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20161506529



Pages:
0008

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

11/30/16 AT 08:00AM

FEES:	60.00
TAXES:	1,650.00
OTHER:	0.00
PAID:	1,710.00

PCOR SURCHARGE \$20.00



LEADSHEET



201611300120028

00013036428



007980147

SEQ:
18

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

Recording Requested By
First American Title HSD

Order No. 36610052
Escrow No. 20289-VK

WHEN RECORDED MAIL TO:

Mr. Robert Radke
1515 Artesia Boulevard Suite 4
Manhattan Beach Ca 90266



DOCUMENTARY TRANSFER TAX \$1,650.00

CI 58

SPACE ABOVE THIS LINE FOR RECORDER'S USE

XX Computed on the consideration or value of property
conveyed

Computed on the consideration or value less liens or encumbrances
remaining at time of sale.

PARCEL NO: 7564-029-030

TRA-07097

THE ESTATES AT TRUMP NATIONAL GOLF CLUB

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged, VHPS LLC, a Delaware limited liability company ("Grantor"), hereby grants to Cape Point, LLC, a California limited liability company ("Grantee"), the real property in the City of Rancho Palos Verdes, Los Angeles County, California, described in Exhibit 1 attached to and incorporated in this Grant Deed.

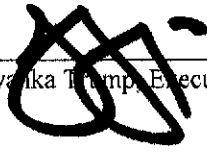
THIS GRANT IS SUBJECT TO ALL PROVISIONS DESCRIBED IN EXHIBIT 1.

A notary public officer 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 NEW YORK)
) ss.
COUNTY OF NEW YORK)

VHPS LLC, a Delaware limited liability company

On November 22nd, 2016 before me Haroula Zapantis, Notary Public, personally appeared IVANKA TRUMP, 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 person(s) acted, executed the instrument.

By:  Ivanka Trump, Executive Vice President

The undersigned under Penalty of Perjury under the laws of the State of New York that the foregoing paragraph is true and correct

WITNESS my hand and official seal.

Signature: 

Haroula Zapantis
New York State Notary Public
Reg. No. 012R6160577
Qualified in Queens County
Comm. Expires Feb. 12, 2017

EXHIBIT 1

Mail Tax Statements to
SAME AS ABOVE

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ILLEGIBLE NOTARY SEAL DECLARATION

Government Code Section 27361.7

I certify under penalty of perjury that the notary seal on the document to which this statement attached reads as follows:

Name of Notary: Haroula Zapantis

Date Commission Expires: February 12, 2017

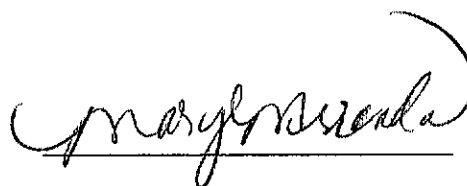
Reg. No: 01ZA6160677

County Where Bond Filed: Queens County

Place of Execution of the Declaration: Corona, CA

Date: November 29, 2016

First American Title

A handwritten signature in cursive script, appearing to read "Margarita", is written over a horizontal line.

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TO
GRANT DEED
LEGAL DESCRIPTION OF THE LOT

PARCEL NO. 1

Lot **23** (the "**Lot**") of Tract No. 50667 in the City of Rancho Palos Verdes, County of Los Angeles, State of California, as per map ("**Map**") recorded in Book 1241, at Pages 71 to 82, inclusive, of Maps in the Office of the County Recorder of said County, a Certificate of Correction of which was recorded on April 25, 2000, as Instrument No. 00-622434, of Official Records of Los Angeles County, California ("**Official Records**").

