

**EXHIBIT B**

Covenants, Conditions and Restrictions

See attached.

**THIS INSTRUMENT IS SUBJECT TO APPROVAL BY THE LOS ANGELES COUNTY  
DEVELOPMENT AUTHORITY PRIOR TO THE EFFECTIVE DATE OF THE  
AMENDED LEASE**

RECORDING REQUESTED BY  
AND AFTER RECORDATION, MAIL TO:

LOS ANGELES COUNTY  
DEVELOPMENT AUTHORITY  
700 West Main Street  
Alhambra, CA 91801  
Attn: Director, Housing Investment  
and Finance Division

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(Space Above Line for Recorder's Use)

This Agreement is recorded at the request and for the benefit of the Los Angeles County Development Authority and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

**COVENANTS, CONDITIONS, AND RESTRICTIONS**

THIS AGREEMENT CONTAINING COVENANTS, CONDITIONS, AND RESTRICTIONS ("Agreement") is executed as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the LOS ANGELES COUNTY DEVELOPMENT AUTHORITY ("LACDA"), by and through the County of Los Angeles (the "County") through its DEPARTMENT OF REGIONAL PLANNING ("DRP"), and THE DEPARTMENT OF BEACHES & HARBORS ("DBH") (LACDA, DRP and DBH are sometimes referred to collectively herein as "County"), and MARINA ADMIRALTY COMPANY, a California limited partnership, ("Lessee"), for the real property described as 4600 Via Marina, Parcel 113, Marina Del Rey, California.

WHEREAS, pursuant to that certain Ground Lease dated on or about the date of this Agreement by and between Lessee and the County, Lessee leases from County that certain real property located within the unincorporated area of the County commonly known as 4600 Via Marina or "Marina del Rey Lease Parcel No. 113," Marina del Rey, and more specifically described in Exhibit A attached hereto and hereby made a part hereof (the "Site"). Capitalized terms in this Agreement are defined in Article I of this Agreement.

WHEREAS, pursuant to the Ground Lease, Lessee is renovating the existing apartment complex on the Site (the "Project") in accordance with final plans and specifications approved by the County (the "Final Plans and Specifications"), such renovations anticipated to take place over six (6) years from the date hereof, with upgrades to the interior of apartments (the "Renovation

Work” or “Renovations”) anticipated to occur during turn-over as current tenants move out, at an anticipated rate of approximately 170 renovated units per year.

WHEREAS, the Ground Lease requires that the Lessee enter into a joint agreement with the LACDA, DRP and DBH stipulating that one hundred ninety six (196) of the apartments in the Project must have an affordable rent and shall be designated for Very Low Income Households, in such numbers as are specified in this Agreement, for the life of the Ground Lease (until January 31, 2066).

WHEREAS, the County and Lessee mutually desire and have determined that it is in the public interest to accommodate any Very Low Income Households who have occupied the dwelling unit as the tenant’s actual permanent and primary residence on and continually after November 1, 2018, referred to herein as "Current Residents ".

NOW, THEREFORE, pursuant to, and in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and as required by the Ground Lease approved by the County of Los Angeles, it is hereby promised, covenanted and agreed to as follows:

**ARTICLE 1. DEFINITIONS**

1.1 “Affordable Housing Cost’ means a rental rate which results in monthly payments which, including a utility allowance periodically established by the LACDA does not exceed the following: (a) for a Very Low-Income Household, the product of thirty percent (30%) times fifty percent (50%) of the Area Median Income adjusted for Family Size appropriate to the Designated Unit.

Except to the extent “grandfathered” under state law or otherwise exempted by state law, the foregoing definition of “Affordable Housing Cost” shall be deemed amended to correspond with future amendments of the definition of “affordable rent” in California Health & Safety Code Section 50053. The rental rates for the Designated Units in this Project shall reflect rates, respectively, for studio, one-bedroom, two-bedroom and three-bedroom apartments, as updated and published annually by the Los Angeles County Department of Regional Planning on their website. An example of the “Rent Schedule” is attached hereto as Exhibit B. For purposes of this Agreement the terms “apartment” and “unit” shall be used interchangeably and mean one of the 981 dwelling units in the Project.

1.2 "Affordable Units" shall have the meaning ascribed to such term in paragraph a. of Section 2.1 hereof.

