

BOARD OF  
BUILDING AND SAFETY  
COMMISSIONERS

VAN AMBATIELOS  
PRESIDENT

E. FELICIA BRANNON  
VICE PRESIDENT

JOSELYN GEAGA-ROSENTHAL  
GEORGE HOVAGUIMIAN  
JAVIER NUNEZ

CITY OF LOS ANGELES  
CALIFORNIA



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
BUILDING AND SAFETY  
201 NORTH FIGUEROA STREET  
LOS ANGELES, CA 90012

FRANK M. BUSH  
GENERAL MANAGER

OSAMA YOUNAN, P.E.  
EXECUTIVE OFFICER

June 21, 2017

Council District: # 2

Honorable Council of the  
City of Los Angeles  
Room 395, City Hall

JOB ADDRESS: **12515 WEST SHERMAN WAY, LOS ANGELES, CA**  
**(AKA: 12517 WEST SHERMAN WAY, LOS ANGELES, CA)**  
ASSESSORS PARCEL NO. (APN): **2324-003-010**

On November 17, 2015, pursuant to the authority granted by Section 91.103 of the Los Angeles Municipal Code, the Department of Building and Safety (the "Department") investigated and identified code violations at: **12515 West Sherman Way, (Aka: 12517 West Sherman Way,) Los Angeles, California**, (the "Property"). A copy of the title report which includes a full legal description of the property is attached as Exhibit A.

Pursuant to Section 98.0421, the property owner was issued an order on November 17, 2015, to pay a code violation inspection fee after violations were identified and verified upon inspection. The code violation inspection fees imposed by the Department are as follows:

<u>Description</u>	<u>Amount</u>
Code Violation Investigation Fee	\$ 336.00
System Development Surcharge	20.16
System Development Surcharge late Fee	50.40
Late Charge/Collection Fee (250%)	840.00
Title Report Fee	42.00
<b>Grand Total</b>	<b>\$ 1,288.56</b>

Pursuant to the authority granted by Section 7.35.3 of the Los Angeles Administrative Code, it is proposed a lien for a total sum of **\$1,288.56** recorded against the property. It is requested that the Honorable City Council of the City of Los Angeles (the "City Council") designate the time and place protest can be heard concerning this matter, as set forth in Sections 7.35.3 and 7.35.5 of the Los Angeles Administrative Code.

It is further requested that the City Council instruct the Department to deposit to Dept 08, Fund 48R, Balance Sheet Account 2200, any payment received against this lien in the amount of **\$1,288.56** on the referenced property. A copy of the title report which includes a full legal description of the property is attached as Exhibit A. A list of all the names and addresses of owners and all interested parties entitled to notice is included (Exhibit B). Also attached is a report which includes the current fair market value of the property including all encumbrances of record on the property as of the date of the report (Exhibit C).

DEPARTMENT OF BUILDING AND SAFETY

  
Steve Ongele  
Chief, Resource Management Bureau

Lien confirmed by  
City Council on:

ATTEST: HOLLY L. WOLCOTT, CITY CLERK

BY: \_\_\_\_\_  
DEPUTY



5711 W. SLAUSON AVE., SUITE 170  
CULVER CITY, CA 90230  
Phone 310-649-2020 310-649-0030 Fax

---

## **Property Title Report**

**Work Order No. T14133**  
**Dated as of: 04/13/2017**

**Prepared for: City of Los Angeles**

---

### **SCHEDULE A**

*(Reported Property Information)*

**APN #: 2324-003-010**

**Property Address: 12515 W SHERMAN WAY** ✓ **City: Los Angeles**

**County: Los Angeles**

### **VESTING INFORMATION**

**Type of Document: GRANT DEED**

**Grantee : D.D.R CAPITAL MANAGEMENT LLC**

**Grantor : WHITE EAGLE PROPERTIES**

**Deed Date : 04/15/2015**

**Recorded : 05/11/2015**

**Instr No. : 15-0542912**

**MAILING ADDRESS: D.D.R CAPITAL MANAGEMENT LLC**  
**12515-12517 SHERMAN WAY NORTH HOLLYWOOD CA 91605**

**MAILING ADDRESS: D.D.R CAPITAL MANAGEMENT LLC**  
**7211 WHITSETT AVE NORTH HOLLYWOOD CA 91605**

### **SCHEDULE B**

### **LEGAL DESCRIPTION**

**Lot: 9 Tract No: 1081 Abbreviated Description: LOT:9 CITY:REGION/CLUSTER:**  
**24/24830 TR#:1081 TRACT NO 1081 W 100 FT OF E 211 FT EX OF ST OF LOT 9**  
**City/Muni/Twp: REGION/CLUSTER: 24/24830**

### **MORTGAGES/LIENS**

**Type of Document: DEED OF TRUST**

**Recording Date: 10/21/2015**

**Document #: 15-1292717**

**Loan Amount: \$3,485,000**

**Lender Name: PLAZA BANK**

**Borrowers Name: DDR CAPITAL MANAGEMENT LLC**

**MAILING ADDRESS: PLAZA BANK**  
**18200 VON KARMAN AVE STE 500 IRVINE, CA 92612**

This page is part of your document - DO NOT DISCARD



**20150542912**



Pages:  
0003

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

05/11/15 AT 08:00AM

FEES:	25.00
TAXES:	22,540.00
OTHER:	0.00
PAID:	22,565.00



LEADSHEET



201505111000046

00010547739



006817754

SEQ:  
01

ERDS - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E09\_1652011

RECORDING REQUESTED BY:  
Orange Coast Title

AND WHEN RECORDED MAIL TO:

12515-12517 Sherman Way  
North Hollywood Area, Los Angeles, CA 91606

THIS SPACE FOR RECORDER'S USE ONLY:

Title Order No.: 150-1652011-16

Escrow No.: 098625-MK

AP#: 2324-003-010

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX is \$4,427.50 CITY TRANSFER TAX \$18,112.50

[X] computed on full value of property conveyed, or

[ ] computed on full value less value of liens or encumbrances remaining at time of sale.

[ ] Unincorporated area [X] City of Los Angeles AND

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

White Eagle Properties, a Nevada Corporation

hereby GRANT(s) to:

D.D.R Capital Management LLC, a California Limited Liability Company

the real property in the City of Los Angeles, County of Los Angeles, State of California, described as:  
LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF  
Also Known as: 12515-12517 Sherman Way, North Hollywood Area, Los Angeles, CA 91606

Dated April 15, 2015

White Eagle Properties, a Nevada Corporation

By:

  
Authorized Signor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF Los Angeles

On April 15th, 2015 before me, A. Alsibai

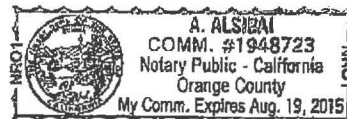
personally appeared C. Armani-Dawood who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature

(Seal)



MAIL TAX STATEMENTS TO PARTY SHOWN BELOW; IF NO PARTY SHOWN, MAIL AS SHOWN ABOVE:



**Exhibit "A"**

**Parcel 1:**

The East 100 feet of the West 1100 feet of Lot 9 of Tract 1081, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 17 Pages 130 and 131 of Maps, in the Office of the County Recorder of said County.

Except therefrom the South 25 feet thereof.

**Parcel 2:**

An easement appurtenant to Parcel 1 above described over the North 30 feet of said Lot 9, except the West 1100 feet, for ingress and egress.