RESERVING THEREFROM, for the benefit of Grantor, its successors in interest and assignees, to the extent not already excepted by instruments of record:

A. All oil rights, mineral rights, natural gas rights and rights to all other hydrocarbons by whatsoever name known, to all geothermal heat and to all products derived from any of the foregoing (collectively, "**Subsurface Resources**"); and

B. The perpetual right to drill, mine, explore and operate for and to produce, store and remove any of the Subsurface Resources on or from the Lot, including the right to whipstock or directionally drill and mine from lands other than the Lot, wells, tunnels and shafts into, through or across the subsurface of the Lot, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts within or beyond the exterior limits of the Lot, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, but without the right to drill, mine, explore, operate, produce, store or remove any of the Subsurface Resources through or in the surface or the upper five hundred (500) feet of the subsurface of the Lot.

ALSO RESERVING THEREFROM, for the benefit of Grantor, its successors in interest and assignees, to the extent not already excepted or reserved by instruments of record, any and all water and water rights, if any, within and underlying the Lot.

ALSO RESERVING THEREFROM, for the benefit of Grantor, its successors in interest and assignees, easements for access, ingress, egress, encroachment, support, maintenance, drainage, repair, and for other purposes, all as may be shown on the Map, and as described in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Estates at Trump National Golf Club (together with any amendments thereto, the "**Declaration**"), recorded on December 6, 2004, as Instrument No. 04-3143459, as amended by that certain Supplemental Declaration of Covenants, Conditions, and Restrictions for the Estates at Trump National Golf Club, dated September 16, 2010, and recorded on September 20, 2010, as Instrument No. 2010-01325322, and the Amended and Restated Declaration of Establishment of Easements (together with any amendments thereto, the "**Golf Course Agreement**"), recorded on December 6, 2004, as Instrument No. 04-3143458, both in the Official Records.

FURTHER RESERVING THEREFROM, for the benefit of Grantor, its successors in interest and assignees, the right to enter the Lot (i) to comply with requirements for the recordation of subdivision maps or lot line adjustments in the Covered Property or Annexation Property, as those

terms are defined in the Declaration, (ii) to accommodate grading or construction activities, and (iii) to comply with requirements of applicable governmental agencies. Grantor shall provide reasonable notice to Grantee before such entry. The term of this reservation of right of entry shall automatically expire on the date that is eleven (11) years from the last Close of Escrow for the sale of a Lot in the Covered Property requiring the issuance of a Final Subdivision Public Report.

FURTHER RESERVING THEREFROM, for the benefit of The Estates at Trump National Golf Club Association, a California nonprofit mutual benefit corporation, nonexclusive easements for maintenance of the Association Maintenance Areas (as defined in the Declaration) depicted on **Exhibit E** to the Declaration and described in the Declaration, together with nonexclusive easements over the property on which such Association Maintenance Areas are located for access reasonably necessary in connection therewith.

PARCEL NO. 2

Nonexclusive easements for access, drainage, encroachment, maintenance, repair, and for other purposes, in each case, if any, all as may be shown or described on the Map, the Declaration and the Golf Course Agreement.

PARCEL NO. 1 AND NO. 2 ARE ALSO SUBJECT TO:

1. Nondelinquent general and special real property taxes and public and private assessments;
2. All other covenants, conditions, restrictions, easements, reservations, rights and rights-of-way of record, including without limitation those described and reserved in the Declaration, the Golf Course Agreement and the Map;
3. All (i) matters discoverable or ascertainable by inspection or survey of the Lot, (ii) zoning ordinances and regulations and any other laws, ordinances or governmental regulations restricting or regulating the use, occupancy or enjoyment of the Lot, and (iii) any other matters created, permitted or approved by Grantee; and
4. The provisions of the Instrument Imposing a Mortgage Lien, Option to Repurchase and Right of First Refusal for the Estates at Trump National Golf Course ("**Instrument 1**") encumbering Parcel No. 1 and Parcel No. 2 recording concurrently herewith, in Official Records and as such Instrument 1 may be amended or restated in Official Records, which imposes a lien to enforce Grantee's obligation to timely and properly construct a residence on the Lot, as more specifically described therein.
5. The provisions of the Instrument Imposing a Lien on Real Property with Power of Sale ("**Instrument 2**") encumbering Parcel No. 1 and Parcel No. 2 recording concurrently herewith, in Official Records and as such Instrument 2 may be amended or restated in Official Records, which imposes a lien to enforce Grantee's obligation to pay a fee upon the subsequent transfer of ownership of the Lot, as more specifically described therein.

