

LICENSE AGREEMENT

This License Agreement ("License Agreement") is made as of Dec. 17, 2013, 2014, by the City of Redondo Beach, a chartered municipal corporation (the "City"), on the one hand, and Harbor Drive Development Company, LLC, a California limited liability company ("HDDC"), and Redondo Beach Hospitality Company, LLC ("RBHC"), on the other hand (HDDC and RBHC are referred to herein collectively as the "Licensees").

RECITALS

A. City owns that certain real property located in the City of Redondo Beach, County of Los Angeles, State of California (the "Premises"), which has been leased to Zisli's Boutique Hotels, LLC, a California limited liability company (the "Lessee") for purposes of permitting the Lessee (and its permitted successors and assigns) to develop and operate a hotel and related facilities (the "Hotel") pursuant to a Lease Agreement between City and Lessee dated October 6, 2009, as amended by a First Amendment to Lease Agreement dated March 15, 2011, a Second Amendment to Lease Agreement dated November 6, 2012, a Third Amendment to Lease Agreement dated May 28, 2013, and a Fourth Amendment to Lease Agreement dated December __, 2013 (together with all amendments and restatements executed now or in the future, the "Lease").

B. Lessee has subleased the Premises to HDDC under a sublease dated November 18, 2009, and HDDC has further subleased the Premises to RBHC under a sublease dated November 18, 2009.

C. City also owns that certain real property located in the City of Redondo Beach, County of Los Angeles, State of California, and more particularly described in Exhibit "A" hereto (the "Parking Parcel"), which City has agreed to license to Lessee and its permitted sublessees and assigns for use as a parking lot in connection with the Hotel.

D. By this License Agreement, City desires to provide the Licensees a license to use the Parking Parcel, and Licensees desire to accept the license, subject to the requirements of this License Agreement.

NOW, THEREFORE, in furtherance of the foregoing recitals, the City and Licensees hereby agree as follows:

1. License. City hereby grants, transfers and conveys to the Licensees a nonexclusive license to use the Parking Parcel for automobile parking for Hotel guests, employees and customers, and for ingress, egress and access to the Parking Parcel from public streets and roads (the "License"). The License is subject to all items of record as of the date this License Agreement is executed.

2. Reservations in Favor of City. City hereby reserves unto itself, with the right to transfer to others, the following rights, notwithstanding any other provision of this License Agreement:

a. The City shall have the right to use the Parking Parcel in any manner that does not unreasonably interfere with the rights granted to the Licensees under this License Agreement.

b. The City shall have the right to determine the precise location or route to be used, from time to time, for ingress, egress and access from public streets and roads to the portion of the Parking Parcel to be used as parking spaces, and the right to make reasonable changes to such precise location or right.

3. Commencement and Termination. The rights granted under this License Agreement shall take effect upon the execution of this License Agreement. Such rights shall terminate on the earlier to occur of the following:

a. The expiration or termination of the term of the Lease.

b. The effective date of the substitution of any other property for the Parking Parcel ("Substituted Parking Parcel") under the terms of the Lease.

4. Construction and Maintenance of Access Improvements. Licensees shall construct such improvements on the Parking Parcel as are necessary for the use of the License. Licensees shall be responsible for all of the actual costs of the grading, paving, construction and striping of such improvements. Licensees shall be responsible for performing the maintenance of such improvements, at Licensees' expense. In the event that such improvements are located within a larger parking lot owned and operated by the City or a related public entity, Licensees shall enter into a maintenance agreement with the City or applicable public entity which provides for the maintenance of the entire parking lot, with the costs of maintenance distributed on a pro rata basis between City (or applicable public entity) and Licensees.

5. Indemnification. This License Agreement shall be subject to the indemnification, hold harmless and insurance provisions of Section 14 of the Lease, and Licensees agree to perform all of Lessee's obligations under Section 14 of the Lease with respect to the subject of this License Agreement.

6. Assignment and Subletting. Licensees' rights under this License Agreement shall be assigned or transferred to the sublessee, assignee or transferee of the Premises in accordance with the Lease, and shall not be assigned or transferred to any other persons or entities. Any such assignment or transfer shall occur simultaneously with the sublease, assignment or transfer of the Premises.

7. Compliance with Law. Licensees shall, in all activities on or in connection with the Parking Parcel and in all uses thereof, including the making of any improvements, alterations or changes and the installation of any equipment, abide by and conform to all rules and regulations prescribed by City, the City Charter of City, any ordinances of City, including, but

not limited to, the Building Code, any general rules of the City Harbor Department, City Harbor Commission, City Fire Department and City Police Department, and any applicable federal or state statutes or municipal laws now in force or which may hereafter be in force.

8. Taxes. Licensees shall pay or cause to be paid before delinquency all taxes, assessments or fees levied, assessed or charged upon Licensees or Licensees' interest in the Parking Parcel, including those levied, assessed or charged by reason of any buildings, structures, equipment, appliances or other improvements of any nature whatever utilized, erected, installed, or maintained on the Parking Parcel, or by reason of the business or other activities of Licensees upon or in connection with the Parking Parcel. Licensees shall further pay or cause to be paid any fees imposed by law for licenses or permits for any business or activity of Licensees upon or in connection with the Parking Parcel or under this License Agreement. City states and Licensees acknowledge that the interest created in favor of Licensees under this License Agreement may or may not constitute a possessory interest subject to taxation under the California Revenue and Taxation Code. Licensees shall have the right to contest the amount of any assessment imposed against the Parking Parcel or Licensees' interest therein, including the characterization of such interest as a taxable real estate possessory interest; provided, however, the entire expense of any such contest (including interest and penalties which may accrue in respect of such taxes) shall be the responsibility of Licensees.

9. Condition of Parking Parcel. Licensees have inspected the Parking Parcel and represent to City:

- a. that Licensees are aware of or will make themselves aware of any reasonably discoverable dangerous conditions on the Parking Parcel,
- b. that Licensees accept the Parking Parcel in its present condition,
- c. that Licensees will make the Parking Parcel safe for any activity under its care and control on the Parking Parcel,
- d. that City is not and shall not be obligated to make the Parking Parcel safe or suitable for use by Licensees or for anyone on the Parking Parcel at the invitation or sufferance of Licensees, or otherwise to prepare the Parking Parcel or access to the Parking Parcel in any manner whatsoever,
- e. that entry by Licensees and their employees, agents and invitees onto the Parking Parcel under this License Agreement shall be deemed an acknowledgement by Licensees that all reasonably discoverable dangerous places and defects upon the Parking Parcel are known to Licensees. Licensees shall use ordinary care to make the Parking Parcel safe for all persons entering the Parking Parcel under this License Agreement or at Licensees' request, invitation, direction or sufferance.
- f. that City does not assume, by this License Agreement or otherwise, any responsibility for, or to protect against, any loss, damage, theft or vandalism of any property or material which Licensees may place upon the Parking Parcel.

10. Removal of Personal Property. Upon the expiration or termination of this License Agreement, Licensees shall remove all personal property from the Parking Parcel. Should anyone on the Parking Parcel at the invitation or sufferance of Licensees leave any personal property on the Parking Parcel beyond the term provided in this License Agreement, City shall have the right without notice to sell, destroy, or otherwise dispose of such property or to remove and store such property at Licensees' expense.

11. No Real Property Interest. Licensees agree that they do not have and shall not claim any real property interest or estate whatsoever in the Parking Parcel by virtue of this License Agreement or Licensees' occupancy or use under this License Agreement.

12. Condition Upon Surrender. Except as expressly provided in this License Agreement, Licensees shall return the Parking Parcel to City in a condition which is at least as good as the condition in which the Parking Parcel was delivered to Licensees. Licensees shall not remove any portion of the improvements or fixtures from the Parking Parcel without the written approval of City. At the option of City, Licensees shall restore to its original condition any portion of the Parking Parcel damaged or demolished by Licensees. If Licensees fail or refuse to perform such restoration, City shall have the right to perform such restoration and recover all costs of such restoration from Licensees.

13. Mortgagee Protection. A violation of any covenants hereof shall not affect or impair the lien or charge of any bona fide mortgage or deed of trust made in good faith and for value on all or any portion of the Premises.

14. Subject to Lease. This License Agreement is made pursuant to the Lease and is subject to all terms and obligations thereof.

IN WITNESS WHEREOF, City and Licensee have made and executed this License Agreement on the day and year first written above

CITY:

CITY OF REDONDO BEACH,
a chartered municipal corporation

By: _____

Steve Aspel
Mayor

ATTEST:

By: _____

Eleanor Manzano
City Clerk

APPROVED AS TO FORM:

By: _____

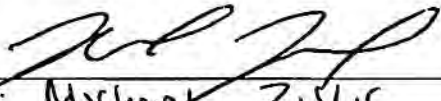
Michael Webb
City Attorney

LICENSEES:

**HARBOR DRIVE DEVELOPMENT
COMPANY, LLC,**
a California limited liability company

By: 
Name: Michael Zislis
Its: Managing Member

**REDONDO BEACH HOSPITALITY
COMPANY, LLC,**
a California limited liability company

By: 
Name: Michael Zislis
Its: Managing Member

APPROVED BY LESSEE:

ZISLIS BOUTIQUE HOTELS, LLC,
a California limited liability company

By: 
Name: Michael Zislis
Its: Managing Member

EXHIBIT "A"
DESCRIPTION OF PARKING PARCEL
[To Be Inserted]

FOURTH AMENDMENT TO LEASE AGREEMENT

THIS FOURTH AMENDMENT TO LEASE AGREEMENT ("Fourth Amendment") is made and entered into as of December 17, 2013 (the "Effective Date"), by and between the City of Redondo Beach, a chartered municipal corporation ("Lessor"), and Zisli's Boutique Hotels, LLC, a California limited liability company ("Lessee").