This page is part of your document - DO NOT DISCARD



**20151292717**



Pages:  
0012

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

10/21/15 AT 08:00AM

FEES:	91.00
TAXES:	0.00
OTHER:	0.00
PAID:	91.00



LEADSHEET



201510210300017

00011278793



007177259

SEQ:  
15

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T55

Recording Requested By  
Fidelity National Title



WHEN RECORDED MAIL TO:

Plaza Bank  
Irvine Headquarters Office  
18200 Von Karman Avenue, Suite 500  
Irvine, CA 92612

FOR RECORDER'S USE ONLY

232408104 KM

11  
3T

DEED OF TRUST

THIS DEED OF TRUST is dated October 13, 2015, among D.D.R. Capital Management, LLC, a California limited liability company, whose address is 12515 Sherman Way, North Hollywood, CA 91605 ("Trustor"); Plaza Bank, whose address is Irvine Headquarters Office, 18200 Von Karman Avenue, Suite 500, Irvine, CA 92612 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Fidelity National Title Company, whose address is 1300 Dove Street, Suite 310, Newport Beach, CA 92660 (referred to below as "Trustee").

**CONVEYANCE AND GRANT.** For valuable consideration, Trustor irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, for the benefit of Lender as Beneficiary, all of Trustor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Los Angeles County, State of California:

See Exhibit 'A', which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as 12515-12517 Sherman Way, Los Angeles (North Hollywood area), CA 91605. The Assessor's Parcel Number for the Real Property is 2324-003-010.

Trustor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Trustor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. This is an absolute assignment of Rents made in connection with an obligation secured by real property pursuant to California Civil Code Section 2938. In addition, Trustor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

**THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF THE TRUSTOR UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Deed of Trust, Trustor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Trustor's obligations under the Note, this Deed of Trust, and the Related Documents.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Trustor agrees that Trustor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** Until the occurrence of an Event of Default, Trustor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

**Duty to Maintain.** Trustor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Compliance With Environmental Laws.** Trustor represents and warrants to Lender that: (1) During the period of Trustor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Trustor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Trustor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Trustor authorizes Lender and its agents to enter upon the Property

15E

**DEED OF TRUST  
(Continued)**

Loan No: 200281300-3

Page 2

to make such inspections and tests, at Trustor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Trustor or to any other person. The representations and warranties contained herein are based on Trustor's due diligence in investigating the Property for Hazardous Substances. Trustor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Trustor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Trustor's ownership or interest in the Property, whether or not the same was or should have been known to Trustor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

**Nuisance, Waste.** Trustor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Trustor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

**Removal of Improvements.** Trustor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Trustor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

**Lender's Right to Enter.** Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Trustor's compliance with the terms and conditions of this Deed of Trust.

**Compliance with Governmental Requirements.** Trustor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Trustor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Trustor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Trustor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Duty to Protect.** Trustor agrees neither to abandon or leave unattended the Property. Trustor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Trustor. However, this option shall not be exercised by Lender if such exercise is prohibited by applicable law.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

**Payment.** Trustor shall pay when due (and in all events at least ten (10) days prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Trustor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

**Right to Contest.** Trustor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Trustor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Trustor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Trustor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Trustor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

**Evidence of Payment.** Trustor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

**Notice of Construction.** Trustor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials. Trustor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Trustor can and will pay the cost of such improvements.

**PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Deed of Trust.

**Maintenance of Insurance.** Trustor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount

**DEED OF TRUST  
(Continued)**

Loan No: 200281300-3

Page 3

4

sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Trustor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Trustor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Notwithstanding the foregoing, in no event shall Trustor be required to provide hazard insurance in excess of the replacement value of the improvements on the Real Property. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Trustor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Trustor or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Trustor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

**Application of Proceeds.** Trustor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Trustor fails to do so within fifteen (15) days of the casualty. If in Lender's sole judgment Lender's security interest in the Property has been impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If the proceeds are to be applied to restoration and repair, Trustor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Trustor from the proceeds for the reasonable cost of repair or restoration if Trustor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Trustor as Trustor's interests may appear.

**Trustor's Report on Insurance.** Upon request of Lender, however not more than once a year, Trustor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Trustor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Trustor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Trustor's failure to discharge or pay when due any amounts Trustor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Trustor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Trustor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Deed of Trust:

**Title.** Trustor warrants that: (a) Trustor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Trustor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

**Defense of Title.** Subject to the exception in the paragraph above, Trustor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Trustor's title or the interest of Trustee or Lender under this Deed of Trust, Trustor shall defend the action at Trustor's expense. Trustor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Trustor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

**Compliance With Laws.** Trustor warrants that the Property and Trustor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**Survival of Representations and Warranties.** All representations, warranties, and agreements made by Trustor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Trustor's indebtedness shall be paid in full.

**CONDEMNATION.** The following provisions relating to eminent domain and inverse condemnation proceedings are a part of this Deed of Trust:

**Proceedings.** If any eminent domain or inverse condemnation proceeding is commenced affecting the Property, Trustor shall promptly notify Lender in writing, and Trustor shall promptly take such steps as may be necessary to pursue or defend the action and obtain the award. Trustor may be the nominal party in any such proceeding, but Lender shall be entitled, at its election, to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Trustor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.



6

**Application of Net Proceeds.** If any award is made or settlement entered into in any condemnation proceedings affecting all or any part of the Property or by any proceeding or purchase in lieu of condemnation, Lender may at its election, and to the extent permitted by law, require that all or any portion of the award or settlement be applied to the Indebtedness and to the repayment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation proceedings.

**IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES.** The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

**Current Taxes, Fees and Charges.** Upon request by Lender, Trustor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Trustor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

**Taxes.** The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Trustor which Trustor is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Trustor.

**Subsequent Taxes.** If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Trustor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

**Security Agreement.** This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

**Security Interest.** Upon request by Lender, Trustor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. Trustor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Trustor shall not remove, sever or detach the Personal Property from the Property. Upon default, Trustor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Trustor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

**Addresses.** The mailing addresses of Trustor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

**FURTHER ASSURANCES; ATTORNEY-IN-FACT.** The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

**Further Assurances.** At any time, and from time to time, upon request of Lender, Trustor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refilled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Trustor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Trustor. Unless prohibited by law or Lender agrees to the contrary in writing, Trustor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Attorney-in-Fact.** If Trustor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Trustor and at Trustor's expense. For such purposes, Trustor hereby irrevocably appoints Lender as Trustor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

**FULL PERFORMANCE.** If Trustor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Trustor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Trustor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Lender may charge Trustor a reasonable reconveyance fee at the time of reconveyance.

**EVENTS OF DEFAULT.** Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

**Payment Default.** Trustor fails to make any payment when due under the Indebtedness.

**Other Defaults.** Trustor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Trustor.

**Compliance Default.** Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

**Default on Other Payments.** Failure of Trustor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Trustor or on Trustor's behalf under this

Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Death or Insolvency.** The dissolution of Trustor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Trustor's existence as a going business or the death of any member, the insolvency of Trustor, the appointment of a receiver for any part of Trustor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Trustor.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Trustor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Trustor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Trustor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Trustor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Breach of Other Agreement.** Any breach by Trustor under the terms of any other agreement between Trustor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Trustor to Lender, whether existing now or later.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**Adverse Change.** A material adverse change occurs in Trustor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Right to Cure.** If any default, other than a default in payment, is curable and if Trustor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Trustor, after Lender sends written notice to Trustor demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

**Election of Remedies.** Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Trustor under this Deed of Trust, after Trustor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

**Foreclosure by Sale.** Upon an Event of Default under this Deed of Trust, Beneficiary may declare the entire Indebtedness secured by this Deed of Trust immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Note, other documents requested by Trustee, and all documents evidencing expenditures secured hereby. After the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement in accordance with applicable law. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

**Judicial Foreclosure.** With respect to all or any part of the Real Property, Lender shall have the right in lieu of foreclosure by power of sale to foreclose by judicial foreclosure in accordance with and to the full extent provided by California law.

**UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code, including without limitation the right to recover any deficiency in the manner and to the full extent provided by California law.

**Collect Rents.** Lender shall have the right, without notice to Trustor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Trustor irrevocably designates Lender as Trustor's attorney-in-fact to endorse instruments received in payment thereof in the name of Trustor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from

**DEED OF TRUST  
(Continued)**

Loan No: 200281300-3

Page 6

the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Tenancy at Sufferance.** If Trustor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Trustor, Trustor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

**Other Remedies.** Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

**Notice of Sale.** Lender shall give Trustor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

**Sale of the Property.** To the extent permitted by applicable law, Trustor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Trustor also will pay any court costs, in addition to all other sums provided by law.

**Rights of Trustee.** Trustee shall have all of the rights and duties of Lender as set forth in this section.

**POWERS AND OBLIGATIONS OF TRUSTEE.** The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

**Powers of Trustee.** In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Trustor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

**Obligations to Notify.** Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Trustor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

**Trustee.** Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

**Successor Trustee.** Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of Los Angeles County, State of California. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Trustor, the book and page where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

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

**NOTICES.** Any notice required to be given under this Deed of Trust shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Trustor requests that copies of any notices of default and sale be directed to Trustor's address shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Trustor agrees to keep Lender informed at all times of Trustor's current address. Unless otherwise provided or required by law, if there is more than one Trustor, any notice given by Lender to any Trustor is deemed to be notice given to all Trustors.

**STATEMENT OF OBLIGATION FEE.** Lender may collect a fee, not to exceed the maximum amount permitted by law, for furnishing the

8

statement of obligation as provided by Section 2943 of the Civil Code of California.

**FIXTURE FILING.** This Deed of Trust covers Goods which are or are to become fixtures on the real property described herein and is to be recorded in the Real Estate Records as a Fixture Filing. Trustor is the "Debtor", Beneficiary is the "Secured Party"; and the addresses of each are specified in the first paragraph of this Deed of Trust.

**SOLE CURE RIGHTS SET FORTH IN NOTE.** Notwithstanding any contrary provision of this Deed of Trust, a Trustor shall only have rights to cure any default(s) under the Note or this Deed of Trust to the extent such cure rights are expressly set forth in the Note.

**COMMERCIAL PURPOSE.** The party or parties executing this document below represent and warrant to Lender that the proceeds of the loan referenced herein shall be used exclusively for commercial and business purposes, and that none of the proceeds of such loan shall be used for personal, family, or household purposes.

**EARTHQUAKE INSURANCE.** In the event that Trustor at any time carries earthquake insurance concerning the Property, such earthquake insurance shall be conclusively deemed to have been required by Lender hereunder, and in any event, Trustor voluntarily agrees that any and all proceeds of earthquake insurance concerning the Property are hereby irrevocably assigned to Lender and shall be payable to and applied by Lender in the same manner as this Deed of Trust provides for other property insurance proceeds.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Deed of Trust:

**Amendments.** This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Annual Reports.** If the Property is used for purposes other than Trustor's residence, Trustor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Trustor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

**Caption Headings.** Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

**Merger.** There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Applicable Law.** The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations: (a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law. (b) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan. Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

**Choice of Venue.** If there is a lawsuit, Trustor agrees upon Lender's request to submit to the jurisdiction of the courts of Orange County, State of California.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Trustor, shall constitute a waiver of any of Lender's rights or of any of Trustor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

**Successors and Assigns.** Subject to any limitations stated in this Deed of Trust on transfer of Trustor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Trustor, Lender, without notice to Trustor, may deal with Trustor's successors with reference to this Deed of Trust and the indebtedness by way of forbearance or extension without releasing Trustor from the obligations of this Deed of Trust or liability under the indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Deed of Trust.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Beneficiary.** The word "Beneficiary" means Plaza Bank, and its successors and assigns.

**Borrower.** The word "Borrower" means D.D.R. Capital Management, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.



**Deed of Trust.** The words "Deed of Trust" mean this Deed of Trust among Trustor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

**Default.** The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

**Guarantor.** The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

**Guaranty.** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Improvements.** The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Trustor's obligations or expenses incurred by Trustee or Lender to enforce Trustor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

**Lender.** The word "Lender" means Plaza Bank, its successors and assigns.

**Note.** The word "Note" means the promissory note dated October 13, 2015, in the original principal amount of \$3,485,000.00 from Trustor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO TRUSTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Trustor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

**Property.** The word "Property" means collectively the Real Property and the Personal Property.

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness; except that the words do not mean any guaranty or environmental agreement, whether now or hereafter existing, executed in connection with the Indebtedness.

**Rents.** The word "Rents" means all present and future leases, rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property together with the cash proceeds of the Rents.

**Trustee.** The word "Trustee" means Fidelity National Title Company, whose address is 1300 Dove Street, Suite 310, Newport Beach, CA 92660 and any substitute or successor trustees.

**Trustor.** The word "Trustor" means D.D.R. Capital Management, LLC.

**TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND TRUSTOR AGREES TO ITS TERMS, INCLUDING THE VARIABLE RATE PROVISIONS OF THE NOTE SECURED BY THIS DEED OF TRUST.**



DEED OF TRUST  
(Continued)

Loan No: 200281300-3

Page 9

TRUSTOR:

D.D.R. CAPITAL MANAGEMENT, LLC

By: 

Guy Bachar, Manager/Member of D.D.R. Capital Management, LLC

By: 

Nir Bachar, Manager/Member of D.D.R. Capital Management, LLC

CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CA

COUNTY OF Orange

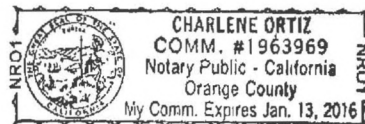
On Oct. 14, 2015, 20\_\_\_\_ before me, Charlene Ortiz, Notary Public  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature 



(Seal)

## CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CACOUNTY OF OrangeOn Oct. 14, 2015, 20

before me,

Charlene Ortiz, Notary Public

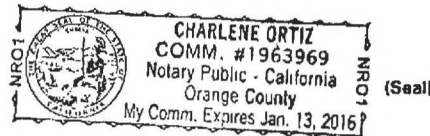
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature



## (DO NOT RECORD)

## REQUEST FOR FULL RECONVEYANCE

(To be used only when obligations have been paid in full)

To: \_\_\_\_\_, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Note secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to:

Date: \_\_\_\_\_

Beneficiary: \_\_\_\_\_

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

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

12

**EXHIBIT A**  
**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LOS ANGELES (NORTH HOLLYWOOD ARA), IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

**PARCEL 1:**

THE EAST 100 FEET OF THE WEST 1100 FEET OF LOT 9 OF TRACT 1081, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGES 130 AND 131 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE SOUTH 25 FEET THEREOF.

**PARCEL 2:**

AN EASEMENT APPURTENANT TO PARCEL 1 ABOVE DESCRIBED OVER THE NORTH 20 FEET OF SAID LOT 9, EXCEPT THE WEST 1100 FEET, FOR INGRESS AND EGRESS.