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EXHIBIT 1
TO
GRANT DEED, CONT.

GRANTEE ACCEPTANCE AND AGREEMENT

Grantee, by acceptance and recordation of this Grant Deed, (a) accepts and approves this Grant Deed, (b) accepts, covenants, and agrees to be bound by all provisions of (1) the Declaration, including the dispute resolution procedures and waiver of jury trial in Section 13.4 of the Declaration and (2) the Golf Course Agreement, and (c) understands that this grant is subject to and expressly conditioned upon the performance of such provisions and requirements to be performed by Grantee thereunder. Grantee has read, understood and agreed to the provisions of the Declaration, and they are incorporated into this Grant Deed by this reference. Grantee further grants to Grantor such powers and rights which are set forth in the Declaration, this 28th day November of 2016.

EAT:

Cape Point, LLC,
a California limited liability company

By: First American Exchange Company, LLC
a Delaware limited liability company

Its: Sole Member

By: 
Name: Anthony Alosi
Title: Senior Vice President

"Grantee"

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

) ss.
)

On November _____, 2016, before me, _____, Notary Public, personally appeared _____ 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.

WITNESS my hand and official seal.

(SEAL)

Notary Public in and for said State

*Set attached all purpose
certificate of acknowledgment.*

CALIFORNIA ALL-PURPOSE 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 California

County of RIVERSIDE

On 11/28/2016 before me, UNA KIM, Notary Public,
(Here insert name and title of the officer)

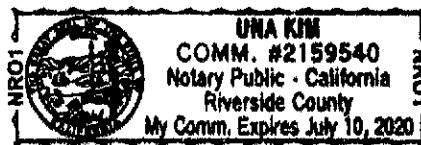
personally appeared ANTHONY ALOSI

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 of Notary Public



(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
☐ Corporate Officer

(Title)

- ☐ Partner(s)
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~ is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

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ILLEGIBLE NOTARY SEAL DECLARATION

Government Code Section 27361.7

I certify under penalty of perjury that the notary seal on the document to which this statement attached reads as follows:

Name of Notary: Una Kim

Date Commission Expires: July 10, 2020

Notary Identification No: 2159540

County Where Bond Filed: Riverside

Manufacturer/Vendor Identification No: NRO1

Place of Execution of the Declaration: Corona, CA

Date: November 29, 2016

First American Title

Margherita

This page is part of your document - DO NOT DISCARD



20161506530



Pages:
0039

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

11/30/16 AT 08:00AM

FEES:	129.00
TAXES:	0.00
OTHER:	0.00
PAID:	129.00



LEADSHEET



201611300120028

00013036429



007980147

SEQ:
19

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

Recording Requested By

First American Title HSD

3661052-11



RECORDING REQUESTED BY:

WHEN RECORDED, MAIL TO:

David L. Cohen, Esq.
c/o VHPS LLC
725 Fifth Avenue, 26th Floor
New York, NY 10022

(Space Above for Recorder's Use)

APL 7561-027-30

INSTRUMENT IMPOSING A MORTGAGE LIEN,
OPTION TO REPURCHASE
AND RIGHT OF FIRST REFUSAL
FOR
THE ESTATES AT TRUMP NATIONAL GOLF COURSE

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**INSTRUMENT IMPOSING A MORTGAGE LIEN, OPTION
TO REPURCHASE AND RIGHT OF FIRST REFUSAL**

**Construction of Single-Family Residence
THE ESTATES AT TRUMP NATIONAL GOLF COURSE**

UNLESS SUBORDINATED PURSUANT TO SECTION 9.1 BELOW, THIS INSTRUMENT IS PRIOR AND SUPERIOR TO ANY DEED OF TRUST RECORDED CONCURRENTLY HERewith.