RECITALS

A. Lessor and Lessee have entered into a Lease Agreement dated October 6, 2009 (the "Commencement Date") related to premises at 655 N. Harbor Drive (the "Premises"). The Lease Agreement has been amended by a First Amendment to Lease Agreement dated March 15, 2011, a Second Amendment to Lease Agreement dated November 6, 2012 (the "Second Amendment"), and a Third Amendment to Lease Agreement dated May 28, 2013 (the "Third Amendment"). The Lease Agreement, as so amended, is referred to herein as the "Lease Agreement."

B. Lessee has subleased the Premises to Harbor Drive Development Company, LLC, a California limited liability company ("HDDC") under a sublease dated November 18, 2009, and HDDC has further subleased the Premises to Redondo Beach Hospitality Company, LLC ("RBHC") under a sublease dated November 18, 2009. HDDC and RBHC are collectively referred to herein as the "Sublessees."

C. The Lease Agreement requires the Lessee to develop and construct a luxury hotel, restaurant and facilities for meetings and events, together with associated landscaping, parking and driveways.

D. Lessee and the Sublessees are attempting to obtain an \$11,000,000 secured loan from Preferred Bank (the "Preferred Bank Loan"). The Preferred Bank Loan initially will constitute a construction loan and subsequently will convert into a term loan.

E. As amended by the Second Amendment, the Lease Agreement provides for Lessor to lease to Lessee additional land outside of the Premises to be used for parking. The Parties now desire to provide for Lessor to grant a license to Lessee for parking rather than lease such additional land to Lessee.

F. Pursuant to the Second Amendment, Lessor agreed to extend certain deadlines pertaining to the timing of the Development Program (as defined in the Lease Agreement) and Lessee paid certain specified sums to Lessor.

G. Pursuant to the Third Amendment, Lessor agreed to extend certain deadlines pertaining to the timing of the Development Program and financing at the request of Lessee and Lessee paid certain specified sums to Lessor.

H. The Third Amendment revised Section 6.1(b) of the Lease to provide that "Lessee shall obtain (or cause its sublessees to obtain) all necessary permits and other

Entitlements relating to the Development Program, and commence construction of the Development Program as soon as possible, but in no event later than November 1, 2013. Construction financing for the Development Program shall close, and the construction loan and equity required for the Development Program shall be funded so as to be available to Lessee, on or before November 1, 2013. Lessee shall commence the demolition of the Improvements on the Premises no later than February 1, 2013. Lessee shall diligently continue construction after commencement, and shall complete or cause the Development Program to be completed on or before November 18, 2014."

I. Lessee did not meet the deadlines set forth in Section 6.1(b) of the Lease Agreement as amended by the Third Amendment.

J. The Third Amendment further required that "The last date for Lessee to submit to Lessor reasonable evidence that Lessee has obtained sufficient equity capital and has obtained commitments for construction financing and permanent financing necessary to undertake the development of the Improvements in accordance with the Development Program and the Lease Agreement, as set forth in Section 23 of the Second Amendment to Lease Agreement, is hereby changed to October 1, 2013. Such evidence of financing shall demonstrate that the financing will close or be available to Lessee on or before November 1, 2013."

K. Lessee did not meet the above deadline in the Third Amendment pertaining to the date of the closing of the financing.

L. Lessee has therefore requested that Lessor agree to further extend such deadlines in the Lease Agreement.

M. In this Fourth Amendment, Lessor is agreeing to Lessee's request to extend certain deadlines provided in the Third Amendment, but only in consideration of a waiver and release of any and all claims that Lessee and Sublessees may have against Lessor and resolution of certain disputes.

N. Certain potential disputes as to the interpretation and application of the Lease Agreement, as amended, including but not limited to potential disputes as to the applicability of Force Majeure to such deadlines, the City's use of best efforts to enable Lessee to obtain entitlements, whether Lessee has commenced construction and obtained development program financing, and completion of the development program, have arisen between the parties in connection with the Lease Agreement and the amendments thereto.

O. In this Fourth Amendment, Lessor is agreeing to Lessee's request to extend certain deadlines provided in the Third Amendment, but only in consideration of the waiver and release of any and all claims that Lessee and Sublessees may have against Lessor and resolution of certain potential disagreements.

P. The parties hereto also intend that this Fourth Amendment will resolve certain disputes that have arisen between the parties prior to the Effective Date of this Fourth Amendment.

Q. By this Fourth Amendment, the parties desire to make certain other changes to the Lease Agreement as provided herein.

NOW, THEREFORE, the Lease Agreement is hereby amended as follows:

1. Additional Premises and Substituted Additional Premises. All references in the Lease Agreement to Lessor's lease of the Additional Premises and Substituted Additional Premises to Lessee are hereby deleted.

2. Premises. Section 1.51 is hereby amended to read as follows, in its entirety:

"1.51 **Premises:** that parcel of land legally described in Exhibit "A" attached hereto."

3. License of Parking Parcel. Section 2.4 of the Lease Agreement is deleted, and the following new Sections 2.4, 2.5, and 2.6 are hereby added to the Lease Agreement to read as follows, in their entirety:

"2.4 License of Parking Parcel. Lessor hereby agrees to grant to Lessee and its Sublessees a license, in the form of the "License Agreement" attached hereto as Exhibit "F" and incorporated herein, which permits Lessee and its Sublessees to use that certain real property designated in the License Agreement (the "Parking Parcel"), and which provides certain access rights to the Parking Parcel. Lessor's obligation to grant the License Agreement to Lessee and its Sublessees is conditioned upon the closing of the financing for the Development Program which has been approved by Lessor pursuant to the Lease Agreement. A copy of the License Agreement executed by Lessor shall be provided to Lessee and its Sublessees upon the closing of the financing for the Development Program which has been approved by Lessor pursuant to the Lease Agreement.

2.5 Substituted Parking Parcel. Upon not less than ninety (90) days written notice to Lessee, its Sublessees and to its lender, Lessor shall have the right, at Lessor's sole and absolute discretion, on one or more occasions, to substitute another parcel of land for the Parking Parcel (the "Substituted Parking Parcel"). The identification of the Substituted Parking Parcel shall be at Lessor's sole and absolute discretion, provided that the Substituted Parking Parcel (a) is located within the area designated on Exhibit "E" attached hereto, which is roughly comprised of the area bordered by Herondo Drive on the north, Catalina Avenue on the east, a line between the corner of Pacific Avenue and Harbor Drive and the waterfront due west thereof to the south, and Hopkins Way and the eastern border of the Port Royal Marina on the west; (b) is not smaller in net usable square footage than the Parking Parcel described in the License Agreement; (c) is improved with paved and striped parking spaces built in

accordance with the standards of parking lots located at Class A office buildings located within the City; and (d) allows Lessee and its Sublessees and the Development Program to satisfy City Municipal Code floor area ratio requirements to the same extent as the Parking Parcel or Substituted Parking Parcel being replaced. Lessee shall be responsible for payment of a pro rata share of the cost of construction of the parking spaces on the Substituted Parking Parcel, in accordance with a mutually acceptable reimbursement agreement to be executed by the Parties. If Lessee and Lessor do not agree upon and execute such a mutually acceptable reimbursement agreement, Lessor shall be entitled to impose a market-rate fee for parking in the parking spaces constructed in the Substituted Parking Parcel, such market rate to be determined by Lessor in its sole discretion, and Lessor shall be entitled to retain all of such fee revenues. In the event that the provision of the Substituted Parking Parcel requires the construction of structured or surface parking spaces, Lessor shall have the right to provide a temporary Substituted Parking Parcel during the period of construction in a location selected by Lessor in its sole and absolute discretion, which meets each of the requirements set forth above other than location. In the event Lessor provides a Substituted Parking Parcel on more than one occasion, Lessor shall be responsible for all of the cost of construction of the parking spaces on the second and any further Substituted Parking Parcel.

2.6 Access to Parking Parcel. The license of the Parking Parcel and any Substituted Parking Parcel shall include legal rights of access to such parcels sufficient to permit Lessee and its Sublessees and hotel guests, employees and customers to have reasonable access to such parcels for automobile parking purposes in accordance with the uses set forth in the License Agreement.”

4. Permitted Uses of Parking Parcel. The last sentence of Section 5.1 is hereby deleted, and the following is hereby added: “The Parking Parcel (and Substituted Parking Parcel) shall be used only for automobile parking for hotel guests, employees and customers, and for no other purposes.”

5. Timing of Development Program. The first paragraph of Subsection (b) of Section 6.1 is hereby amended to read as follows, in its entirety:

“(b) Lessee shall obtain (or cause its Sublessees to obtain) all necessary permits and other Entitlements relating to the Development Program, and commence construction of the Development Program as soon as possible, but in no event later than February 28, 2014. Construction financing for the Development Program shall close, and the construction loan and equity required for the Development Program shall be funded so as to be available to Lessee, on or before February 28, 2014. Lessee shall diligently continue construction after commencement, and shall complete or cause the Development Program to be completed on or before April 30, 2015. The Parties acknowledge and agree that time is of the essence in the satisfaction of the foregoing requirements.”