APN: 2324-003-010

# EXHIBIT B

ASSIGNED INSPECTOR: RUBEN REYES

Date: June 21, 2017

JOB ADDRESS: 12515 WEST SHERMAN WAY, LOS ANGELES, CA

(AKA: 12517 WEST SHERMAN WAY, LOS ANGELES, CA)

ASSESSORS PARCEL NO. (APN): 2324-003-010

Last Full Title: 04/13/2017

Last Update to Title:

---

## LIST OF OWNERS AND INTERESTED PARTIES

- |     |                                                                                           |                            |
|-----|-------------------------------------------------------------------------------------------|----------------------------|
| 1). | D.D.R CAPITAL MANAGEMENT LLC<br>12515-12517 SHERMAN WAY<br>NORTH HOLLYWOOD, CA 91605-4302 | CAPACITY: OWNER            |
| 2). | D.D.R. CAPITAL MANAGEMENT LLC<br>7211 WHITSETT AVE<br>NORTH HOLLYWOOD, CA 91605-5268      | CAPACITY: OWNER            |
| 3). | PLAZA BANK<br>18200 VON KARMAN AVE STE 500<br>IRVINE, CA 92612                            | CAPACITY: INTERESTED PARTY |

## Property Detail Report

For Property Located At :  
**12517 SHERMAN WAY, NORTH HOLLYWOOD, CA 91605-5268**



CoreLogic

RealQuest Professional

**Owner Information**

Owner Name: **DDR CAPITAL MANAGEMENT LLC**  
 Mailing Address: **7211 WHITSETT AVE, NORTH HOLLYWOOD CA 91605-4302 C018**  
 Vesting Codes: **//**

**Location Information**

Legal Description:	<b>TRACT NO 1081 W 100 FT OF E 211 FT EX OF ST OF LOT 9</b>		
County:	<b>LOS ANGELES, CA</b>	APN:	<b>2324-003-010</b>
Census Tract / Block:	<b>1233.04 / 1</b>	Alternate APN:	
Township-Range-Sect:		Subdivision:	<b>1081</b>
Legal Book/Page:	<b>17-130</b>	Map Reference:	<b>16-B3 /</b>
Legal Lot:	<b>9</b>	Tract #:	<b>1081</b>
Legal Block:		School District:	<b>LOS ANGELES</b>
Market Area:	<b>NHO</b>	School District Name:	
Neighbor Code:		Munic/Township:	

**Owner Transfer Information**

Recording/Sale Date:	<b>05/11/2015 / 04/15/2015</b>	Deed Type:	<b>GRANT DEED</b>
Sale Price:	<b>\$4,025,000</b>	1st Mtg Document #:	<b>542913</b>
Document #:	<b>542912</b>		

**Last Market Sale Information**

Recording/Sale Date:	<b>05/22/2012 / 05/21/2012</b>	1st Mtg Amount/Type:	<b>/</b>
Sale Price:	<b>\$1,380,000</b>	1st Mtg Int. Rate/Type:	<b>/</b>
Sale Type:	<b>FULL</b>	1st Mtg Document #:	
Document #:	<b>760375</b>	2nd Mtg Amount/Type:	<b>/</b>
Deed Type:	<b>QUIT CLAIM DEED</b>	2nd Mtg Int. Rate/Type:	<b>/</b>
Transfer Document #:		Price Per SqFt:	<b>\$69.00</b>
New Construction:		Multi/Split Sale:	

Title Company:  
 Lender:  
 Seller Name: **QUDSI WALID S**

**Prior Sale Information**

Prior Rec/Sale Date:	<b>07/19/1988 / 05/1988</b>	Prior Lender:	
Prior Sale Price:	<b>\$580,000</b>	Prior 1st Mtg Amt/Type:	<b>\$430,000 / PRIVATE PARTY</b>
Prior Doc Number:	<b>1128712</b>	Prior 1st Mtg Rate/Type:	<b>/</b>
Prior Deed Type:	<b>GRANT DEED</b>		

**Property Characteristics**

Year Built / Eff:	<b>1988 / 1988</b>	Total Rooms/Offices		Garage Area:	
Gross Area:	<b>20,000</b>	Total Restrooms:		Garage Capacity:	
Building Area:	<b>20,000</b>	Roof Type:		Parking Spaces:	
Tot Adj Area:		Roof Material:		Heat Type:	
Above Grade:		Construction:		Air Cond:	
# of Stories:		Foundation:		Pool:	
Other Improvements:		Exterior wall:		Quality:	
		Basement Area:		Condition:	

**Site Information**

Zoning:	<b>LAC2</b>	Acres:	<b>0.69</b>	County Use:	<b>LIGHT MANUFACTURING (3100)</b>
Lot Area:	<b>29,872</b>	Lot Width/Depth:	<b>x</b>	State Use:	
Land Use:	<b>LIGHT INDUSTRIAL</b>	Commercial Units:	<b>4</b>	Water Type:	
Site Influence:		Sewer Type:		Building Class:	

**Tax Information**

Total Value:	<b>\$4,086,381</b>	Assessed Year:	<b>2016</b>	Property Tax:	<b>\$50,475.83</b>
Land Value:	<b>\$2,538,125</b>	Improved %:	<b>38%</b>	Tax Area:	<b>13</b>
Improvement Value:	<b>\$1,548,256</b>	Tax Year:	<b>2016</b>	Tax Exemption:	
Total Taxable Value:	<b>\$4,086,381</b>				



**Comparable Summary**

For Property Located At

**12517 SHERMAN WAY, NORTH HOLLYWOOD, CA 91605-5268****20 Comparable(s) found.** (Click on the address to view more property information)

View Report

Configure Display Fields

Modify Comparable Search Criteria

**Summary Statistics For Selected Properties: 20**

	Subject Property	Low	High	Average
Sale Price	\$1,380,000	\$1,725,000	\$14,500,000	\$5,511,075
Bldg/Living Area	20,000	17,339	22,882	19,901
Price/Sqft	\$69.00	\$90.31	\$836.27	\$280.16
Year Built	1988	1924	1992	1958
Lot Area	29,872	12,878	106,441	36,670
Bedrooms	0	0	0	0
Bathrooms/Restrooms	0	0	0	0
Stories	0.00	1.00	2.00	1.50
Total Value	\$4,086,381	\$206,633	\$2,692,000	\$1,345,199
Distance From Subject	0.00	3.17	23.18	13.87

\*= user supplied for search only

<input checked="" type="checkbox"/>	# F	Address	Sale Price	Yr Blt	Bed	Baths/Restrooms(Full)	Last Recording	Bld/Liv	Lot Area	Dist
<b>Subject Property</b>										
		12517 SHERMAN WAY	\$1,380,000	1988			05/22/2012	20,000	29,872	0.0
<b>Comparables</b>										
<input checked="" type="checkbox"/>	1	15030 KESWICK ST	\$3,992,000	1972			01/12/2017	20,016	46,560	3.17
<input checked="" type="checkbox"/>	2	14955 CALVERT ST	\$8,487,500	1973			05/31/2017	22,200	36,658	3.36
<input checked="" type="checkbox"/>	3	15001 CALVERT ST	\$8,487,500	1973			05/31/2017	22,200	36,679	3.39
<input checked="" type="checkbox"/>	4	13834 DEL SUR ST	\$3,350,000	1988			12/30/2016	19,172	30,892	5.35
<input checked="" type="checkbox"/>	5	651 ARROYO ST	\$2,250,000	1947			04/27/2017	18,562	34,227	5.83
<input checked="" type="checkbox"/>	6	6363 SANTA MONICA BLVD	\$14,500,000	1925			10/13/2016	17,339	12,878	8.84
<input checked="" type="checkbox"/>	7	9825 MASON AVE	\$13,500,000	1960			04/03/2017	20,045	106,441	10.5
<input checked="" type="checkbox"/>	8	8520 WARNER DR	\$10,315,500	1953			04/04/2017	17,938	22,986	12.42
<input checked="" type="checkbox"/>	9	222 E 16TH ST	\$6,040,000	1935			02/10/2017	17,566	15,114	14.34
<input checked="" type="checkbox"/>	10	2025 S CENTRAL AVE	\$6,500,000	1981			05/02/2017	22,882	33,788	15.14
<input checked="" type="checkbox"/>	11	1202 MATEO ST	\$6,765,000	1924			04/28/2017	20,540	20,719	15.52
<input checked="" type="checkbox"/>	12	2313 E 51ST ST	\$4,600,000	1930			04/12/2017	21,666	39,084	17.25
<input checked="" type="checkbox"/>	13	2646 S DOWNEY RD	\$2,000,000	1952			09/29/2016	20,853	43,432	17.5
<input checked="" type="checkbox"/>	14	27510 AVENUE MENTRY	\$3,000,000	1992			05/01/2017	19,822	40,207	18.43
<input checked="" type="checkbox"/>	15	11121 HINDRY AVE	\$3,960,000	1954			04/27/2017	19,800	44,007	18.62
<input checked="" type="checkbox"/>	16	8811 MINER ST	\$1,725,000	1959			04/27/2017	19,100	43,762	19.57
<input checked="" type="checkbox"/>	17	150 E MONTECITO AVE	\$2,500,000	1965			01/06/2017	17,520	16,138	20.55
<input checked="" type="checkbox"/>	18	3446 FLETCHER AVE	\$3,499,000	1968			11/30/2016	19,932	42,569	21.77
<input checked="" type="checkbox"/>	19	2402 SEAMAN AVE	\$2,200,000	1956			10/21/2016	20,866	35,706	22.59
<input checked="" type="checkbox"/>	20	340 E ALONDRA BLVD	\$2,550,000	1961			10/21/2016	20,000	31,560	23.18