THIS INSTRUMENT IMPOSING A MORTGAGE LIEN, OPTION TO REPURCHASE AND RIGHT OF FIRST REFUSAL ("*Instrument*") by and between JILL MARTIN,ESQ, solely in her capacity as trustee hereunder (the "*Trustee*") VHPS, a Delaware limited liability company ("*Seller*" or "*Beneficiary*"), and Cape Point, LLC, a California limited liability company ("*Buyer*" or "*Trustor*") with reference to the following facts:

A. Buyer has acquired from Seller under that certain Purchase Agreement and Escrow Instructions dated July 19 2016, between Seller and Buyer, by assignment from Robert Radke, as amended by that certain First Amendment to Purchase Agreement and Escrow Instructions dated July 19 2016 (collectively, the "*Purchase Agreement*") the real property described on **Exhibit A** attached hereto (the "*Property*") situated in the City of Rancho Palos Verdes, County of Los Angeles, State of California.

B. The Property is within The Estates at Trump National Golf Course (the "*Project*"). Seller has invested substantial time and resources in the purchase, planning and development of the Project as a prestigious residential community.

C. Buyer has represented to Seller that Buyer has acquired the Property solely to construct thereon a single-family residence of the minimum size, and within the time frame, set forth in this Instrument. Buyer has further represented to Seller that Buyer will not resell the Property or any portion thereof until the Property has been improved with a single-family residence as provided in this Instrument.

D. Seller has extensive experience in land development and Seller has determined, after a thorough investigation of relevant factors, that (i) the sale of the Property to an owner who will promptly build thereon a single-family residence of at least the minimum size provided for in this Instrument will best protect the property values of all the properties within the Project and best enhance the general attractiveness of the surrounding community, and (ii) speculation in property values within the Project will have a detrimental effect on property values and the desirability of the Project generally and would materially impair the efforts and ability of Seller to market other properties in the Project.

E. Buyer understands that, but for the representations of Buyer, Seller would not have sold the Property to Buyer. Instead, Seller would have retained the benefits of ownership, including future appreciation, if any, in the value of the Property.

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NOW THEREFORE, in consideration of the foregoing (including the sale of the Property by Seller to Buyer), and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 SINGLE-FAMILY RESIDENCE