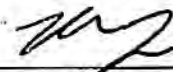
6. **Best Efforts of City.** The City of Redondo Beach ("City") shall not be obligated to use "best efforts" to approve or issue entitlements for the Development Program, notwithstanding anything to the contrary in the Lease Agreement, including without limitation Section B of Exhibit "C." City shall use normal, good faith efforts to process and approve entitlement applications and materials submitted by Lessee or its tenants.

7. **Release of Claims by Lessee and Sublessees.** Lessee and Sublessees on behalf of themselves, their past and current agents, partners, officers, representatives, sublessees, attorneys, successors, and/or assignees, hereby covenant not to sue and hereby waive all rights to institute or participate in, directly or indirectly, any form of legal action, and release all claims that they or any of them may have against Lessor which have arisen out of the Lease Agreement or any amendments thereto before the Effective Date of this Fourth Amendment, including, without limitation, all actions and causes of action in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses, including, but not limited to, development or investigation fees, expert fees, and attorneys' fees. This release specifically extends, without limitation, to the following: (1) any claim that Lessee may invoke Force Majeure arising out of any acts occurring prior to the Effective Date; (2) any claim that the City did not use "best efforts" related to entitlements as referenced in the Lease Agreement, Exhibit "C," Section B or otherwise; and (3) any claims of misrepresentation related to the condition of the Premises or that Lessee did not have an adequate opportunity to inspect the Premises.

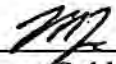
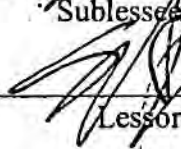
8. **Civil Code Section 1542 Waiver.** With respect to any claims related to or arising out of the Lease Agreement or the amendments thereto before the Effective Date of this Fourth Amendment, Lessee and Sublessees expressly waive the rights afforded under California Civil Code section 1542, which provides that:

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

Lessee and Sublessees represent and warrant that they have had the opportunity to seek and receive the advice of an attorney with respect to the advisability of making the release provided for herein, and the meaning of California Civil Code section 1542 and released rights at law and in equity. Being aware of California Civil Code section 1542, as outlined above, Lessee and Sublessees hereby expressly waive and relinquish any benefits they may have pursuant to Civil Code section 1542, as well as under any other state or federal statutes or common law principles of similar effect.



Sublessee's Initials


Sublessee's Initials

Lessor's Initials

9. No Further Extensions; Meaning and Applicability of Force Majeure; Time of Essence. Lessor and Lessee represent that they have considered the effect of certain events beyond the control of the parties in agreeing to the extensions of time set forth in this Fourth Amendment. Lessee agrees that it shall not be entitled to any further extensions of time under Section 6.1 or Section 45 of the Lease Agreement as a result of Force Majeure as defined in Section 1.21 of the Lease Agreement as to (i) events occurring prior to the Effective Date of this Fourth Amendment, and (ii) any failure of Lessee to obtain permits and/or Entitlements, any failure of construction financing for the Development Program to close, any failure of the construction loan and equity for the Development Program to fund and be available to Lessee, and any failure to commence construction, strictly in accordance with the dates set forth in forth in Section 6.1 hereof. Notwithstanding the foregoing, however, nothing in this paragraph shall modify the parties' rights with respect to events of Force Majeure occurring after the latest to occur of Lessee obtaining permits and Entitlements, commencement of construction, and closing of construction financing in accordance with Section 6.1(b) of the Lease Agreement. Time is hereby expressly agreed to be of the essence of the deadlines in Section 5 of this Fourth Amendment.

10. Construction of Parking Improvements. The first sentence of Section 6.8 of the Lease Agreement is hereby revised to read as follows: "Lessee shall construct the Parking Improvements on the Parking Parcel in accordance with Paragraph G of Exhibit "C"."

11. No Encumbrance of Parking Parcels. Subparagraph (ix) of Section 13.1(a) of the Lease Agreement is hereby revised to read as follows, in its entirety:

"(ix) The mortgage shall not be placed upon or encumber the Parking Parcel or the Substituted Parking Parcel. Notwithstanding the foregoing, Lessor shall provide Lessee's construction and permanent lenders with reasonable written assurances that such lenders and their successors will be entitled to a license of the Parking Parcel or the Substituted Parking Parcel in the event such lenders acquire Lessee's interest in this Lease, and any lender with a security interest under the Lease shall be entitled to an assignment of Lessee's and/or Sublessees' rights in the Parking Parcel and any Substituted Parking Parcel as security for such lender's loan to Lessee or Sublessees."

12. Default. Paragraph 16.2(d) is hereby amended to read as follows, in its entirety:

"(d) As to any default identified in subparagraph (g) of Paragraph 16.1 above, the failure of Lessee to obtain permits and/or Entitlements, the failure of

construction financing for the Development Program to close, the failure of the construction loan and equity for the Development Program to fund and be available to Lessee, and the failure to commence construction, strictly in accordance with the dates set forth in forth in Section 6.1 hereof, shall immediately constitute a default hereof, and Lessor shall immediately be entitled to pursue all of its remedies as permitted hereunder without prior notice to Lessee. The Parties acknowledge and agree that time is of the essence in the satisfaction of the foregoing requirements. Notwithstanding anything to the contrary in this Lease, Lessee shall not be entitled to any additional time to cure such defaults pursuant to Section 16(b) or any other provision of this Lease, and Lessee shall not be entitled to any delay of such dates due to events of Force Majeure pursuant to Section 45 hereof."

13. Memorandum of Lease Agreement. Section 40 of the Lease Agreement is hereby revised to read as follows, in its entirety: "A Memorandum of Lease Agreement, substantially in the form attached hereto as Exhibit "G", shall be recorded against the Premises concurrently with the closing of the financing for the Development Program which has been approved by Lessor pursuant to this Lease Agreement."

14. Map of Additional Premises. The map of the Additional Premises which is attached as Exhibit "A-1" to the Lease Agreement is hereby deleted.

15. Construction of Walkway and Bike Path. Paragraph D(1) of the Development Program attached as Exhibit "C" to the Lease Agreement is hereby amended to read as follows, in its entirety:

"1. Lessee shall develop a 12 foot wide paved public esplanade across the full width of the Premises along the water's edge (between Port Royal Marina and the Premises), with 2 foot clear shoulder width on both sides for a total width of 16 feet. The construction of the esplanade shall be in accordance with Condition T2 of Harbor Commission Resolution No. 2012-10-HC-003, dated October 8, 2012, City Municipal Code Section 10-5.815(g), and other applicable conditions and legal requirements."

16. Description of Parking Improvements. The first sentence of Paragraph G of Exhibit "C" is hereby revised to read as follows: "Lessee shall grade, pave and stripe the Parking Parcel to create a parking lot which shall be of high quality and constructed to the standards of parking lots located in Class A office building properties within the City, and in accordance with all applicable City laws and standards (the "Parking Improvements")."

17. Substituted Parking Parcel Map. The title of Exhibit "E" is hereby changed to "Permitted Locations of Substituted Parking Parcel."

18. Lender Consent, Intercreditor and Non-Disturbance Agreement. Lessor and Lessee agree to execute the Lender Consent, Intercreditor and Non-

Disturbance Agreement by and among Preferred Bank, Redondo Beach Hospitality Company, LLC, Harbor Drive Development Company, LLC, Lessor and Lessee, substantially in the form attached hereto as Exhibit "H" and incorporated herein. Such agreement shall be executed and delivered concurrently with the closing of the financing for the Development Program which has been approved by Lessor pursuant to this Lease Agreement.

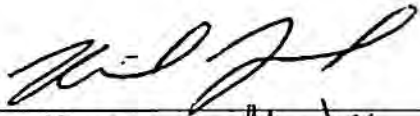
19. Payment of Processing Fee. Pursuant to Section 13.2 of the Lease Agreement, Lessee shall pay to Lessor a non-refundable fee for processing Lessee's request for consent to the proposed loan of Preferred Bank, in the amount of Lessor's actual out of pocket costs for outside counsel review of the Preferred Bank loan documents, not to exceed the sum of Ten Thousand Dollars (\$10,000). The parties agree that such fee is reasonable under the circumstances in light of the size, nature, complexity, and expertise required to review the proposed loan. Lessor shall provide written notice to Lessee of the amount of the fee, and such fee shall be paid to Lessor within thirty (30) days of the date of such written notice.

20. Payment of Extension Fee. Lessee agrees to pay Ten Thousand Dollars (\$10,000) to Lessor in consideration for Lessor's agreement to extend the performance deadlines set forth in Section 5 of this Fourth Amendment. Such fee shall be paid within thirty (30) days of the Effective Date.

21. No Further Changes. Except as expressly provided herein, nothing in this Fourth Amendment shall be deemed to waive or modify any of the other provisions of the Lease Agreement. In the event of any conflict between this Fourth Amendment and the Lease Agreement, the terms of this Fourth Amendment shall prevail. Unless otherwise expressly provided in this Fourth Amendment, capitalized terms used in this Fourth Amendment shall have the same meanings as in the Lease Agreement.