1.3 “Area Median Income” or “AMI” means the median income for Los Angeles/Long Beach Metropolitan Statistical Area as adjusted for family size and published by the California Department of Housing and Community Development (“HCD”) pursuant to Health and Safety Code Section 50053 or any successor entity designated under state law as responsible for establishing such “Area Median Income.”

1.4 “Current Resident” means a household who meets the following criteria: (a) is the named resident under an apartment lease or rental agreement for an apartment in Mariners Village;

(b) occupied the apartment on and continually after November 1, 2018; and (c) remains in compliance with the apartment lease or rental agreement.

1.5 "Designated Unit" shall have the meaning ascribed to such term in paragraph a. of Section 2.1 hereof. Not later than 60 days before the Required Construction Completion Date, Lessee shall provide to County a detailed breakdown of the location of the Designated Units.

1.6 "Eligible Person" or "Eligible Household" means a Very Low-Income person or household who rents a Designated Unit and who intends to occupy said unit as such person's actual permanent and primary residence.

1.7 "Family Size Appropriate to the Designated Unit" shall mean: a household of one or two persons for a studio unit; two or three persons for a one-bedroom unit; three or four persons for a two-bedroom unit; and four or five persons for a three-bedroom unit.

1.8 "Ground Lease" means the Amended and Restated Lease Agreement dated on or about the date of this Agreement by and between Lessee and the County, under which Lessee leases from County that certain real property located within the unincorporated area of the County commonly known as 4600 Via Marina or "Marina del Rey Lease Parcel No. 113," Marina del Rey

1.9 "Household Income" means the current adjusted gross income, as calculated for Federal Income Tax purposes, of an Eligible Person or Household, who is a renter of a Designated Unit and includes the adjusted gross income similarly calculated of all persons who intend to reside permanently within a Designated Unit during the term of the applicable lease established periodically by the DRP.

1.10 "Phasing Plan" means the Lessee proposed plan for the timing of the renovation of the Affordable Units attached to this Agreement as Exhibit C.

1.11 "Reserved Market Rate Unit" means one of the two-hundred forty seven (247) units designated on Exhibit D, attached to this Agreement.

1.12 "Very Low-Income Households" means persons and families whose annual Household Incomes are higher than the maximum annual Household Income for an Extremely Low Income household adjusted for family size appropriate to the Designated Unit and other adjustment factors by HCD, but do not exceed fifty percent (50%) of Area Median Income, adjusted for family size appropriate to the Designated Unit and other adjustment factors by HCD.

## **ARTICLE 2. RENTAL PROVISIONS**

### **2.1 Limitations on Tenants.**

a. Notwithstanding anything to the contrary in this Agreement, Lessee hereby covenants on behalf of itself, and its successors and assigns, which covenant shall run with the land and bind every successor and assign in interest of that Lessee, that, throughout the Term of this Agreement, Lessee and such successors and assigns shall use and operate the Site in accordance with

the terms of this Agreement, the Ground Lease, the Final Plans and Specifications, Lessee's LACDA-approved Mariners Village Affordable Housing Program, and applicable County, State, and local affordable housing laws, regulations, and ordinances. A total of one hundred ninety-six (196) (the "Designated Units" or "Affordable Units") of the 981 total rental dwelling units permitted in the Project shall be income restricted and leased only at an Affordable Housing Cost to Very Low-Income Households. Lessee shall distribute the Affordable Units throughout the Project by unit types (e.g., studio, one-bedroom, two-bedroom and three-bedroom apartments), among the existing buildings in the Project provided however that the Lessee is not required to designate a Reserved Market Rate Unit as an Affordable Unit. From time-to-time during the course of Renovations, and at least once a year, Lessee shall notify County of the actual lease-up of Designated Units by Eligible Households, including the Designated Units occupied by Eligible Households that are Current Residents, if applicable, and, at the time that renovation of (i) fifty percent (50%) of the total units has been completed and (ii) eighty percent (80%) has been completed Lessee shall inform the County if the Lessee has been able to meet the numbers in the Phasing Plan. Lessee and County agree that compliance with the requirements of the Phasing Plan shall be deemed to satisfy the requirements of Section 13.7.1 of the Ground Lease excepting clause (ii) of Section 13.7.1, which shall remain in effect. Not later than 60 days after the Substantial Completion of the residential units in the Project (as defined in the Ground Lease), or the rental of 196 units at Affordable Housing Cost to Eligible Households, whichever occurs first, Lessee shall submit to LACDA a final site plan identifying all of the Designated Units, which shall thereupon be appended to this Agreement as Exhibit E as an administrative amendment to this Agreement, and be incorporated herein by this reference.

