parcels; or
 - b. when, with the consent of City, the Mural is no longer maintained on Lot 18; or
 - c. when a habitable structure is no longer maintained on the Property and Owner has not, within one hundred eighty (180) days of City's or Agency's written request, agreed to undertake the improvement, repair or replacement of such structure.

Upon termination of the easements, City shall prepare and execute a quitclaim deed or other appropriate instrument in recordable form for recordation in the official records.

8. General Provisions.

- a. Notices, Demands and Communications Between the Parties. Formal notices, demands and communications between Grantor and Owner shall be deemed sufficiently given three (3) days after deposit in the U.S. Mail if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the addressees as set forth below:

If to City: The City of Long Beach
 Community Development Department
 333 West Ocean Boulevard, 3rd Floor
 Long Beach, California 90802
 Attn: Director
 Telecopy: (562) 570-6215

With a copy to: Office of the City Attorney
 City of Long Beach
 333 West Ocean Boulevard, 11th Floor
 Long Beach, California 90802
 Attn: Assistant City Attorney
 Telecopy (562) 436-1579

If to Owner: Promenade Loft Partners, LLC
c/o Urban Pacific Builders, LLC
244 Pine Avenue
Long Beach, California 90802
Attention: Scott K. Choppin
Telecopy: (562) 590-5601

Any party can notify the other party of their change of address by notifying the other party in writing of the new address.

- b. Attorney's Fees. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out of court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including actual attorneys' fees. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit, including actual attorneys' fees (collectively "Costs") incurred in enforcing, perfecting and executing such judgment. For the purposes of this paragraph, Costs shall include, without limitation, attorneys' fees, costs and expenses incurred in (i) postjudgment motions, (ii) contempt proceeding, (iii) garnishment, levy, and debtor and third party examination, (iv) discovery, and (v) bankruptcy litigation.
- c. Agreement Non-assignable. This Agreement shall not be assigned. Any purported assignment of this Agreement or of any interest in this Agreement shall be void and of no effect.
- d. Severability. If any provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.
- e. Binding Effect; Successors. This Agreement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. If a condominium map is recorded against the Property, and one or more individual residential units are sold as condominium units, then Owner's successor-in-interest shall be the homeowner's association for the improvements constructed on the

Property.

9. Beneficiaries. City and Agency, and their respective successors and assigns, are deemed the beneficiaries of the covenants contained herein, without regard to technical classification and designation. The covenants shall run in favor of the City and Agency, and their respective successors and assigns, without regard to whether the City or Agency have been, remain, or are an owner of any land or interest therein.
10. Covenants to Run with the Land. The provisions contained herein are covenants running with the land and shall bind the Owner and the successors-in-interest of the Owner to the Property. If a condominium map is recorded against the Property and one or more condominium units are sold, Owner's successor in interest for purposes of this Agreement shall be the homeowner's association for the improvements constructed on the Property.
11. Amendments; No Third Party Beneficiaries. Only City, its successor, and assigns, and Owner and the successors of Owner in and to all or any part of the fee title to the Property, shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or other restrictions contained in this Agreement or to subject the Property to additional covenants, easements, or other restrictions without the consent of any tenant, lessee, easement holder or licensee. The covenants contained in this Agreement without regard to technical classification or designation shall not benefit or be enforceable by any person, firm, or corporation, public or private, except the City, Agency and Owner and their respective successors and assigns.

IN WITNESS WHEREOF, the City and the Owner have executed this Agreement.

THE CITY OF LONG BEACH, a charter city and municipal corporation

By: _____
Its: _____

Approved as to form this ____ day of _____, 2005.

ROBERT E. SHANNON, City Attorney of the City of Long Beach.

By: _____
Assistant

OWNER

PROMENADE LOFT PARTNERS, LLC, a California limited liability company

By: Urban Pacific Builders, LLC, a California limited liability company, its sole member

By: _____
Scott K. Choppin, its Managing Member

By: _____
Mark F. Tolley, its Managing Member

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

On this _____ day of _____, 200____, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary's Signature (Seal)

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

On this _____ day of _____, 200____, before me, a Notary Public in and for said State, duly commissioned and sworn, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary's Signature (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LOTS 17 AND 17A OF TRACT NO. 53306 IN THE CITY OF LONG BEACH, STATE OF CALIFORNIA, AS PER THE MAP RECORDED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT B

LEGAL DESCRIPTION OF THE VIEW AND ACCESS EASEMENT PARCELS

[Note: these legal descriptions are from UP's surveyor; review prior to Close of Escrow.]

Parcel 1, The Mural and Public Access Easement:

THAT PORTION OF LOTS 17 AND 17A OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERLY CORNER OF SAID LOT 17; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 17 SOUTH 89°58'13" WEST 35.17 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 89°58'13" WEST 32.53 FEET; THENCE LEAVING SAID SOUTHERLY LINE NORTH 9.02 FEET; THENCE WEST 3.50 FEET; THENCE NORTH 21.35 FEET; THENCE EAST 7.10 FEET; THENCE NORTH 5.55 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 17; THENCE ALONG SAID NORTHERLY LINE EAST 25.33 FEET; THENCE LEAVING SAID NORTHERLY LINE SOUTH 5.55 FEET; THENCE EAST 7.10 FEET; THENCE SOUTH 21.35 FEET; THENCE WEST 3.50 FEET; THENCE SOUTH 9.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LOT 17A LYING ABOVE ELEVATION 71.1 FEET.

THE VERTICAL DATUM FOR SAID TRACT NO. 53306 AND THIS DESCRIPTION ARE BASED ON CITY OF LONG BEACH BENCH MARK No. 240, HAVING AN ELEVATION OF 34.27.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.

Parcel 2, The Public Access Easement:

THAT PORTION OF LOT 17 OF TRACT NO. 53306, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 1261, PAGES 31 THROUGH 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID LOT 17; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 17 EAST 118.69 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE EAST 5.00 FEET; THENCE LEAVING SAID NORTHERLY LINE SOUTH 17.97 FEET; THENCE PARALLEL WITH SAID NORTHERLY LINE WEST 5.00 FEET; THENCE NORTH 17.97 FEET TO THE NORTHERLY LINE OF SAID LOT 17 AND **TRUE POINT OF BEGINNING**.

SUBJECT TO COVENANTS, CONDITIONS, AND EASEMENTS OF RECORD, IF ANY.