**Comparable Sales Report**

For Property Located At



CoreLogic

RealQuest Professional

**12517 SHERMAN WAY, NORTH HOLLYWOOD, CA 91605-5268****20 Comparable(s) Selected.**

Report Date: 06/08/2017

**Summary Statistics:**

	<b>Subject</b>	<b>Low</b>	<b>High</b>	<b>Average</b>
Sale Price	\$1,380,000	\$1,725,000	\$14,500,000	\$5,511,075
Bldg/Living Area	20,000	17,339	22,882	19,901
Price/Sqft	\$69.00	\$90.31	\$836.27	\$280.16
Year Built	1988	1924	1992	1958
Lot Area	29,872	12,878	106,441	36,670
Bedrooms	0	0	0	0
Bathrooms/Restrooms	0	0	0	0
Stories	0.00	1.00	2.00	1.50
Total Value	\$4,086,381	\$206,633	\$2,692,000	\$1,345,199
Distance From Subject	0.00	3.17	23.18	13.87

\* = user supplied for search only

Comp #: 1 Distance From Subject: 3.17 (miles)  
 Address: 15030 KESWICK ST, VAN NUYS, CA 91405-1132  
 Owner Name: 15030 KESWICK LLC  
 Seller Name: B F S INVESTMENT CO  
 APN: 2209-035-023 Map Reference: 15-C2 / Building Area: 20,016  
 County: LOS ANGELES, CA Census Tract: 1272.10 Total Rooms/Offices:  
 Subdivision: 29526 Zoning: LAP Total Restrooms:  
 Rec Date: 01/12/2017 Prior Rec Date: Yr Built/Eff: 1972 / 1972  
 Sale Date: 12/16/2016 Prior Sale Date: Air Cond:  
 Sale Price: \$3,992,000 Prior Sale Price: Pool:  
 Sale Type: FULL Prior Sale Type: Roof Mat:  
 Document #: 50121 Acres: 1.07  
 1st Mtg Amt: \$1,227,000 Lot Area: 46,560  
 Total Value: \$898,838 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 2 Distance From Subject: 3.36 (miles)  
 Address: 14955 CALVERT ST, VAN NUYS, CA 91411-2604  
 Owner Name: ESH HOLDER LLC  
 Seller Name: DL ROBERTS LLC  
 APN: 2242-024-027 Map Reference: 15-C5 / Building Area: 22,200  
 County: LOS ANGELES, CA Census Tract: 1283.02 Total Rooms/Offices:  
 Subdivision: 30813 Zoning: LAM2 Total Restrooms:  
 Rec Date: 05/31/2017 Prior Rec Date: Yr Built/Eff: 1973 / 1973  
 Sale Date: 05/08/2017 Prior Sale Date: Air Cond:  
 Sale Price: \$8,487,500 Prior Sale Price: Pool:  
 Sale Type: FULL Prior Sale Type: Roof Mat:  
 Document #: 598463 Acres: 0.84  
 1st Mtg Amt: Lot Area: 36,658  
 Total Value: \$633,989 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 3 Distance From Subject: 3.39 (miles)  
 Address: 15001 CALVERT ST, VAN NUYS, CA 91411-2606  
 Owner Name: ESH HOLDER LLC  
 Seller Name: DL ROBERTS LLC  
 APN: 2242-024-028 Map Reference: 15-C5 / Building Area: 22,200  
 County: LOS ANGELES, CA Census Tract: 1283.02 Total Rooms/Offices:  
 Subdivision: 30813 Zoning: LAM2 Total Restrooms:  
 Rec Date: 05/31/2017 Prior Rec Date: Yr Built/Eff: 1973 / 1973  
 Sale Date: 05/08/2017 Prior Sale Date: Air Cond:  
 Sale Price: \$8,487,500 Prior Sale Price: Pool:  
 Sale Type: FULL Prior Sale Type: Roof Mat:  
 Document #: 598463 Acres: 0.84  
 1st Mtg Amt: Lot Area: 36,679  
 Total Value: \$594,373 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 4 Distance From Subject: 5.35 (miles)  
 Address: 13834 DEL SUR ST, SAN FERNANDO, CA 91340-3440  
 Owner Name: DUS PROPERTIES LLC  
 Seller Name: DEL SUR STREET LLC  
 APN: 2616-019-041 Map Reference: 8-F1 / Building Area: 19,172  
 County: LOS ANGELES, CA Census Tract: 1043.10 Total Rooms/Offices:  
 Subdivision: 25772 Zoning: LAM1 Total Restrooms:  
 Rec Date: 12/30/2016 Prior Rec Date: 06/23/1998 Yr Built/Eff: 1988 / 1988  
 Sale Date: 12/19/2016 Prior Sale Date: 06/11/1998 Air Cond:  
 Sale Price: \$3,350,000 Prior Sale Price: \$1,150,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat:  
 Document #: 1668293 Acres: 0.71  
 1st Mtg Amt: \$3,091,000 Lot Area: 30,892  
 Total Value: \$2,651,538 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 5 Distance From Subject: 5.83 (miles)  
 Address: 651 ARROYO ST, SAN FERNANDO, CA 91340-2219  
 Owner Name: BOWMAN LIVING TRUST  
 Seller Name: CIFLIGU MUHAMET  
 APN: 2515-007-002 Map Reference: 2-F6 / Building Area: 18,562  
 County: LOS ANGELES, CA Census Tract: 3202.02 Total Rooms/Offices:  
 Subdivision: MACLAY Zoning: SFM2\* Total Restrooms:  
 Rec Date: 04/27/2017 Prior Rec Date: 11/14/2014 Yr Built/Eff: 1947 /  
 Sale Date: 04/21/2017 Prior Sale Date: 10/17/2014 Air Cond:  
 Sale Price: \$2,250,000 Prior Sale Price: \$900,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat:  
 Document #: 469155 Acres: 0.79  
 1st Mtg Amt: Lot Area: 34,227  
 Total Value: \$1,827,450 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 6 Distance From Subject: 8.84 (miles)  
 Address: 6363 SANTA MONICA BLVD, LOS ANGELES, CA 90038-1698  
 Owner Name: EPISCOPAL SCHOOL OF LOS ANGELES  
 Seller Name: Q-TECH PROPERTIES LP  
 APN: 5533-008-011 Map Reference: 34-C4 / Building Area: 17,339  
 County: LOS ANGELES, CA Census Tract: 1908.02 Total Rooms/Offices:  
 Subdivision: COLEGROVE Zoning: LAC2 Total Restrooms:  
 Rec Date: 10/13/2016 Prior Rec Date: 09/10/1997 Yr Built/Eff: 1925 / 1926  
 Sale Date: 10/12/2016 Prior Sale Date: Air Cond:  
 Sale Price: \$14,500,000 Prior Sale Price: \$900,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat: CONCRETE  
 Document #: 1255178 Acres: 0.30  
 1st Mtg Amt: \$16,100,000 Lot Area: 12,878  
 Total Value: \$1,213,957 # of Stories: 2.00  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 7 Distance From Subject: 10.5 (miles)  