b. Lessee shall designate approximately twenty percent (20%) of each unit type (e.g., studio, one-bedroom, two-bedroom and three-bedroom) to be set-aside and rented at Affordable Housing Cost to Eligible Households as the Renovation Work on such units is completed. The Designated Units shall be generally distributed throughout the Project on all levels, be of comparable size and design as the other dwelling units in the Project and shall be made available for leasing to Eligible Households generally at the same time as the other dwelling units in the Project are made available for leasing. Provided, however, but subject nevertheless to the requirement that there shall be 196 Designated Units, Lessee shall not be required to include a Reserved Market Rate Unit as an Affordable Unit. No fewer than ten (10) "Peek-a-Boo" units will be included in the pool of 734 apartments that are not designated as Reserved Market Rate Unit and from which the 196 Designated Units will be provided.

c. Lessee shall specifically provide in each Designated Unit lease and shall enforce the requirement that each Designated Unit be occupied at all times by an Eligible Person who has leased that Designated Unit, and that any other occupants of the Designated Unit be another qualified member of the Eligible Person's household. LACDA shall be identified as a third party beneficiary of that covenant and shall have the right to directly enforce that restriction in the event Lessee fails to do so. Prior to execution of any Designated Unit lease with respect to the Project, Lessee shall submit to LACDA and obtain its written approval of a standard form occupancy lease and Lessee shall thereafter use the approved form for all leases of Designated Units in the Project, with only such further modifications (other than permitted adjustments to Affordable Housing Costs) thereto as are first submitted to and approved in writing by LACDA. LACDA shall provide a written response to Lessee on any submission made by Lessee to LACDA for LACDA's approval under this Section 2.1 within ten (10) business days of such submission. If LACDA does not

provide a written response within such ten (10) day period, Lessee shall send a written notice to LACDA that the submission shall be deemed to be approved by LACDA with no further action required by Lessee, unless the Lessee receives a written disapproval from LACDA within five (5) business days of Lessee's reminder notice.

d. Lessee and County mutually desire to accommodate any Eligible Households who legally occupied as their actual permanent and primary residence any dwelling unit in Mariners Village on and continually after November 1, 2018 and who wish to rent and occupy a Designated Unit at an Affordable Housing Cost and whose household income at the time of tenant selection makes them eligible to rent a Designated Unit of a unit type appropriate to the household. Therefore, notwithstanding any provision to the contrary contained in this Agreement or the Ground Lease, Lessee and County agree as follows:

(i) Prior to the commencement of Renovations, Lessee shall provide notice to all tenants of Mariners Village, in a form to be approved by County, inviting all Current Residents who believe that they may be eligible and wish to be considered for a Designated Unit of appropriate size at such time as the Designated Unit is available to submit preliminary income and household information in a voluntary survey process.

(ii) Ninety (90) days prior to the estimated completion date of the Renovation Work on an Affordable Unit, Current Residents will be given the opportunity to apply for a Designated Unit and, if determined by Lessee to be a Very Low-Income Household and otherwise eligible for an Affordable Unit at the time one or more units are available for occupancy (referred to herein as "Eligible Current Tenants"), will be placed on a list of Eligible Current Tenants with priority over other applicants to rent the Affordable Units (the "Priority List"). The income eligibility of a Current Tenants shall be determined each year while on the Priority List. Current Tenants may come forward at any time to request to be placed on the Priority List. Thereafter, as the Renovation Work of Affordable Unit is completed, Lessee shall select Eligible Current Tenants from the Priority List with a family size and income level that meets the requirements of the Affordable Unit. Units for Eligible Current Tenants on the Priority List may not exceed a total of twenty percent (20%) of the total Affordable Units (e.g. 39 Affordable Units).