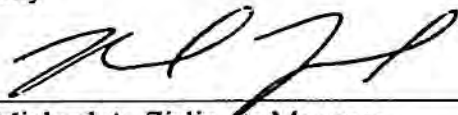
TENANT:

ZISLIS BOUTIQUE HOTELS, LLC,
a California limited liability company

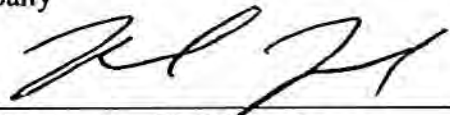
By: 
Name: Managing Member
Its: Michael Zislis

APPROVED BY SUBLESSEES:

**REDONDO BEACH HOSPITALITY
COMPANY, LLC,** a California limited liability
company

By: 
Michael A. Zislis, its Manager

**HARBOR DRIVE DEVELOPMENT
COMPANY, LLC,** a California limited liability
company

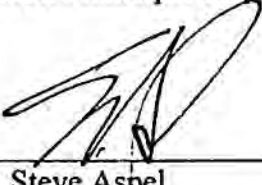
By: 
Michael A. Zislis, its Manager

IN WITNESS WHEREOF, the CITY OF REDONDO BEACH, Lessor herein, has duly authorized this Fourth Amendment to be executed by its Mayor and attested by its City Clerk, and Lessee has duly authorized and signed this Fourth Amendment effective as of the date first hereinabove written.

LESSOR:

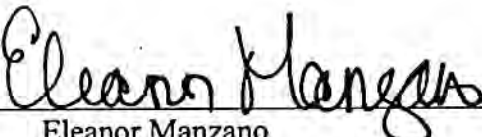
CITY OF REDONDO BEACH,
a chartered municipal corporation

By: _____


Steve Aspel
Mayor

ATTEST:

By: _____


Eleanor Manzano
City Clerk

APPROVED AS TO FORM:

By: _____

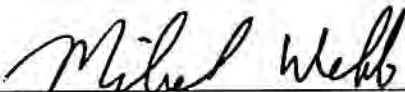

Michael Webb
City Attorney

EXHIBIT "F"

License Agreement

[To Be Attached]

EXHIBIT "G"

Memorandum of Lease Agreement

[To Be Attached]

Recording Requested By:)
When Recorded Mail To:)
)
City of Redondo Beach)
415 Diamond Street)
Redondo Beach, CA 90277)
Attention: City Clerk)
)
)

APN: _____

No charge for recording pursuant to Government Code
Sections 6103 and 27383

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum of Lease") is executed as of _____, 201__ by and between the CITY OF REDONDO BEACH, a chartered city and municipal corporation (the "Lessor"), and ZISLIS BOUTIQUE HOTELS, LLC, a California limited liability company, as lessee (the "Lessee"), who agree as follows:

1. Lease Agreement. Lessee has leased and hereby leases from Lessor the real property described in Section 2 of this Memorandum of Lease, on the terms and conditions, and for the term, more fully set forth in the Lease dated October 6, 2009, as amended by the First Amendment to Lease Agreement dated March 15, 2011, Second Amendment to Lease Agreement dated November 6, 2012, Third Amendment to Lease Agreement dated May 28, 2013, and Fourth Amendment to Lease Agreement dated December __, 2013 (as amended from time to time, the "Lease"), all of the provisions of which are hereby incorporated by reference in this Memorandum of Lease.

2. Property. The property leased by Lessor to Lessee pursuant to the Lease is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Premises").

3. Term. The Lease is for a term commencing on October 6, 2009 and ending April 1, 2068. The term is subject to prior termination and further extension for up to two additional five year periods, as provided in the Lease.

4. Mortgagee Protection. The Lease establishes certain rights for the benefit of Lessee's lenders holding a security interest in Lessee's leasehold interest in the Premises.

5. Successors and Assigns. Subject to the provisions of the Lease relating to assignment and subletting, the Lease shall inure to the benefit of and shall be binding upon Lessor, Lessee and their respective successors and assigns.

6. Purpose of Memorandum. This Memorandum of Lease is prepared for the purpose of providing record notice of the existence of the Lease, and it in no way modifies the provisions of the Lease. In the event of any inconsistency between the terms and conditions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of the Lease shall control. No addition to or modification of any term of the Lease or this Memorandum shall be effective unless set forth in writing and signed by Lessee and Lessor.

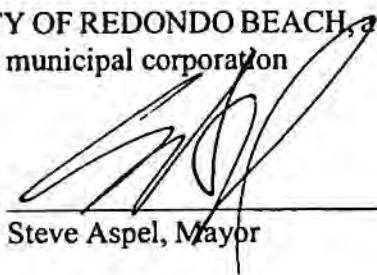
7. Execution in Counterpart. This Memorandum of Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease Agreement by their officers thereunto duly authorized, as of the day and year first written above.

LESSOR:

CITY OF REDONDO BEACH, a chartered city
and municipal corporation

By:


Steve Aspel, Mayor

LESSEE:

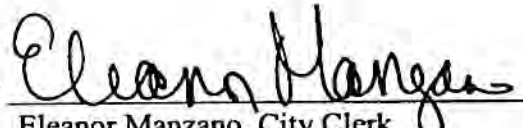
ZISLIS BOUTIQUE HOTELS, LLC,
a California limited liability company

By:


Michael A. Zislis, its Manager

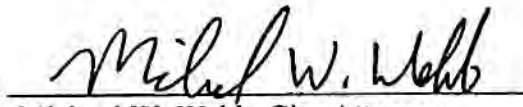
ATTEST:

By:


Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

By:


Michael W. Webb, City Attorney

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On December 30, 2013 before me, Selena Hira-Toth, Notary Public, personally appeared Michael A. Zulis, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signature on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public



STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On _____, 201__ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signature on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On December 26 2013 before me, J Espinoza, Notary Public,
personally appeared Steve Arpel, who proved to me on the basis of satisfactory
evidence to be the persons whose names are subscribed to the within instrument and
acknowledged to me that they executed the same in their authorized capacity, and that by their
signature on the instrument the persons, or the entity upon behalf of which the persons acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]

Notary Public



STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On _____, 201__ before me, _____, Notary Public,
personally appeared _____, who proved to me on the basis of
satisfactory evidence to be the persons whose names are subscribed to the within instrument and
acknowledged to me that they executed the same in their authorized capacity, and that by their
signature on the instrument the persons, or the entity upon behalf of which the persons acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

EXHIBIT A
LEGAL DESCRIPTION

[To Be Inserted]

APN: _____

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND DESCRIBED AS FOLLOWS:

PARCEL A:

BEGINNING AT A POINT ON A RECORD OF SURVEY "CONTROL LINES" AS DESCRIBED IN BOOK 78, PAGE 100 OF RECORD OF SURVEYS IN THE OFFICE OF THE RECORDER OF SAID COUNTY, DESIGNATED AS H-2 ON SAID LINE; THENCE NORTH 79° 57' 33" WEST A DISTANCE OF 39.19 FEET TO A POINT, SAID POINT BEING THE INTERSECTION OF THE CENTERLINES OF HERMOSA AVENUE AND SIXTH STREET AS SHOWN ON A MAP OF OCEAN BEACH SUBDIVISION RECORDED IN MAP BOOK 2, PAGE 35, RECORDS OF SAID COUNTY; THENCE SOUTH 24° 37' 24" EAST A DISTANCE OF 256.86 FEET TO A POINT, SAID POINT BEING THE BEGINNING OF A CURVE, A RADIAL LINE THROUGH SAID POINT BEARING SOUTH 65° 22' 36" WEST; THENCE WESTERLY, A DISTANCE OF 39.00 FEET ALONG SAID RADIAL LINE TO A POINT, SAID POINT BEING THE BEGINNING POINT OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1,989.00 FEET AND A CENTRAL ANGLE OF 05° 08' 56"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 178.74 FEET TO THE END OF SAID CURVE; THENCE TANGENT TO SAID LAST MENTIONED CURVE SOUTH 29° 46' 20" EAST A DISTANCE OF 109.94 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 29° 46' 20" EAST A DISTANCE OF 239.33 FEET; THENCE SOUTH 60° 13' 40" WEST A DISTANCE OF 259.39 FEET; THENCE NORTH 16° 41' 36" WEST A DISTANCE OF 291.82 FEET; THENCE NORTH 73° 18' 24" EAST A DISTANCE OF 198.50 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND ALSO SHOWN AS PARCEL 4 OF RECORD OF SURVEY MAP, RECORDED IN BOOK 180, PAGES 50 THROUGH 57, INCLUSIVE.

APN(s): A PORTION OF 7503-008-902 AND 7503-008-901

PARCEL B:

ALL THAT PORTION OF PARCEL 11 OF THE RECORD OF SURVEY MAP, RECORDED IN BOOK 180, PAGES 50 THROUGH 57, INCLUSIVE, AS SHOWN ON EXHIBIT A-1 OF THE SECOND AMENDMENT TO THE LEASE.