1.1 **Construction of Residence by Buyer.** Buyer represents and warrants to Seller that Buyer shall cause the Property to be developed with a single-family residence containing a minimum of 5,600 square feet together with garage and appurtenant structures (the "**Residence**"). Any subterranean basements, atriums or patios shall be in addition to said minimum. No portion of the Property shall be developed, used, operated or maintained with any facility or for any purpose whatsoever other than the Residence and improvements normally associated with a single-family residence. Buyer specifically understands and agrees that (1) neither the Residence nor any other improvements that do not comply with all Standards (hereinafter defined) can be made or constructed on the Property without Seller's approval; (2) that any proposed deviations from the Standards or proposed plans and specifications to construct the Residence and improvements on the Property must be submitted to Seller for approval prior to any construction; and (3) that only those deviations from the Standards and plans and specifications to construct the Residence and improvements approved by Seller in writing may be made or constructed on the Property. Seller agrees it shall not unreasonably withhold approval of the plans and specifications for the Residence or any other improvement to be built on the Property that comply with the Standards. Approval of deviations from the Standards are solely at the discretion of the Seller and may be withheld for any reason. Whenever Seller's approval of plans and specifications are required under this Instrument (including any resubmission of plans and specifications if for any reason the initial plans and specifications were rejected), Seller will have thirty days (30) days from Seller's receipt of both (i) a full and complete set of such plans and specifications and (ii) a Certificate signed by both Buyer and Buyer's architect or engineer of record in the form and substance attached hereto as **Exhibit C** stating (a) that the plans and specifications are in compliance with the Design Guidelines, the Amended and Restated Covenants, Conditions and Restrictions, the Purchase Agreement and the Mortgage Lien (all as defined in Exhibit C and hereinafter referred to as the "**Standards**") and requesting any specific deviations from the Standards and (b) that Buyer understands that he cannot build any deviations from the Standards unless approved by Seller, and any supporting information reasonably requested by Seller to approve or reject any deviations from the Standards expressly requested in such Certificate. If Seller does not approve or reject the permitted plans or specifications or the requested deviation from the Standards within such thirty (30) day period, then Buyer shall send an additional written notice to Seller requesting Seller's approval and Seller shall have ten (10) days after receipt of such written notice by Buyer to either accept or reject Buyer's submitted plans and specifications and requested deviation from the Standards, if any. If Seller fails to accept or reject Buyer's submitted plans and specifications or requested deviation from the Standards within such ten (10) day period, then Seller shall be deemed to have accepted Buyer's plans and specifications and requested deviation from the Standards, if any. For purposes of clarification Seller's approval shall be deemed to be approval by Seller of Buyer's plans and specifications in general and any specific requested deviation, not an affirmation that Buyer is in compliance with every detailed requirement in the Standards. Plans and specifications must be sent directly to Brian Ahern, at 725 Fifth Avenue, 25th Floor, New York, New York 10022 and a letter advising that approval is requested (but not copies of the plans and specifications) to Jill Martin, Esq. c/o Trump National Golf Club Los Angeles, One Trump National Drive, Rancho Palos Verdes, California 90275 and David L. Cohen, Esq., c/o The Trump Organization, 725 Fifth Avenue, New York, New York 10022. Buyer shall not

commence construction of the Residence or any other improvement to be built on the Property until Seller has approved the plans and specifications. For purposes of clarification, notwithstanding that Buyer has submitted plans and specifications, it is Buyer's responsibility to build on the Property to Seller's Standards with only such deviations as approved by Seller upon Buyer's express request. Buyer further understands and represents to Seller that the Residence and all such other improvements on the Property, if any, shall be constructed in accordance with any design guidelines prepared by Seller which are made a matter of public record and delivered to Buyer in time for Buyer to incorporate such guidelines. SELLER'S APPROVAL OF PLANS AND SPECIFICATIONS OR ANY REQUESTED DEVIATIONS SHALL NOT BE DEEMED TO SATISFY ANY LOCAL REQUIREMENTS FOR PERMITS OR APPROVALS REQUIRED BY GOVERNMENTAL AUTHORITIES.

1.2 **Commencement of Construction.** Buyer shall deliver copies of the plans and specifications to Seller for approval as soon as reasonably practical but in no event later than two (2) months after the date of the deed pursuant to which Buyer acquired the Property from Seller (the "***Acquisition Date***"). The plans and specifications shall include the architectural drawings and drawings depicting the mechanical, electrical and plumbing plan, structure of the Residence, the interior design, civil engineering, landscape architecture and any specialty design. Buyer shall commence construction of the Residence on the Property as soon as reasonably practical but in no event later than six (6) months after the Acquisition Date (the "***Commencement Period***").

Should Buyer fail to commence construction on or before the end of the Commencement Period, Buyer shall either install and maintain landscaping within two (2) weeks thereafter or allow The Estates of Trump National Golf Club Association (the "***Association***") to enter the Property and install and maintain landscaping (including sprinklers and sprinkler lines) (the "***Landscaping Costs***") and charge the Landscaping Costs to Buyer. Buyer's obligation to pay the Landscaping Costs hereunder shall be secured by the lien of this Instrument described in Article 8 herein.