(iii) Lessee shall reasonably attempt to accommodate the wishes of any Eligible Current Tenants to remain in their current Mariners Village apartment following completion of the Renovations. However, Lessee and County acknowledge and agree that Eligible Current Tenants will not have the right to remain in an apartment at an Affordable Housing Cost if the apartment is either: (A) of a unit type (e.g., studio, one-bedroom, two-bedroom or three-bedroom) that is not appropriate to the household size of the Eligible Current Tenant; or (B) a Reserved Market Rate Unit. In those cases where an Eligible Current Tenant may not continue to occupy their current apartment at an Affordable Housing Cost following completion of Renovations, Lessee shall offer such Eligible Current Tenant another unit in the Project at an Affordable Housing Cost that is a unit type that is appropriate to the size of the household and is not a Reserved Market Rate Unit.

(iv) Upon the termination of the tenancy of any Affordable Unit occupied by an Eligible Current Tenant, the vacant unit may be offered to another Eligible Current Tenant provided that not more than twenty percent (20%) of the Affordable Units are offered to Eligible Current Tenants.

2.2 Tenant Selection Process; Reports and Records Concerning Tenancies. Lessee shall carry out an affirmative marketing program approved by LACDA to attract prospective tenants of all minority and non-minority groups in the housing market area regardless of race, color, religion, gender, age, national origin, disability or familial status. The affirmative marketing program shall endeavor to inform group(s) of persons not likely to apply for the housing without special outreach efforts (because of existing neighborhood of racial or ethnic patterns, location of the housing, or other factors) about the housing and make such groups feel welcome to apply. The affirmative marketing program shall include outreach steps designed to reach seniors who reside in the housing market area to make them aware of the tenant selection process for the Designated Units.

Lessee shall maintain such records and satisfy such reporting requirements as may be reasonably imposed by LACDA, with advance written notice to Lessee, to monitor compliance with the leasing requirements described in Section 2.1 above, including without limitation the requirement that Lessee deliver reports to the LACDA, including the following: (a) commencing 90 days after the first Designated Unit has been leased to an Eligible Household at Affordable Housing Cost and until all 196 Designated Units have been leased to Eligible Households at Affordable Housing Cost, a quarterly report containing the following: (i) a list of all the Designated Units that have been leased, including the name of each tenant, the Designated Unit occupied, the income of the tenant and amount of rent payable by each tenant; (ii) a list of all apartment unit types not rented but completed and available for lease to Eligible Households; and (iii) after the Required Construction Completion Date (as defined in the Ground Lease), a list of all apartment units that have been set-aside, if any; and (b) commencing at the close of the first full calendar year following the date of the initial occupancy all 196 Designated Units, and continuing annually thereafter, setting forth the name of each tenant, the Designated Unit occupied and the income of the tenant and the amount of rent payable by each tenant. Lessee shall also be required to have each prospective tenant complete an Affordable Housing Application prior to occupancy and to obtain evidence from each such tenant as may be reasonably required by the LACDA to certify such tenant's qualification for occupancy of the Designated Unit. Lessee's obligation to provide such reports shall remain in force and effect for the same duration as the use covenants set forth in this Article 2.

2.3 Monitoring. Lessee shall enter into a Monitoring Agreement with the LACDA, to pay an annual fee (the "Annual Fee") of \$165.00 per Designated Unit (adjusted annually at the end of each calendar year after the Term Commencement Date, defined herein, in accord with the changes in the year-end value of the Consumer Price Index published by the U.S. Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County Area to defray costs of ongoing compliance, inspection, and reporting regarding the on-site Designated Units.

2.4 Current Residents. To accommodate Current Residents, Lessee agrees as follows:

a. Lessee shall limit rent increases for Current Residents to not more than the lesser of (i) five and one-half percent (5½%) per year from July 1, 2018 until the completion of Renovations to the Current Resident's apartment pursuant to the Amended and Restated Lease Agreement and this Section 2.4 or (ii) the rent increase allowed by any applicable County ordinance limiting increases in rent.

b. Lessee will take reasonable steps to minimize inconvenience to Residents during Renovations.

c. Lessee will give a 30-day Preliminary Notice to all Residents before any Renovations begin to the Project.

d. Lessee will provide quarterly written status reports to Residents on the ongoing Renovations.