APN(s): A PORTION OF 7503-008-901

EXHIBIT "A"
DESCRIPTION OF PARKING PARCEL
[To Be Inserted]

IN THE CITY OF REDONDO BEACH
COUNTY OF LOS ANGELES
11. ACCESS EASEMENT

ACCESS EASEMENT

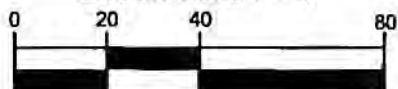


EXHIBIT A
IN THE CITY OF REDONDO BEACH
COUNTY OF LOS ANGELES
LEASE LOT

BEING A PORTION OF LOT 11 OF RECORD OF SURVEY BK 180, PGS 50-57, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ; POINT BEING THE MOST NORTHERLY CORNER OF LOT 11 OF SAID RECORD OF SURVEY;

THENCE ALONG THE EASTERLY LINE OF SAID LOT 11, S29°46'20"E, A DISTANCE OF 137.33 FEET;

THENCE LEAVING SAID EASTERLY LINE OF LOT 11, S60°13'40"W, A DISTANCE OF 47.00 FEET;

THENCE S29°46'20"E, A DISTANCE OF 17.67 FEET;

THENCE S60°13'40"W, A DISTANCE OF 71.00 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 11;

THENCE ALONG THE WESTERLY LINE OF SAID LOT 11 N29°46'20"W, A DISTANCE OF 155.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 11;

THENCE LEAVING THE WESTERLY LINE OF SAID LOT 11 AND ALONG THE NORTHERLY LINE OF SAID LOT 11, N60°13'40"E, A DISTANCE OF 118.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 17,459.60 SQUARE FEET AND 0.401 ACRES.

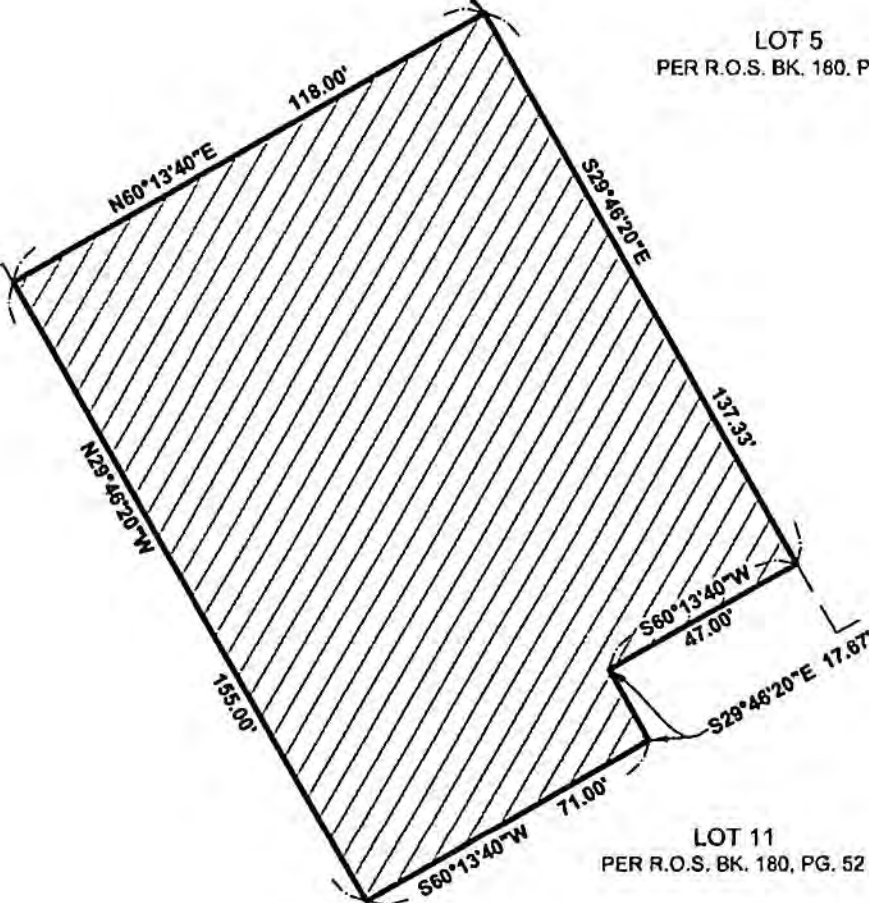
SEE ATTACHED EXHIBIT 'B'



EXHIBIT B
IN THE CITY OF REDONDO BEACH
COUNTY OF LOS ANGELES
LEASE LOT

NORTHERLY CORNER OF LOT 11
POINT OF BEGINNING

LOT 5
PER R.O.S. BK. 180, PG. 52



GRAPHIC SCALE 1" = 40'



LEASE LOT
AREA = 17,459.60 SQUARE FEET
0.401 ACRES

SHEET 2 OF 2

C09-87-4

EXHIBIT A
IN THE CITY OF REDONDO BEACH
COUNTY OF LOS ANGELES
ACCESS EASEMENT

BEING A PORTION OF LOT 11 OF RECORD OF SURVEY BK 180, PGS 50-57, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ; POINT BEING THE MOST NORTHERLY CORNER OF LOT 11 OF SAID RECORD OF SURVEY;

THENCE ALONG THE EASTERLY LINE OF LOT 11, S29°46'20"E, A DISTANCE OF 155.00 FEET;

THENCE LEAVING SAID EASTERLY LINE OF LOT 11, S60°13'40"W, A DISTANCE OF 71.00' TO THE POINT OF BEGINNING.

THENCE S29°46'20"E, A DISTANCE OF 78.36 FEET;

THENCE S57°20'45"E, A DISTANCE OF 59.55 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF PORTOFINO WAY AS SHOWN ON SAID RECORD OF SURVEY, AND TO THE BEGINNING OF A NON TANGENT 178.00 FOOT RADIUS CURVE WITH A RADIAL BEARING OF N49°12'08"W;

THENCE SOUTHWESTERLY ALONG SAID NORTHERLY RIGHT OF WAY LINE AN ARC DISTANCE OF 25.09 FEET;

THENCE LEAVING SAID NORTHERLY RIGHT OF WAY LINE, N57°20'45"W, A DISTANCE OF 63.89 FEET;

THENCE N29°46'20"W, A DISTANCE OF 84.49 FEET;

THENCE N60°13'40"E, A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING .

CONTAINING 3,571.34 SQUARE FEET MORE OR LESS AND 0.081 ACRES.

SEE ATTACHED EXHIBIT "B"

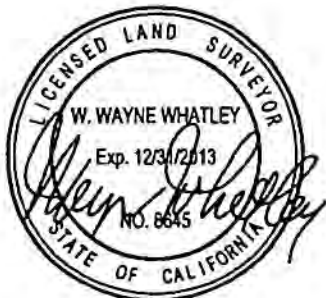


EXHIBIT "H"

Lender Consent, Intercreditor and Non-Disturbance Agreement

[To Be Attached]

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

PREFERRED BANK
601 S. Figueroa St., 29th Floor
Los Angeles, California 90017
Attn: Note Department

CONSENT, INTERCREDITOR AND NON-DISTURBANCE AGREEMENT

THIS CONSENT, INTERCREDITOR AND NON-DISTURBANCE AGREEMENT (this "**Consent**"), dated for reference purposes as of December __, 2013 and effective as of the Effective Date, defined below, by and among **PREFERRED BANK**, a California banking corporation ("**Lender**"), **CITY OF REDONDO BEACH**, a chartered municipal corporation (the "**City**"), **REDONDO BEACH HOSPITALITY COMPANY, LLC**, a California limited liability company ("**RBHC**"), **HARBOR DRIVE DEVELOPMENT COMPANY, LLC**, a California limited liability company ("**HDDC**," with RBHC, each, a "**Co-Borrower**" and jointly and severally, the "**Borrower**"), and **ZISLIS BOUTIQUE HOTELS, LLC**, a California limited liability company ("**ZBH**"), is made and entered into with reference to the following:

A. Borrower and Lender anticipate entering into a certain Construction Loan Agreement (the "**Loan Agreement**"), pursuant to the terms of which Lender will agree to make a loan (the "**Loan**") to Borrower in the maximum principal amount of Eleven Million and 00/100's Dollars (\$11,000,000.00).

B. Pursuant to a Lease Agreement dated October 6, 2009, as amended by First Amendment to Lease Agreement dated March 15, 2011, Second Amendment to Lease Agreement dated November 6, 2012 (the "**Second Amendment**"), Third Amendment to Lease Agreement dated May 28, 2013, and Fourth Amendment to Lease Agreement dated December __, 2013 (as so amended the "**Master Lease**") between ZBH and the City, ZBH, an affiliate of RBHC and HDDC, holds a leasehold interest in certain real property located at 655 N. Harbor Drive (the "**Land**") in the City of Redondo Beach, County of Los Angeles, California, and more particularly described in Exhibit "A" attached hereto and made a part hereof (which leasehold interest is the "**Property**"). The Lease has been entered into for purposes of completing certain improvements, including a 54-room boutique style hotel, restaurant, lounge and related facilities, including parking (the "**Improvements**," the Property and Improvements are collectively referred to as the "**Project**"). City, as licensor, and RBHC and HDDC, as licensee, are entering into into a certain License Agreement dated for reference purposes December __, 2013 (the "**Parking License**") providing for an additional fifty (50) parking spaces and access to these spaces (the "**Additional Parking**") for the benefit of the Project.

C. Pursuant to a Sublease dated November 18, 2009 (the "**Sublease**"), and in compliance with the Master Lease, ZBH subleased its interest under the Ground Lease to HDDC. Pursuant to an Operating Sublease dated November 18, 2009 (the "**Operating Sublease**"), and in compliance with the Master Lease, HDDC, reserving some rights, sub-subleased its interest under the Sublease to RBHC, which will operate the Property. The Master Lease, Sublease, and Operating Sublease are sometimes collectively referred to as the "**Ground Lease**." Memoranda

of each of the Master Lease, Sublease and Operating Sublease have been or will be recorded in the Official Records of Los Angeles County, California, prior to or substantially concurrently herewith. Capitalized terms not otherwise defined in this Consent have the meaning assigned in the Master Lease. The proceeds of the Loan will be applied to construction of certain of the Improvements on the Property in accordance with the Master Lease.