1.3 **Completion of Construction.** Buyer shall complete construction of the Residence on the Property, in a manner consistent with the plans and specifications approved by Seller, within twenty-four (24) months after the Acquisition Date (the "***Initial Construction Period***"). In the event of fire or other casualty beyond the reasonable control of Buyer that materially damages or destroys the foundation, frame or other similar material component of construction commenced or completed by Buyer, then, provided that Buyer neither caused nor contributed to the occurrence or impact of such fire or other casualty, Buyer will have an additional period of time (a "***Casualty Extension Period***;" the Initial Construction Period, as extended, if at all, by any "***Casualty Extension Period***," the "***Construction Period***") beyond the Initial Construction Period to complete the construction of the Residence equal to the sum of (a) the number of days Buyer originally expended from the commencement of the construction of the damaged or destroyed component or components until its or their stage of completion at the time of the fire or other casualty, but in no event in excess of the reasonable and customary number of days that it would take for experienced contractors in the applicable construction trades to achieve such level of completion, and (b) the number of days actually expired between the date of the casualty and the date that the Buyer's builder's risk policy insurer, if any, determines the amount to be paid to the insured by the insurer to cover the loss or damage sustained and delivers the first payment thereof to the insured, but in no event in excess of 30 days. Notwithstanding anything to the contrary, (a) the Initial Construction Period will not be

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extended by the Construction Extension Period unless Buyer promptly reports each such fire or other casualty to its insurer, promptly and fully cooperates with its insurer in adjusting the claim (including, without limitation, providing all necessary statements, reports and documents), thereafter promptly commences repair or restoration of the damage or destruction, and at all times thereafter diligently pursues such repair or restoration to completion, and (b) in no event will the Construction Period exceed 48 months from the Acquisition Date.

ARTICLE 2 TRANSFERS.

2.1 **Restrictions on Transfer.** During the term of this Instrument, Buyer shall not sell, lease, convey, exchange, encumber or otherwise transfer the Property or any portion thereof or interest therein (collectively referred to herein as "***Transfer***"). If Buyer or a permitted transferee under Section 2.2 below is a corporation, partnership, trust or other legal entity other than a natural person, the sale or transfer of twenty five percent (25%) or more of the stock or other legal or beneficial interests in Buyer, whether in one transaction or a series of transactions, other than to any person, persons, entity or entities identified in Section 2.2 below, shall be deemed a "***Transfer***" of the Property prohibited by the terms of this Instrument. Buyer shall promptly notify Seller of any actual transfer of shares, partnership interests or other legal or beneficial interests, as applicable, of Buyer aggregating more than ten percent (10%) of the ownership interests in Buyer.

2.2 **Approval of Certain Transfers.** Notwithstanding Section 2.1 above, Seller recognizes that Transfers of the Property may be desirable in certain circumstances and Seller may, in its sole and absolute discretion decided on a case-by-case basis, consent to a Transfer of the Property during the term of this Instrument. Furthermore, Seller would consider it reasonable for Buyer to request Seller's consent to a Transfer and, notwithstanding anything to the contrary in the foregoing, Seller shall not withhold its consent to a Transfer in the following instances:

- (a) A transfer necessitated by the death of Buyer;
- (b) A transfer by Buyer to his or her spouse;
- (c) A transfer by Buyer into a revocable inter vivos trust in which Buyer is a beneficiary;
- (d) Where Buyer is a married couple, a transfer by one spouse to the other spouse as a result of a decree of dissolution of marriage or legal separation or a property settlement agreement incident to such decree;
- (e) A Transfer by Buyer to any of his or her lineal descendants, including children and/or grandchildren; or
- (f) A Transfer to any limited partnership or limited liability company in which all of the partners or members are any persons or entities to whom Transfers may be made pursuant to subparagraphs (b) through (e) of this Section 2.2.

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Any Transfer described in this Section 2.2 is exempt and excluded from the option to repurchase described in Article 4 below and the right of first refusal described in Article 5 below.