 Address: 9825 MASON AVE, CHATSWORTH, CA 91311-5215  
 Owner Name: HI CHATSWORTH LLC/EXCEL AUSTIN 183 LP  
 Seller Name: PROODOS PROPERTIES INC  
 APN: 2748-005-021 Map Reference: 6-E4 / Building Area: 20,045  
 County: LOS ANGELES, CA Census Tract: 1133.03 Total Rooms/Offices:  
 Subdivision: 21899 Zoning: LAMR1 Total Restrooms:  
 Rec Date: 04/03/2017 Prior Rec Date: 07/20/1970 Yr Built/Eff: 1960 / 1960  
 Sale Date: 03/13/2017 Prior Sale Date: Air Cond:  
 Sale Price: \$13,500,000 Prior Sale Price: \$125,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat:  
 Document #: 361965 Acres: 2.44  
 1st Mtg Amt: \$8,100,000 Lot Area: 106,441  
 Total Value: \$394,298 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 8 Distance From Subject: 12.42 (miles)  
 Address: 8520 WARNER DR, CULVER CITY, CA 90232-2431  
 Owner Name: WILLOWS COMMUNITY SCHOOL  
 Seller Name: 8520 WARNER PARTNERS LP  
 APN: 4205-024-002 Map Reference: 42-D6 / Building Area: 17,938  
 County: LOS ANGELES, CA Census Tract: 7024.00 Total Rooms/Offices:  
 Subdivision: 13503 Zoning: CCM1YY Total Restrooms:  
 Rec Date: 04/04/2017 Prior Rec Date: 01/05/1979 Yr Built/Eff: 1953 / 1953  
 Sale Date: 04/03/2017 Prior Sale Date: Air Cond:  
 Sale Price: \$10,315,500 Prior Sale Price: \$174,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat:  
 Document #: 367774 Acres: 0.53  
 1st Mtg Amt: Lot Area: 22,986  
 Total Value: \$511,520 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 9 Distance From Subject: 14.34 (miles)  
 Address: 222 E 16TH ST, LOS ANGELES, CA 90015-3616  
 Owner Name: AMBER INDUSTRIAL INVESTMENTS/J & M INDUSTRIAL INVESTMENTS L  
 Seller Name: CSC BUSINESS ACQUISITIONS INC  
 APN: 5133-015-010 Map Reference: 44-C5 / Building Area: 17,566  
 County: LOS ANGELES, CA Census Tract: 2240.10 Total Rooms/Offices:  
 Subdivision: LORDS SUB Zoning: LAM2 Total Restrooms:  
 Rec Date: 02/10/2017 Prior Rec Date: 03/05/1997 Yr Built/Eff: 1935 /  
 Sale Date: 02/08/2017 Prior Sale Date: Air Cond:  
 Sale Price: \$6,040,000 Prior Sale Price: \$2,400,020 Pool:  
 Sale Type: FULL Prior Sale Type: Roof Mat:  
 Document #: 173070 Acres: 0.35  
 1st Mtg Amt: \$1,200,000 Lot Area: 15,114  
 Total Value: \$1,727,285 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 10 Distance From Subject: 15.14 (miles)  
 Address: 2025 S CENTRAL AVE, LOS ANGELES, CA 90011-1234  
 Owner Name: MJCI SAN JULIAN LLC  
 Seller Name: 2025 S CENTRAL AVE LLC  
 APN: 5131-009-051 Map Reference: / Building Area: 22,882  
 County: LOS ANGELES, CA Census Tract: 2260.01 Total Rooms/Offices:  
 Subdivision: MENLO PARK SUB 3 Zoning: LAM1 Total Restrooms:  
 Rec Date: 05/02/2017 Prior Rec Date: 04/24/1987 Yr Built/Eff: 1981 / 1981  
 Sale Date: 04/13/2017 Prior Sale Date: 04/1987 Air Cond:  
 Sale Price: \$6,500,000 Prior Sale Price: \$1,374,540 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat:  
 Document #: 483208 Acres: 0.78  
 1st Mtg Amt: \$4,875,000 Lot Area: 33,788  
 Total Value: \$2,267,761 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 11 Distance From Subject: 15.52 (miles)  
 Address: 1202 MATEO ST, LOS ANGELES, CA 90021-1738  
 Owner Name: 1202 SOUTH MATEO STREET LLC  
 Seller Name: VAG CORP  
 APN: 5166-009-001 Map Reference: 44-E5 / Building Area: 20,540  
 County: LOS ANGELES, CA Census Tract: 2060.31 Total Rooms/Offices:  
 Subdivision: HISCOCK & SMITHS 1ST Zoning: LAM3 Total Restrooms:  
 ADD  
 Rec Date: 04/28/2017 Prior Rec Date: 12/19/1972 Yr Built/Eff: 1924 / 1924  
 Sale Date: 04/25/2017 Prior Sale Date: Air Cond:  
 Sale Price: \$6,765,000 Prior Sale Price: \$99,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat:  
 Document #: 475227 Acres: 0.48  
 1st Mtg Amt: Lot Area: 20,719  
 Total Value: \$236,268 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 12 Distance From Subject: 17.25 (miles)  
 Address: 2313 E 51ST ST, VERNON, CA 90058-2812  
 Owner Name: JPA VERNON PROPERTY LLC  
 Seller Name: PEACE PEOPLE LLC  
 APN: 6308-015-015 Map Reference: 52-E3 / Building Area: 21,666  
 County: LOS ANGELES, CA Census Tract: 5324.00 Total Rooms/Offices:  
 Subdivision: 2493 Zoning: VEM\* Total Restrooms:  
 Rec Date: 04/12/2017 Prior Rec Date: 12/17/2009 Yr Built/Eff: 1930 / 1942  
 Sale Date: 04/11/2017 Prior Sale Date: 09/28/2009 Air Cond:  
 Sale Price: \$4,600,000 Prior Sale Price: \$2,040,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat:  
 Document #: 402453 Acres: 0.90  
 1st Mtg Amt: Lot Area: 39,084  
 Total Value: \$2,224,433 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /



Comp #:	13	Distance From Subject:	17.5 (miles)
Address:	2646 S DOWNEY RD, VERNON, CA 90058-4128		
Owner Name:	DOWNEY STORAGE LLC		
Seller Name:	KIMS MACHINERY & CONSULTING		
APN:	5192-025-013	Map Reference:	53-B1 /
County:	LOS ANGELES, CA	Census Tract:	5324.00
Subdivision:	SAN ANTONIO RHO	Zoning:	VEM*
Rec Date:	09/29/2016	Prior Rec Date:	10/24/2012
Sale Date:	09/09/2016	Prior Sale Date:	10/19/2012
Sale Price:	\$2,000,000	Prior Sale Price:	\$1,310,000
Sale Type:	FULL	Prior Sale Type:	FULL
Document #:	1186154	Acres:	1.00
1st Mtg Amt:	\$1,700,000	Lot Area:	43,432
Total Value:	\$1,360,684	# of Stories:	
Land Use:	LIGHT INDUSTRIAL	Park Area/Cap#:	/