D. The Loan is to be (i) evidenced by a secured promissory note in the aggregate principal amount of the Loan (the "**Note**") made by Borrower, to the order of Lender, (ii) guaranteed by ZBH and others, and (iii) secured by, among other security, (A) a Construction Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing of even date therewith, executed by RBHC for the benefit of Lender, encumbering its sub-subleasehold interest in the Project, (B) a Construction Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by HDDC for the benefit of Lender encumbering its subleasehold interest in the Project, (C) as security for its guaranty, a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by ZBH encumbering its leasehold interest (collectively, the "**Deeds of Trust**"), and (D) by related Assignments of Rents and Leases of even date therewith, executed by Borrower, as assignor, for the benefit of Lender, as assignee, encumbering the Project (collectively, the "**Assignments of Leases**"), and by assignments of the Parking License, and permits, contracts and entitlements (collectively, the "**Rights Assignments**"). The Deeds of Trust, Assignments of Leases, and Rights Assignments are sometimes hereinafter collectively referred to as the "**Security Documents**." The Security Documents are being recorded substantially concurrently herewith.

E. As a condition precedent to Lender's making any advances of funds to Borrower under the Loan, Lender further requires the parties enter into certain understandings regarding the Ground Lease and the parties' respective rights and obligations, and those understandings are specified in this Consent.

NOW, THEREFORE, in consideration of Lender's agreeing to make advances of funds under the Loan, and in consideration of the mutual promises and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Lender Right to Consent to Amendment to Master Lease. City confirms to Lender City's understanding that under the Loan Documents, without the express written consent of Lender, neither the Ground Lease nor the Parking License can be terminated by ZBH or Borrower, or amended by ZBH or Borrower as to any material term if the effect of such amendment is to (a) materially alter the scope of the Project, shorten the term of the Ground Lease, increase amounts payable by ZBH or Borrower to City, increase the cost of completion of the Improvements or otherwise increase ZBH's or the Borrower's obligations in any material respect, or (b) change in any respect Lender's rights or obligations, provided that, if Lender's consent is required, it shall not be unreasonably withheld so long as no Event of Default, as defined in the Loan Agreement, has occurred and is continuing, and Lender's security would not be impaired as a result of the proposed amendment. Lender, Borrower and ZBH confirm to City that notwithstanding the foregoing, Lender's consent is not required for ZBH or Borrower to renegotiate an adjustment to the Percentage Rental in accordance with Section 4.9 of the Master Lease.

2. Consent to Sublease, Operating Sublease, and Loan.

(a) City acknowledges that Lender is an "Institutional Lender" and that the Loan and Security Documents are in compliance with Article 13 of the Master Lease. City consents to the Loan and recognizes the rights of Lender under the Security Documents.

(b) City has accepted the form of the Security Documents. City acknowledges that Section 13.1(a)(viii)(A) of the Master Lease, which states that "the terms and provisions of this Lease shall prevail, govern and control in any instance where an inconsistency or conflict exists between the terms and provisions of this Lease and the terms and conditions of any mortgage document," shall not be applicable with respect to this Consent. City further acknowledges that Section 13.1(a)(viii)(B) of the Master Lease, which states that "any proceeds from fire or extended coverage insurance shall first be used for the repair, rebuilding, restoration or reconstruction of Improvements on the Premises and only the remaining proceeds, if any, may then be used to repay any part of the outstanding indebtedness secured by the mortgage," shall not be applicable during the term of the Loan Agreement, and that Section 3.2 of the Loan Agreement shall control. For purposes of Article 13 of the Master Lease, City consents to and approves (i) the making of the Loan and recordation of the Security Documents, (ii) all provisions of the Security Documents, and (iii) all provisions of the Loan Agreement, the Note, and the other Loan Documents described in the Loan Agreement (collectively with the Security Documents, referred to as the "**Loan Documents**") relating to the disbursement of Loan proceeds and construction of the Project.

(c) City acknowledges that it has consented to the Sublease and the Operating Sublease, and that each of the Sublease and the Operating Sublease is in compliance with Article 15 of the Master Lease. City hereby consents to the sub-license of the Additional Parking to RBHC and/or HDDC.

(d) City acknowledges that as security for the Loan, Borrower has assigned to Lender Borrower's interests in the Parking License and in contracts, plans, and permits, including the construction contract for the Improvements with the general contractor, and all permits, entitlements, plans and specifications for construction of the Improvements and operating of the Project, and consents to such assignment.

(e) City acknowledges that no Appreciation Rent is currently payable in connection with the Loan, the Sublease or the Operating Sublease.

(f) Notwithstanding Section 13.1(b) of the Master Lease, City acknowledges that notice to or consent of City is not required in the event the maturity date of the Loan is extended or the Loan is converted to a term loan on satisfaction or waiver, as determined by Lender, of the conditions to such extension or conversion under the Loan Documents, provided that Lender uses commercially reasonable efforts to provide notice of such events to City within thirty (30) days following the effective date thereof. Lender further agrees to use commercially reasonable efforts to provide City copies of all modifications of the Loan Documents or waivers of the terms thereof within thirty (30) days following execution thereof.

3. Acquisition of Title by Lender; New Lease.

(a) The provisions of this Section 3 control over any conflicting terms of the Master Lease.

(b) If Lender (or its successors or assigns) acquires title to the Project or any portion of the Project by foreclosure proceedings, exercise of a power of sale, deed in lieu of foreclosure, or otherwise, and provided that all events of default of monetary obligations under the Master Lease and Parking License have been cured, and all events of default of non-monetary obligations under the Master Lease and Parking License which are susceptible to cure by Lender or successor Lessee (including non-monetary defaults which are susceptible to cure by a receiver requested by Lender or by Lender in possession) which shall have been either been cured or are diligently in the process of being cured as demonstrated by reasonable evidence thereof which has been delivered to City, City agrees that it will extend the periods for performance under the Master Lease as is reasonably required to allow sufficient time for completion following such acquisition of title; provided, however, nothing contained in the preceding clause shall be deemed to construe, permit or authorize Lender (or its successors or assigns) to (i) devote the Project, or any portion thereof, to any uses or to construct improvements thereon, other than those uses or improvements provided for or authorized by the Master Lease, or (ii) undertake or continue the construction or completion of improvements on the Project except in accordance with the provisions of the Master Lease. Notwithstanding the foregoing, however, in no event shall Lender (or its successors or assigns) be entitled to the foregoing rights if the Master Lease has been terminated in accordance with its terms subject to Lender's notice and cure rights under the Master Lease and this Consent.

(c) In the event Lender, or any successor or assign, or any other person who acquires title following exercise by Lender of the power of sale contained in the Security Documents, foreclosure, or deed in lieu of foreclosure or otherwise takes possession of the Project, City shall not unreasonably withhold its consent to such party's assumption of ZBH's or Borrower's rights and obligations under the Ground Lease so long as the assuming party is either (i) Lender or an affiliate of Lender, or (ii) another person with the financial resources to complete the Project and with project experience comparable to the principals of ZBH and Borrower, which may include a participating or successor holder of the Loan, subject to all of the requirements of Section 15.2 of the Master Lease .

4. Disbursements. Lender, in making disbursements pursuant to the Loan Documents, is under no obligation or duty to, nor has Lender represented that it will, see to the application of Loan proceeds by the person or persons to whom such disbursements are made. While it is Lender's policy to require disbursement of loan proceeds in accordance with the terms and conditions of the applicable Loan Documents solely for the Improvements as described in the Development Program set forth in the Master Lease (as well as related "soft" costs and fees and costs, including interest, recording fees, and title premiums, incurred in connection with the Loan), in no event shall any application or use of proceeds of the Loan for purposes other than those provided for in the Loan Documents defeat the agreements made in this Consent. Notwithstanding anything to the contrary set forth in the Loan Agreement or any other agreement between Lender and ZBH and/or Borrower with respect to the disbursement of all or any portion of the proceeds of the Loan, any and all disbursements made by Lender to or

for the account or benefit of Borrower or the Project or any improvements on the Project in connection with:

(a) any costs or expenses incurred in complying with any laws, rules, regulations or statutes or any directives of any governmental agencies having or exercising jurisdiction over the construction or completion of the Improvements or the operation of the same upon completion thereof;

(b) any sums due or owing to Lender by ZBH or Borrower or their respective successors and assigns as a result of advances made by Lender in connection with the Loan Agreement or any other agreement between Lender and ZBH and/or Borrower with respect to the disbursement of the proceeds of the Loan, including without limitation interest thereon; or

(c) any sums advanced by Lender for the payment of real estate (possessory interest) taxes and assessments, insurance premiums or any other sums advanced or obligations incurred by Lender in connection with the protection or preservation of all security given to Lender with respect to the Loan,

shall be deemed to be, and shall in all events be, secured by the Security Documents and, as so secured, and regardless of whether Borrower at the time of any such disbursements may have been in default under the Note, the Loan Agreement, the Security Documents or any of the other Loan Documents, shall be and remain liens or charges upon the Project.

5. Covenants of City. City hereby declares, agrees and acknowledges as follows:

(a) City shall not accept a termination or attempted termination by ZBH or Borrower of the Master Lease under Section 18 of the Master Lease (relating to condemnation or taking), Section 19 of the Master Lease (relating to damage or destruction), or Section 3 of the Parking License, or otherwise accept termination or assignment of ZBH's or Borrower's interests without Lender's express consent.