2.3 **Permitted Financing.** Notwithstanding anything to the contrary in the foregoing, Buyer may encumber the Property as security for a loan made by an Institutional Lender (as such term is defined in Section 9.3 below), the proceeds of which are used only to purchase the Property or improve the Property or to reimburse Buyer for expenditures made to purchase or improve the Property.

ARTICLE 3 PAYMENT OF ADDITIONAL PURCHASE PRICE

3.1 **Additional Purchase Price.** Upon the violation by Buyer of any of the provisions of Section 2.1 above, Buyer shall pay Seller an additional purchase price for the Property as computed in accordance with Section 3.2 below (the "***Additional Purchase Price***"). Buyer shall pay such Additional Purchase Price to Seller within THIRTY (30) DAYS of written demand by Seller. Buyer understands and acknowledges that Buyer may be required to pay Seller an Additional Purchase Price for each violation of any provision of Section 2.1, which means Buyer could be required to pay Seller numerous Additional Purchase Prices for the Property.

3.2 **Determination of Additional Purchase Price: Prohibited Transfer.** The Additional Purchase Price for the Property that Buyer must pay to Seller upon each violation of Section 2.1 above shall be sixty-six and two-thirds percent (66 2/3%) of:

- (a) Either (1) the Fair Market Value (as determined in accordance with Article 6 below) of the Property without regard to any improvements constructed thereon, determined as of the date of the violation of this Instrument giving rise to this Additional Purchase Price obligation, or (2) if the Transfer occurs prior to the construction of any improvements on the Property, then the greater of such Fair Market Value or the total sales price to Buyer's transferee; **less**
- (b) The purchase price paid by Buyer to purchase the Property, including any Additional Purchase Prices(s) previously paid by Buyer (but not by any previous owner of the Property); **less**
- (c) Buyer's carrying costs for the Property, which shall mean the aggregate of the following (collectively "***Carrying Costs***"):
 - (i) Real property taxes, special taxes and assessments paid by Buyer for the Property;
 - (ii) Homeowners' association dues paid by Buyer for the Property;
 - (iii) Interest and loan costs paid by Buyer for any loan the proceeds of which were used to purchase the Property, and

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which was secured by a deed of trust encumbering the Property, with such loan amount not to exceed seventy-five percent (75%) of the purchase price paid by Buyer to purchase the Property (not including any Additional Purchase Prices) and such interest and loan costs not to exceed those offered on the date the Property is acquired to Project purchasers by Institutional Lenders who had then or thereafter made loans to purchasers of Project custom lots. If Buyer obtained financing for less than seventy-five percent (75%) of the purchase price and therefore paid cash for more than twenty-five percent (25%) of the purchase price, Buyer shall be entitled to include in Buyer's Carrying Costs, in addition to any applicable interest and loan costs described above, simple interest on such excess equity in the Property (such excess equity, together with any amount financed, not to exceed seventy-five percent (75%) of the purchase price paid by Buyer to purchase the Property) at the average of the interest rates for loans with a loan-to-value ratio of seventy-five percent (75%) offered to Project purchasers on the date the Property is acquired, by Institutional Lenders who had then or thereafter made loans to purchasers of Project custom lots; and

(iv) Title, escrow and closing costs paid by Buyer in connection with the acquisition of the Property; **less**

(d) The balance of deposits actually paid by buyer to Seller for construction and design review that are being transferred to the new purchaser of the Property.

For purposes of this Section: (i) the violation of Section 2.1 shall be deemed to occur on the recordation date of the deed that transfers title to the Property or, if the Transfer is of the type described in the second sentence of Section 2.1, upon the record date of the transfer of the stock or other legal or beneficial interest that first equals, when taken together with all prior such transfers, 25% of the stock or other legal or beneficial interests in Buyer; (ii) the Additional Purchase Price shall be paid to Seller at the close of escrow of the Property and shall be a condition to closing of escrow for such transfer, and (iii) in the event such Additional Purchase Price is not paid to Seller at close of escrow for any reason, Buyer shall also pay Seller interest on the Additional Purchase Price at the rate of ten percent (10%) per annum from the recordation date of the deed that transfers title to the Property until paid in full.