e. No Current Residents shall be forced to relocate from their homes during the Renovation process. The Renovations to Mariners Village will take place over an approximately six-year period. To accommodate Residents, Lessee will perform interior improvements to apartments on a rolling basis as apartments are vacated by Residents who choose to move out. It is intended that interior Renovations and updates to apartments that are not vacated during the 6-year Renovation Period will be scheduled to be performed last, towards the end of the 6-year Renovation Period, and the scope of such Renovations will be modified to exclude flooring and wall finishes. However, if a Current Resident is relocated in accordance with subsection 2.4(f) below, the Renovations made to the temporarily vacated units will have the same scope of work as a vacated unit. Upon the mutual execution of this Agreement, Section 5.1(g) of the Ground Lease shall be deemed amended to conform to the terms of this paragraph e. to permit such modified scope of interior Renovations to apartments that are not vacated during the 6-year Renovation Period.

f. To accommodate Current Residents who remain in occupancy towards the end of the 6-year Renovation period, Lessee will implement an optional short-term temporary on-site displacement program, as follows:

- (i) Lessee will give a 30-day Notice of Work to Residents before any Renovations are scheduled to be performed to that Resident's apartment.
- (ii) Upon receipt of a Notice of Work, any Resident may elect to remain in occupancy of the apartment, in which case Lessee will perform only those Renovations that can reasonably be performed while the Resident remains in occupancy of the apartment, which will exclude improvements to flooring and wall finishes for those apartments.



- (iii) Lessee will give Residents the option of temporarily relocating into a furnished apartment in Mariners Village that will be designated by Lessee for such purpose at no cost to Resident (provided Resident continues to pay rent for Resident's apartment) for the time necessary for the work to be completed, and returning to their apartment when Renovations to their apartment are completed. Residents shall be responsible for all other costs associated with a temporary relocation, including, but not limited to, costs of meals, parking and increased transportation costs, if any. No Residents shall be deemed to have terminated their tenancy because they have temporarily moved out of an apartment during Renovations as provided in this paragraph. Upon completion of Renovations to a Resident's apartment, the Resident will be allowed to return to the renovated apartment.
- (iv) Lessee will use its best efforts to limit the length of time it will take to complete Renovations to apartments. During any interior apartment renovations, Lessee will appropriately secure the apartment and all personal property therein and ensure that Renovations are performed so they do not cause damage or loss to a Resident's furniture or personal property.
- (v) Current Residents who apply and qualify for one of the 196 Affordable Units will be given the opportunity to be placed on a Priority List for rental of Affordable Units at Affordable Housing Cost, in accordance with Lessee's County-approved Affordable Housing Program.
- (vi) Current Residents who apply and qualify for an Affordable Unit may be required to move to another apartment designated by Lessee as an Affordable Unit following completion of Renovations of the Affordable Unit if the Resident's household size is smaller than appropriate for their currently-occupied unit type (i.e., one person occupying a two-bedroom apartment, or similar situation), or if their unit is a Reserved Market Rate Unit as determined by Lessee and County.

### **ARTICLE 3. DISCRIMINATION**

3.1 Lessee's Obligation to Refrain from Discrimination. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, national origin, sex, religion, marital or familial status, handicap (disability), sexual orientation or ancestry in the sale, transfer, use, occupancy, tenure or enjoyment of the Designated Unit, nor shall Lessee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Designated Unit or any portion thereof. The nondiscrimination and nonsegregation covenants set forth herein shall remain in effect in perpetuity.

Lessee shall refrain from restricting the sale or lease of the Designated Unit on the basis of race, color, national origin, sex, religion, marital or familial status, handicap (disability), sexual orientation or ancestry. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

b. In leases: "The lessee herein covenants by and for himself or herself, and his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, national origin, sex, religion, marital or familial status, handicap (disability), sexual orientation, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the land herein leased nor shall the Lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, national origin, sex, religion, marital or familial status, handicap (disability), sexual orientation or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the parties to this contract or any person claiming under or through them, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the premises."

#### **ARTICLE 4. SUCCESSORS IN INTEREST**

4.1 Covenants Run With the Land. The Covenants, Conditions and Restrictions established in this Agreement shall run with the land and shall, without regard to technical classification and designation, be binding on Lessee and any successor In interest to Lessee's interest in the Site or the Ground Lease, or any part thereof, for the benefit of and in favor of LACDA and its successors and assigns. The covenants of this Agreement shall remain in effect through the Term of this Agreement.