Comp #:	14	Distance From Subject:	18.43 (miles)
Address:	27510 AVENUE MENTRY, SANTA CLARITA, CA 91355-1270		
Owner Name:	CRENSHAW 3840 PARTNERS LLC		
Seller Name:	ACKER AVENUE STANFORD LLC		
APN:	2811-001-072	Map Reference:	124-A7 /
County:	LOS ANGELES, CA	Census Tract:	9201.07
Subdivision:	PARCEL MAP 19711	Zoning:	SCBP
Rec Date:	05/01/2017	Prior Rec Date:	05/25/2012
Sale Date:	04/28/2017	Prior Sale Date:	05/18/2012
Sale Price:	\$3,000,000	Prior Sale Price:	\$1,983,000
Sale Type:	FULL	Prior Sale Type:	FULL
Document #:	481565	Acres:	0.92
1st Mtg Amt:		Lot Area:	40,207
Total Value:	\$2,103,722	# of Stories:	
Land Use:	LIGHT INDUSTRIAL	Park Area/Cap#:	/

Comp #:	15	Distance From Subject:	18.62 (miles)
Address:	11121 HINDRY AVE, LOS ANGELES, CA 90045-6223		
Owner Name:	KMK CONSORTIUM LLC		
Seller Name:	DOUCETTE P J & T E TRUST		
APN:	4129-037-011	Map Reference:	56-E4 /
County:	LOS ANGELES, CA	Census Tract:	9800.28
Subdivision:	18519	Zoning:	LAM2
Rec Date:	04/27/2017	Prior Rec Date:	07/14/1999
Sale Date:	11/07/2016	Prior Sale Date:	
Sale Price:	\$3,960,000	Prior Sale Price:	\$1,500,000
Sale Type:	FULL	Prior Sale Type:	FULL
Document #:	467256	Acres:	1.01
1st Mtg Amt:	\$1,217,000	Lot Area:	44,007
Total Value:	\$1,947,522	# of Stories:	
Land Use:	LIGHT INDUSTRIAL	Park Area/Cap#:	/

Comp #:	16	Distance From Subject:	19.57 (miles)
Address:	8811 MINER ST, LOS ANGELES, CA 90002-1835		
Owner Name:	1997 ADAMS INVESTORS LLC		
Seller Name:	CLEVELAND RICHARD L TRUST		
APN:	6045-017-016	Map Reference:	58-E2 /
County:	LOS ANGELES, CA	Census Tract:	5354.00
Subdivision:	FLOWERS SUB	Zoning:	LCM1*
Rec Date:	04/27/2017	Prior Rec Date:	06/28/1985
Sale Date:	03/28/2017	Prior Sale Date:	
Sale Price:	\$1,725,000	Prior Sale Price:	
Sale Type:	FULL	Prior Sale Type:	
Document #:	469134	Acres:	1.00
1st Mtg Amt:		Lot Area:	43,762
Total Value:	\$290,301	# of Stories:	
Land Use:	LIGHT INDUSTRIAL	Park Area/Cap#:	/

Comp #: 17 Distance From Subject: 20.55 (miles)  
 Address: 150 E MONTECITO AVE, SIERRA MADRE, CA 91024-1934  
 Owner Name: JPM5 LLC  
 Seller Name: STANSBURY FAMILY TRUST A  
 APN: 5767-015-029 Map Reference: 28-C2 / Building Area: 17,520  
 County: LOS ANGELES, CA Census Tract: 4305.02 Total Rooms/Offices:  
 Subdivision: HAWKS ADD/SIERRA MADRE Zoning: SRM1CC\* Total Restrooms:  
 Rec Date: 01/06/2017 Prior Rec Date: Yr Built/Eff: 1965 /  
 Sale Date: 12/23/2016 Prior Sale Date: Air Cond:  
 Sale Price: \$2,500,000 Prior Sale Price: Pool:  
 Sale Type: FULL Prior Sale Type: Roof Mat:  
 Document #: 21080 Acres: 0.37  
 1st Mtg Amt: Lot Area: 16,138  
 Total Value: \$206,633 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 18 Distance From Subject: 21.77 (miles)  
 Address: 3446 FLETCHER AVE, EL MONTE, CA 91731-3002  
 Owner Name: LEE JIM & ANNA  
 Seller Name: FORMERICA HOMES LLC  
 APN: 8581-001-086 Map Reference: 38-B6 / Building Area: 19,932  
 County: LOS ANGELES, CA Census Tract: 4331.01 Total Rooms/Offices:  
 Subdivision: PARCEL MAP 211 Zoning: EMM2\* Total Restrooms:  
 Rec Date: 11/30/2016 Prior Rec Date: 02/10/2004 Yr Built/Eff: 1968 / 1968  
 Sale Date: 10/18/2016 Prior Sale Date: 11/14/2003 Air Cond: CENTRAL  
 Sale Price: \$3,499,000 Prior Sale Price: \$1,350,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat: ROLL COMPOSITION  
 Document #: 1505496 Acres: 0.98  
 1st Mtg Amt: \$3,080,000 Lot Area: 42,569  
 Total Value: \$1,621,405 # of Stories: 1.00  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 19 Distance From Subject: 22.59 (miles)  
 Address: 2402 SEAMAN AVE, SOUTH EL MONTE, CA 91733-1926  
 Owner Name: SHAW INVESTMENTS LLC  
 Seller Name: BLJJ DEV INC  
 APN: 8102-011-021 Map Reference: 47-C2 / Building Area: 20,866  
 County: LOS ANGELES, CA Census Tract: 4335.03 Total Rooms/Offices:  
 Subdivision: 11293 Zoning: SEM\* Total Restrooms:  
 Rec Date: 10/21/2016 Prior Rec Date: 12/10/2015 Yr Built/Eff: 1956 / 1962  
 Sale Date: 10/17/2016 Prior Sale Date: 12/08/2015 Air Cond:  
 Sale Price: \$2,200,000 Prior Sale Price: \$2,150,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat: TAR & GRAVEL  
 Document #: 1296532 Acres: 0.82  
 1st Mtg Amt: Lot Area: 35,706  
 Total Value: \$2,692,000 # of Stories: 2.00  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

Comp #: 20 Distance From Subject: 23.18 (miles)  
 Address: 340 E ALONDRA BLVD, GARDENA, CA 90248-2831  
 Owner Name: PUGH NICHOLAS S J/GRANT-PUGH STEFFANI E  
 Seller Name: YOUNG & Y PROPERTIES LLC  
 APN: 6125-014-011 Map Reference: 64-B4 / Building Area: 20,000  
 County: LOS ANGELES, CA Census Tract: 5410.02 Total Rooms/Offices:  
 Subdivision: 25746 Zoning: CAML\* Total Restrooms:  
 Rec Date: 10/21/2016 Prior Rec Date: 12/11/2015 Yr Built/Eff: 1961 / 1961  
 Sale Date: 10/17/2016 Prior Sale Date: 12/03/2015 Air Cond:  
 Sale Price: \$2,550,000 Prior Sale Price: \$1,500,000 Pool:  
 Sale Type: FULL Prior Sale Type: FULL Roof Mat:  
 Document #: 1297282 Acres: 0.72  
 1st Mtg Amt: \$2,699,000 Lot Area: 31,560  
 Total Value: \$1,500,000 # of Stories:  
 Land Use: LIGHT INDUSTRIAL Park Area/Cap#: /

# EXHIBIT D

ASSIGNED INSPECTOR: RUBEN REYES

Date: June 21, 2017

JOB ADDRESS: 12515 WEST SHERMAN WAY, LOS ANGELES, CA

(AKA: 12517 WEST SHERMAN WAY, LOS ANGELES, CA)

ASSESSORS PARCEL NO. (APN): 2324-003-010

CASE#: 702235

ORDER NO: A-3920985

EFFECTIVE DATE OF ORDER TO COMPLY: November 17, 2015

COMPLIANCE EXPECTED DATE: December 17, 2015

DATE COMPLIANCE OBTAINED: No Compliance to Date

.....