(b) Lender has not made any warranty or representation of any kind or nature whatsoever to City with respect to (i) the application of the proceeds of the Loan being made by Lender to Borrower upon the security of the Security Documents, (ii) the value of the Project or of the Improvements or other Improvements, or the marketability or value of the Borrower Improvements, or (iii) the ability of ZBH or Borrower to honor their covenants and agreements with Lender.

(c) City has made such independent legal and factual inquiries and examinations as City deems necessary or desirable, and City has relied solely on said independent inquiries and examinations in giving this Consent.

(d) City consents to deposit of the Capital Improvement Fund with, and assignment of the Capital Improvement Fund to, Lender as security for any obligations of ZBH, HDDC and/or RBHC under the Loan Documents, provided that any disbursements of the Capital Improvement Fund by Lender shall be in accordance with the requirements of the Master Lease and shall not be disbursed or retained by Lender for the payment of the Loan.

(e) City consents to deposit of the Renovation Fund with, and assignment of the Renovation Fund to, Lender as security for any obligations of ZBH, HDDC and/or RBHC under the Loan Documents, provided that any disbursements of the Renovation Fund by Lender shall be in accordance with the requirements of the Master Lease and shall not be disbursed or retained by Lender for the payment of the Loan..

(f) To preserve the value of Lender's security interest in the Project, if the reconstruction cost exceeds twenty-five percent (25%) of the replacement cost of the Improvements damaged or destroyed, Lender shall be entitled to participate in adjusting the claim with the insurer, shall have reasonable approval rights over all plans and specifications relating to the reconstruction, and shall have the right to require that all proceeds be disbursed through a disbursement agent or other agreed arrangement.

(g) Lender shall be entitled to receive any separate condemnation award granted to ZBH and/or Borrower in respect of their interests.

(h) If Lender (or its successors or assigns) acquires title to the Project or any portion of the Project by foreclosure proceedings, exercise of a power of sale, deed in lieu of foreclosure, or otherwise, City agrees that Lender (or its successors or assigns) shall have all of the rights of Lessee under the Master Lease with respect to the Additional Parking and any substituted Additional Parking as described in the Parking License, within the area designated for "Substituted Parking Parcel" as described in the Fourth Amendment, including the right to use the Additional Parking (or comparable property substituted for the Additional Parking) for automobile parking for hotel guests, employees and customers. City shall, on request of Lender or its successors or assigns or successor Lessee under the Master Lease, and provided that all events of default of monetary obligations under the Master Lease and Parking License have been cured, and all events of default of non-monetary obligations under the Master Lease and Parking License which are susceptible to cure by Lender or successor Lessee (including non-monetary defaults which are susceptible to cure by a receiver requested by Lender or by Lender in possession) have been either been cured or are diligently in the process of being cured as demonstrated by reasonable evidence thereof which has been delivered to City, execute a new license agreement granting all rights to use the Additional Parking which had been licensed to ZBH prior to default or foreclosure. Notwithstanding the foregoing, however, in no event shall Lender (or its successors or assigns) be entitled to the foregoing rights if the Master Lease has been terminated in accordance with its terms subject to Lender's notice and cure rights under the Master Lease and this Consent.

6. Further Documents. The parties shall execute any further documents or instruments reasonably required by Lender to effect the agreements contained in this Consent.

7. Entire Agreement. This Agreement shall be the whole and only agreement with respect to the subject matter, and shall supersede and cancel any prior agreements as to such matters, including without limitation any provisions contained in the Master Lease which are not consistent with this Consent.

8. City Estoppel and Representations. The City makes the following representations, each of which is limited to the actual knowledge of only the City Manager, and

without duty of investigation. The City acknowledges that Lender is relying on such statements in making advances under the Loan:

(a) ZBH is the "Lessee" under the Master Lease and "Licensee" under the Parking License, and both the Master Lease and Parking License are in full force and effect and binding on the respective parties thereto.

(b) To City's knowledge, there has been no default or breach (or any event that, after the giving of notice or the passage of time, or both, would constitute a default or breach) in the performance of the obligations of ZBH under the Master Lease or the Parking License which has not been cured or waived.

(c) There has been no default or breach (or any event that, after the giving of notice or the passage of time, or both, would constitute a default or breach) which has not been cured or waived in the performance of City's obligations under the Master Lease or the Parking License;

(d) The Master Lease has not been terminated with respect to any part or portion of the Project site, nor has the Parking License been terminated with respect to any part of the Additional Parking.

(e) There has been no failure of any condition or other matter or event that would cause any of the entitlements or other rights of ZBH under the Master Lease, or under any permit or entitlement issued to ZBH, RBHC, or HDDC in connection with the Project to be revoked or become invalid or that would otherwise cause any of such parties to be denied the full benefits of the Master Lease or such entitlements.

(f) All land use approvals as may be required by the City or to the City's knowledge required by other City governmental bodies to complete the construction of the Improvements have been obtained; provided that City makes no representation regarding land use approvals of the California Coastal Commission (except for approvals by the City under its Local Coastal Plan), State Lands Commission, County of Los Angeles, or any other governmental agencies not affiliated with City.

(g) As of the date hereof, the Borrower has performed its obligations set forth in Section 6.1 of the Master Lease, as amended, by the dates specified therein or the City has accepted late performance.

(h) City, and to City's knowledge, the City Harbor Commission and other City governmental bodies whose approval is required, have approved the plans and all work carried out to date at the Project by or on behalf of ZBH or Borrower has been satisfactorily performed; provided that City makes no representation regarding approvals of the California Coastal Commission (except for approvals by the City under its Local Coastal Plan), State Lands Commission, County of Los Angeles, or any other governmental agencies not affiliated with City.

(i) To City's actual knowledge, there is no litigation pending affecting (i) the Project or (ii) the City that would prevent a party from performing its respective obligations

under the Master Lease, except as has been disclosed in writing to Lender by City; provided that City has not conducted any search of pending litigation.

(j) Except as described herein, the Master Lease has not been amended, modified, assigned or transferred in any manner by City.

(k) City has no outstanding, unresolved claim against ZBH or Borrower and does not now make any such claim.

(l) City has received no notice of any assignment, pledge of rents or encumbrance of ZBH and/or Borrower's interests in the Master Lease, the Parking License, the Project, or the Additional Parking, other than from Lender.

(m) Each of the person(s) signing this Consent on behalf of the City each has full right and authority to execute this Consent and execution and delivery of this Consent has been authorized by any required vote or approval.

(n) No determination has been made by City of inconsistency of the Master Lease or the uses allowed under the Master Lease with the tidelands grant, as described in Section 5.5 of the Master Lease; provided that City makes no representation regarding any such determination being made by State Lands Commission.

9. Lender Representations.

(a) Lender is an Institutional Lender (as defined in the Master Lease) with net assets of not less than One Hundred Million Dollars (\$100,000,000).

(b) The amount of all indebtedness secured by the Deeds of Trust will not exceed seventy-five percent (75%) of the Fair Market Value of Lessee's interest in the Master Lease and the Improvements on the Land (as defined in the Master Lease) as such Fair Market Value is determined by independent appraisal prior to the date hereof; provided, Lender makes no representation or warranty as to the accuracy, methodology or validity of such appraisal, or the actual Fair Market Value of such interests.

(c) Lessee has provided projections of net operating income derived from all operations conducted on or from the Land for the first five (5) calendar years of the Master Lease Term after completion of the Improvements are in excess of one hundred twenty percent (120%) of all debt service (including all costs and expenses related to the debt service) payable by Borrower during such calendar year for the Loan; however, Lender makes no representation or warranty with respect to the accuracy, methodology or validity of such projections, or the actual expected net operating income.

(d) (d) The Deeds of Trust will encumber only Lessee's interest in the Improvements on the Land and Lessee's interest in the Master Lease and no other real property.

(e) (e) The Deeds of Trust will not be cross-defaulted with agreements relating to other property or transactions.

10. Miscellaneous.

(a) This Consent is made for the benefit of and is enforceable by the parties and their respective heirs, successors and assigns.

(b) This Consent shall be governed by and construed in accordance with the law of the State of California.

(c) If any party commences an action against the other to enforce any of the terms of this Consent, or because of the breach by any other party of any term, the prevailing party is entitled to reasonable attorneys' fees and costs incurred at trial and on appeal. Any party seeking to enforce or execute on any judgment in any action or proceeding is entitled to recover reasonable fees and costs, including attorneys' fees incurred in any post judgment proceeding. The provisions of this section shall survive any merger of the judgment into this Consent.

(d) This Consent may not be amended except in a writing signed by the parties, and constitutes the entire agreement of the parties related to the subject matter of this Consent.

(e) This Consent controls over any conflicting term of the Master Lease.

11. Counterparts. This Consent may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute but one and the same instrument.

12. Notices. Any notices hereunder shall be given in the manner set forth in the Master Lease and, if given to Lender, shall be to the address set forth below its signature below.

13. Effective Date. This Consent is effective without further act of or notice to any party as of the date of funding of the Loan, as evidenced by recordation of the Deeds of Trust, (the "**Effective Date**"); provided, however, if the Deeds of Trust have not been recorded on or before February 28, 2014, this Consent shall be of no further force or effect.