The Designated Units and the maintenance thereof touch and concern the Site and inure to the benefit of any and all present or successive lessees of the Site. Therefore, whenever the word "lessee" is used herein, it shall include the Lessee as of date of execution of this Agreement, and any and all successor lessees or assigns of the Site and the Ground Lease, and the provisions hereof are expressly binding upon all such successive lessees and assigns and the parties agree all such provisions shall run with the land. LACDA shall cause a fully executed copy of this Agreement to be recorded in the Office of the Los Angeles County Recorder. Notwithstanding the foregoing, in

the event the Lessee or any of its successors or assigns shall convey its interest in all or any portion of the Site or the Ground Lease, the conveying lessee shall, after the date of recording such conveyance, be free from all liabilities respecting the performance of the restrictions, covenants or conditions contained in this Agreement thereafter to be performed with respect to the Site or the Ground Lease, or any part thereof, it being intended that the restrictions, covenants and conditions shall be binding upon the record Lessees of the Site or holders of the Ground Lease interest in the Site only during such time as that person or entity is the lessee of the Site, provided that the conveying lessee shall remain liable for any actions prior to the date of the conveyance.

## **ARTICLE 5. MISCELLANEOUS**

5.1 Enforcement. In amplification and not in restriction of the provisions set forth hereinabove, it is intended and agreed that LACDA shall be deemed the beneficiary of the terms and provisions of this Agreement and of the restrictions and covenants running with the land for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit the covenants running with the land have been provided. Each covenant of Lessee, shall, without regard to technical classification and designation, inure to the benefit of the successors, transferees and assigns of LACDA for the entire period during which such covenants shall be in force and effect, and shall be binding upon the successors, transferees and assigns of Lessee, whether by merger, consolidation, sale, transfer, liquidation or otherwise. The covenants herein running with the land shall also be equitable servitudes upon the Site and each part thereof and shall bind each and every person having any interest in the Site, the Ground Lease, or part thereof, whether such interest is fee, easement, leasehold, beneficial or otherwise, and each successor or assign of such person having any such interest in the Site, the Ground Lease, or part thereof. LACDA shall have the right if any of the covenants set forth in this Agreement which are provided for its benefit are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach to which it may be entitled. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach hereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof. Except for LACDA, the covenants and restrictions contained in this Agreement shall not benefit or be enforceable by any owner of any other real property or any person or entity having any interest in any such other real property.

5.2 Default. Except as provided in Exhibit C attached to this Agreement, failure by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The aggrieved party shall give written notice of the default to the party in default in accordance with Section 5.9 hereof (such notice, the "Default Notice"). The defaulting party shall no longer be in default if the defaulting party cures such default within thirty (30) days after receiving the Default Notice; provided, however, that if such default cannot be reasonably cured within such thirty (30) day period, the defaulting party shall be given such longer period as reasonably necessary and the defaulting party shall no longer be in default if it commences to cure such default within such thirty (30) day period and completes such cure with reasonable and due diligence.

The waiver by one party of the performance of any covenant, condition, or promise shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise hereunder. Except for the remedy of liquidated damages set forth in Section 13.7.1 of the Ground Lease, the exercise of any remedy shall not preclude the exercise of other remedies LACDA or Lessee may have at law or at equity.

5.3 Modification. This Agreement may be modified only by subsequent mutual written agreement executed by Lessee, the County, and LACDA.

5.4 Term. Lessee's obligations under this Agreement shall begin on the Effective Date of this Agreement (the "Term Commencement Date"). This Agreement shall expire, and all benefits and burdens associated with this Agreement shall cease, on the 55<sup>th</sup> anniversary of the date of this Agreement or January 31, 2066, whichever occurs first.

5.5 Interpretation. The provisions of this document shall be liberally construed to effectuate its purpose. Time is of the essence of this Agreement.

5.6 Severability. Invalidation of any of the covenants, conditions, restrictions, or other provisions contained in this Agreement by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, which shall remain in full force and effect.

5.7 Headings. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification only, and shall not be deemed to limit or define the contents of their respective sections or paragraphs.