## LIST OF IDENTIFIED CODE VIOLATIONS (ORDER TO COMPLY)

### VIOLATIONS:

SEE ATTACHED ORDER # A-3920985

1060714201612544

BOARD OF  
BUILDING AND SAFETY  
COMMISSIONERS

VAN AMBATIELOS  
PRESIDENT

E. FELICIA BRANNON  
VICE-PRESIDENT

JOSELYN GEAGA-ROSENTHAL

GEORGE HOVAGUIMIAN

JAVIER NUNEZ

CITY OF LOS ANGELES  
CALIFORNIA



ERIC GARCETTI  
MAYOR

DEPARTMENT OF  
BUILDING AND SAFETY  
201 NORTH FIGUEROA STREET  
LOS ANGELES, CA 90012

RAYMOND S. CHAN, C.E., S.E.  
GENERAL MANAGER

FRANK BUSH  
EXECUTIVE OFFICER

ORDER TO COMPLY AND NOTICE OF FEE

DDR CAPITAL MANAGEMENT LLC  
7211 WHITSETT AVE  
NORTH HOLLYWOOD, CA 91605

CASE #: 702235

ORDER #: A-3920985

EFFECTIVE DATE: November 17, 2015

COMPLIANCE DATE: December 17, 2015

NOV 1 / 2015

OWNER OF

SITE ADDRESS: 12515 W SHERMAN WAY

ASSESSORS PARCEL NO.: 2324-003-010

ZONE: C2; Commercial Zone

An inspection has revealed that the property (Site Address) listed above is in violation of the Los Angeles Municipal Code (L.A.M.C.) sections listed below. You are hereby ordered to correct the violation(s) and contact the inspector listed in the signature block at the end of this document for a compliance inspection by the compliance date listed above

FURTHER, THE CODE VIOLATION INSPECTION FEE (C.V.I.F) OF \$ 356.16 (\$336 fee plus a six percent Systems Development Surcharge of \$20.16) **WILL BE BILLED TO THE PROPERTY OWNER**. The invoice/notice will be sent to the owner as it appears on the last equalized assessment roll. Section 98.0421 L.A.M.C.

NOTE: FAILURE TO PAY THE C.V.I.F. WITHIN 30 DAYS OF THE INVOICE DATE OF THE BILL NOTED ABOVE WILL RESULT IN A LATE CHARGE OF TWO (2) TIMES THE C.V.I.F. PLUS A 50 PERCENT COLLECTION FEE FOR A TOTAL OF \$1,176.00.

Any person who fails to pay the fee, late charge and collection fee, shall also pay interest. Interest shall be calculated at the rate of one percent per month.

The inspection has revealed that the property is in violation of the Los Angeles Municipal Code as follows:

VIOLATION(S):

1. Construction work is being performed without the required permits.

- You are therefore ordered to:
- 1) Stop all work being performed without the required permit(s).
  - 2) Obtain all required permits and approvals prior to commencing any work

Code Section(s) in Violation: 91.104.2.4, 91.106.1.1, 93.0310A, 94.102.2.3 and 95.108.5 of the L.A.M.C.

2. The second floor is being remodeled without the required permits and approvals.

- You are therefore ordered to:
- 1) Demolish and remove all construction work performed without the required permit(s).
  - 2) Restore the existing structure(s) to its originally approved condition, OR
  - 3) Submit plans, obtain the required permits and expose the work for proper inspections

Code Section(s) in Violation: 91.8105, 91.106.1.1, 91.106.1.2, 91.108.4, 91.106.3.2, 91.103.1, 91.5R106.1.1, 91.5R106.1.2, 91.5R108.4, 91.5R106.3.2, 91.5R103.1, 12.21A.1(a) of the L.A.M.C.



CODE ENFORCEMENT BUREAU

For routine City business and non-emergency services: Call 3-1-1

www.ladbs.org

Page 1 of 2

**NON-COMPLIANCE FEE WARNING:**

**YOU ARE IN VIOLATION OF THE L.A.M.C. IT IS YOUR RESPONSIBILITY TO CORRECT THE VIOLATION(S) AND CONTACT THE INSPECTOR LISTED BELOW TO ARRANGE FOR A COMPLIANCE INSPECTION BEFORE THE NON-COMPLIANCE FEE IS IMPOSED.** Failure to correct the violations and arrange for the compliance inspection within 15 days from the Compliance Date, will result in imposition of the fee noted below.

In addition to the C.V.I.F. noted above, a proposed noncompliance fee in the amount of \$660.00 may be imposed for failure to comply with the order within 15 days after the compliance date specified in the order or unless an appeal or request for slight modification is filed within 15 days of the compliance date.

If an appeal or request for slight modification is not filed within 15 days of the compliance date or extensions granted therefrom, the determination of the department to impose and collect a non-compliance fee shall be final. Section 98.0411 L.A.M.C.

**NOTE:** FAILURE TO PAY THE NON -COMPLIANCE FEE WITHIN 30 DAYS AFTER THE DATE OF MAILING THE INVOICE, MAY RESULT IN A LATE CHARGE OF TWO (2) TIMES THE NON-COMPLIANCE FEE PLUS A 50 PERCENT COLLECTION FEE FOR A TOTAL OF **\$2,310.00.**

Any person who fails to pay the non-compliance fee, late charge and collection fee shall also pay interest. Interest shall be calculated at the rate of one percent per month.

**PENALTY WARNING :**

Any person who violates or causes or permits another person to violate any provision of the Los Angeles Municipal Code (L.A.M.C.) is guilty of a misdemeanor which is punishable by a fine of not more than \$1000.00 and/or six (6) months imprisonment for each violation. Section 11.00 (m) L.A.M.C.

**INVESTIGATION FEE REQUIRED:**

Whenever any work has been commenced without authorization by a permit or application for inspection and which violates provisions of Articles 1 through 8 of Chapter IX of the Los Angeles Municipal Code (L.A.M.C.) , and if no order has been issued by the department or a court of law requiring said work to proceed, a special investigation fee which shall be double the amount charged for an application for inspection, license or permit fee, but not less than \$400.00 , shall be collected on each permit, license or application for inspection. Section 98.0402 (a) L.A.M.C.

**APPEAL PROCEDURES:**

There is an appeal procedure established in this city whereby the Department of Building and Safety and the Board of Building and Safety Commissioners have the authority to hear and determine error or abuse of discretion or requests for slight modification of the requirements contained in this order when appropriate fees have been paid. Section 98.0403.1 and 98.0403.2 L.A.M.C.

If you have any questions or require any additional information please feel free to contact me at (818)374-9851.  
Office hours are 7:00 a.m. to 3:30 p.m. Monday through Thursday.

Inspector :

*Felipe Peniche*

Date: November 09, 2015

FELIPE PENICHE  
14410 SYLVAN STREET SUITE 105  
VAN NUYS, CA 91401  
(818)374-9851

Felipe.X.Peniche@lacity.org

*MB*

REVIEWED BY