[signature pages follow]

CITY:

CITY OF REDONDO BEACH,
a chartered municipal corporation

By: _____

Steve Aspel, Mayor

Attest:

Eleanor Manzano, City Clerk

Approved as to form:

Michael W. Webb, City Attorney

STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES)

On December 26 2013 before me, J. Espinoza NOTARY PUBLIC, personally appeared STEVE ASPEL who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~is~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity, and that by his/~~her~~/their signature~~(s)~~ on the instrument, the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

NOTARY PUBLIC



[signatures continued on next page]

BORROWER:

REDONDO BEACH HOSPITALITY COMPANY, LLC,
a California limited liability company

By: [Signature]
Michael A. Zislis, its Manager

HARBOR DRIVE DEVELOPMENT COMPANY, LLC,
a California limited liability company

By: [Signature]
Michael A. Zislis, Its Manager

LESSEE:

ZISLIS BOUTIQUE HOTELS, LLC,
a California limited liability company

By: [Signature]
Michael A. Zislis, its Manager

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On DEC. 30, 2013 before me, SELENA HIRA-TOTH NOTARY PUBLIC, personally appeared MICHAEL A. ZISLIS who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~(is/are)~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity, and that by ~~his/her/their~~ signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
NOTARY PUBLIC



PREFERRED BANK,
a California corporation

By: _____
Ted Hsu
Its Senior Vice President

Address:

PREFERRED BANK
601 S. Figueroa St., 29th Floor
Los Angeles, California 90017
Attn: Note Department

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 2013 before me, _____ NOTARY PUBLIC, personally appeared TED HSU who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

NOTARY PUBLIC

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND DESCRIBED AS FOLLOWS:

PARCEL A:

BEGINNING AT A POINT ON A RECORD OF SURVEY "CONTROL LINES" AS DESCRIBED IN BOOK 78, PAGE 100 OF RECORD OF SURVEYS IN THE OFFICE OF THE RECORDER OF SAID COUNTY, DESIGNATED AS H-2 ON SAID LINE; THENCE NORTH 79° 57' 33" WEST A DISTANCE OF 39.19 FEET TO A POINT, SAID POINT BEING THE INTERSECTION OF THE CENTERLINES OF HERMOSA AVENUE AND SIXTH STREET AS SHOWN ON A MAP OF OCEAN BEACH SUBDIVISION RECORDED IN MAP BOOK 2, PAGE 35, RECORDS OF SAID COUNTY; THENCE SOUTH 24° 37' 24" EAST A DISTANCE OF 256.86 FEET TO A POINT, SAID POINT BEING THE BEGINNING OF A CURVE, A RADIAL LINE THROUGH SAID POINT BEARING SOUTH 65° 22' 36" WEST; THENCE WESTERLY, A DISTANCE OF 39.00 FEET ALONG SAID RADIAL LINE TO A POINT, SAID POINT BEING THE BEGINNING POINT OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1,989.00 FEET AND A CENTRAL ANGLE OF 05° 08' 56"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 178.74 FEET TO THE END OF SAID CURVE; THENCE TANGENT TO SAID LAST MENTIONED CURVE SOUTH 29° 46' 20" EAST A DISTANCE OF 109.94 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 29° 46' 20" EAST A DISTANCE OF 239.33 FEET; THENCE SOUTH 60° 13' 40" WEST A DISTANCE OF 259.39 FEET; THENCE NORTH 16° 41' 36" WEST A DISTANCE OF 291.82 FEET; THENCE NORTH 73° 18' 24" EAST A DISTANCE OF 198.50 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND ALSO SHOWN AS PARCEL 4 OF RECORD OF SURVEY MAP, RECORDED IN BOOK 180, PAGES 50 THROUGH 57, INCLUSIVE.

APN(s): A PORTION OF 7503-008-902 AND 7503-008-901

PARCEL B:

ALL THAT PORTION OF PARCEL 11 OF THE RECORD OF SURVEY MAP, RECORDED IN BOOK 180, PAGES 50 THROUGH 57, INCLUSIVE, AS SHOWN ON EXHIBIT A-1 OF THE SECOND AMENDMENT TO THE LEASE.

APN(s): A PORTION OF 7503-008-901

Recording Requested By:
When Recorded Mail To:

City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277
Attention: City Clerk



APN: 7503-008-902
7503-008-901

No charge for recording pursuant to Government Code
Sections 6103 and 27383

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum of Lease") is executed as of December 17, 2013 by and between the CITY OF REDONDO BEACH, a chartered city and municipal corporation (the "Lessor"), and ZISLIS BOUTIQUE HOTELS, LLC, a California limited liability company, as lessee (the "Lessee"), who agree as follows:

1. Lease Agreement. Lessee has leased and hereby leases from Lessor the real property described in Section 2 of this Memorandum of Lease, on the terms and conditions, and for the term, more fully set forth in the Lease dated October 6, 2009, as amended by the First Amendment to Lease Agreement dated March 15, 2011, Second Amendment to Lease Agreement dated November 6, 2012, Third Amendment to Lease Agreement dated May 28, 2013, and Fourth Amendment to Lease Agreement dated December 17, 2013 (as amended from time to time, the "Lease"), all of the provisions of which are hereby incorporated by reference in this Memorandum of Lease.

2. Property. The property leased by Lessor to Lessee pursuant to the Lease is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Premises").

3. Term. The Lease is for a term commencing on October 6, 2009 and ending April 1, 2068. The term is subject to prior termination and further extension for up to two additional five year periods, as provided in the Lease.

4. Mortgagee Protection. The Lease establishes certain rights for the benefit of Lessee's lenders holding a security interest in Lessee's leasehold interest in the Premises.

5. Successors and Assigns. Subject to the provisions of the Lease relating to assignment and subletting, the Lease shall inure to the benefit of and shall be binding upon Lessor, Lessee and their respective successors and assigns.

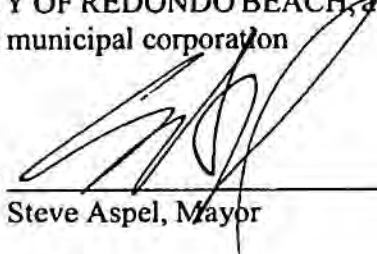
6. Purpose of Memorandum. This Memorandum of Lease is prepared for the purpose of providing record notice of the existence of the Lease, and it in no way modifies the provisions of the Lease. In the event of any inconsistency between the terms and conditions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of the Lease shall control. No addition to or modification of any term of the Lease or this Memorandum shall be effective unless set forth in writing and signed by Lessee and Lessor.

7. Execution in Counterpart. This Memorandum of Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease Agreement by their officers thereunto duly authorized, as of the day and year first written above.

LESSOR:

CITY OF REDONDO BEACH, a chartered city
and municipal corporation

By: 

Steve Aspel, Mayor

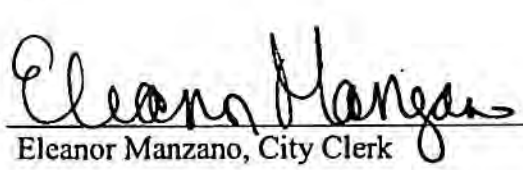
LESSEE:

ZISLIS BOUTIQUE HOTELS, LLC,
a California limited liability company

By: 

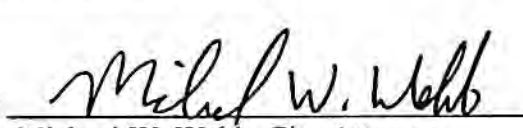
Michael A. Zislis, its Manager

ATTEST:

By: 

Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

By: 

Michael W. Webb, City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND DESCRIBED AS FOLLOWS:

PARCEL A:

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SAID LAND ALSO SHOWN AS PARCEL 4 OF RECORD OF SURVEY MAP, RECORDED IN BOOK 180, PAGES 50 THROUGH 57, INCLUSIVE.

APN(s): A PORTION OF 7503-008-902 AND 7503-008-901

PARCEL B:

ALL THAT PORTION OF PARCEL 11 OF THE RECORD OF SURVEY MAP, RECORDED IN BOOK 180, PAGES 50 THROUGH 57, INCLUSIVE, AS SHOWN ON EXHIBIT A-1 OF THE SECOND AMENDMENT TO THE LEASE.

APN(s): A PORTION OF 7503-008-901

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

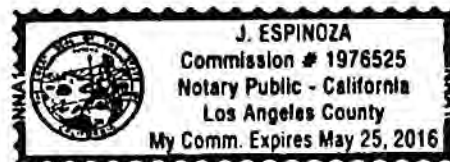
On December 26 2013 before me, J Espinoza, Notary Public,
personally appeared Steve Arpel, who proved to me on the basis of satisfactory
evidence to be the persons whose names are subscribed to the within instrument and
acknowledged to me that they executed the same in their authorized capacity, and that by their
signature on the instrument the persons, or the entity upon behalf of which the persons acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public



STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On _____, 201__ before me, _____, Notary Public,
personally appeared _____, who proved to me on the basis of
satisfactory evidence to be the persons whose names are subscribed to the within instrument and
acknowledged to me that they executed the same in their authorized capacity, and that by their
signature on the instrument the persons, or the entity upon behalf of which the persons acted,
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I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On December 30, 2013 before me, Selena Hira-Toth, Notary Public, personally appeared Michael A. Zisis, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signature on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

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WITNESS my hand and official seal.



Notary Public



STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On _____, 201__ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signature on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

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