5.8 Effective Date. This Agreement shall take effect upon the recordation of a fully executed Agreement in the Official Records of Los Angeles, County.

5.9 Notices. Formal notices, demands, and communications between the LACDA, County and Lessee shall be given either by personal service, by overnight courier, or by mailing In the United States mail, certified mail, postage prepaid, return receipt requested, addressed to the principal offices of LACDA or Lessee, as follows:

If to LACDA: Los Angeles County Development Authority  
700 West Main Street  
Alhambra, California 91801  
Attn: Director of Housing Investment and Finance

If to DRP: Department of Regional Planning  
of the County of Los Angeles  
320 West Temple Avenue, 13th Floor  
Los Angeles, CA 90012  
Attn: Director of Planning

If to DBH: Department of Beaches & Harbors  
of the County of Los Angeles  
13837 Fiji Way  
Marina del Rey, CA 90292  
Attn: Director of Beaches & Harbors

If to Lessee: Marina Admiralty Company  
a California limited partnership  
4600 Via Marina  
Marina del Rey, CA 90292  
Attn: \_\_\_\_\_

Notices shall be effective upon receipt, if given by personal delivery, the earlier of (i) three (3) business days after deposit with United States Mail, or (ii) the date of actual receipt as evidenced by the return receipt, if delivered by certified mail, or (iii) one (1) day after deposit with the delivery service, if delivered by overnight guaranteed delivery service. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent pursuant to this Agreement.

5.10 Exhibits. Each Exhibit mentioned in this Agreement is attached hereto and incorporated herein by this reference.

5.11 Execution in Counterparts. The parties may execute this document in two or more counterparts; each counterpart shall be deemed an original instrument as against any party who has executed it.

5.12 Compliance with Laws. Lessee shall comply with Applicable Governmental Restrictions. As used herein, "Applicable Governmental Restrictions" shall mean and include any and all laws, statutes, ordinances, codes, rules, regulations, directives, writs, injunctions, orders, decrees, rulings, conditions of approval, or authorizations, now in force or which may hereafter be in force, of any governmental entity, agency or political subdivision as they apply to the performance of this Agreement or development or operation of the Project, including specifically but without limitation all code and other requirements of the jurisdiction in which the Project is located and, to the extent applicable, the following: the California Environmental Quality Act; fair housing laws, prevailing wage laws (e.g. Cal. Labor Code 1720 et seq. and the federal Davis-Bacon Act (40 U.S.C. 276a), Executive Order 11246 and 11375, Equal Opportunity in Employment (Non-discrimination in Employment by Government Contractors and Subcontractors), and any other federal, state and local laws.

5.13 Indemnification. Lessee agrees to indemnify, defend (with counsel reasonably approved by the LACDA), and hold harmless the County and LACDA ("Public Agencies") from and against any and all costs (including reasonable attorney's fees), liability, demands, damages, claims, causes of action, fees (including reasonable attorneys' fees and costs and expert witness

fees), and expenses, including, but not limited to, claims for bodily injury, property damage, and death that the Public Agencies incur or suffer (hereinafter collectively referred to as "Liabilities") that arise (whether by negligence, willful act or otherwise), out of, pertain to, or relate to this Agreement, the services and/or materials provided pursuant to this Agreement, the Property, or Project. Lessee shall not be required to indemnify, defend, and hold harmless the Public Agencies from any Liabilities that arise from the material breach of this Agreement by, or the sole negligence or willful misconduct of, the Public Agencies and the Public Agencies' officers or employees.

*(SIGNATURES TO FOLLOW)*

IN WITNESS WHEREOF, the undersigned parties hereunder have caused this Certificate to be executed by their duly authorized officers or representatives as of the date hereof.

LACDA

Los Angeles County Development Authority,  
a public body corporate and politic.

By: \_\_\_\_\_

Emilio Salas

Its: Acting Executive Director

APPROVED AS TO FORM:

Mary C. Wickham, County Counsel

By: \_\_\_\_\_

Behnaz Tashakorian

Principal Senior County Counsel

DBH

Department of Beaches and Harbors, a public  
body corporate and politic.

By: \_\_\_\_\_

Gary Jones

Its: Director

LESSEE

Marina Admiralty Company, a California  
limited partnership

By: \_\_\_\_\_

Its: \_\_\_\_\_