3.3 **Lien.** Buyer's obligation to pay Additional Purchase Prices hereunder shall be secured by the lien of this Instrument described in Article 8 below.

3.4 **Collection.** Buyer hereby assigns, conveys and transfers to Seller all of Buyer's right, title and interest in and to any and all of the proceeds due Buyer upon a Transfer of the Property or any portion thereof or interest thereon, up to the amount of any Additional Purchase Price(s) then due Seller hereunder. To that end, Seller may unilaterally instruct the

escrow agent in such Transfer to satisfy said Additional Purchase Price(s) out of the proceeds payable to Buyer through escrow. Seller may also collect such Additional Purchase Price(s) directly from Buyer or Buyer's transferee in any manner that Seller desires, as determined in Seller's sole discretion.

3.5 **No Waiver of Right of First Refusal.** Nothing in this Article 3 shall be construed to diminish or waive Seller's right of first refusal under Article 5 below.

ARTICLE 4 **OPTION TO REPURCHASE THE PROPERTY**

4.1 **Grant of Option.** Buyer hereby grants to Seller an exclusive option to purchase the Property in the manner and on the terms and conditions set forth in this Article 4. Seller may elect to repurchase the Property in accordance with this Article 4 in its sole and absolute discretion.

4.2 **Precondition to Exercise.** Seller may exercise its option to repurchase the Property only if:

- (a) Buyer violates the provisions of Section 2.1 above, in which event, if Seller elects to repurchase the Property, Seller shall not be entitled to any Additional Purchase Price payable for the violation of Section 2.1 that triggered Seller's option to repurchase the Property or any remedy permitted in subsection 7.1(b) below for the same violation.
- (b) Buyer violates any of the provisions of Section 1.1, 1.2 or 1.3 above and there has elapsed a period of twelve (12) calendar months since the commencement of the violation.

4.3 **Notice of Exercise.** Seller may exercise its option to repurchase the Property by giving notice to Buyer of Seller's election to repurchase within ONE HUNDRED EIGHTY (180) DAYS of any violation of the provisions of Sections 1.1, 1.2, 1.3 or 2.1 above.

4.4 **Repurchase Price.** Seller's purchase price for the Property upon its exercise of the option provided above shall be:

- (a) The purchase price paid by Buyer for the Property; **plus**
- (b) Buyer's Carrying Costs, as that term is defined in subsection 3.2(c) above; **less**
- (c) Seller's original costs of sale of the Property, including brokers' fees and commissions, legal fees and any other closing costs; **less**
- (d) The costs to Seller, if any, to restore the Property to at least as good condition as existed at the Acquisition Date, including the costs of removal from the Property of all structures, foundations, buildings, materials, paving, landscaping and other improvements

of whatever nature on the Property, whether deposited or installed on the Property by Buyer or others.

4.5 **Removal of Improvements.** If Seller exercises its option to repurchase the Property, Buyer shall be entitled to remove from the Property all improvements except for those installed by Seller. All such work shall be accomplished to the sole but reasonable satisfaction of Seller. Any improvements not so removed by Buyer prior to the close of the purchase by Seller of the Property shall become the property of Seller on the closing date of the repurchase without the payment of further consideration and without the necessity of any further conveyance or bill of sale.

4.6 **Title.** If Seller exercises its option to repurchase the Property, Buyer shall convey the Property to Seller subject only to:

- (a) Current taxes not yet delinquent;
- (b) Matters affecting title existing at the Acquisition Date prior to the original acquisition of the Property by a Buyer (for the avoidance of doubt excluding any mortgage, deed of trust or similar instrument consented to, caused or put on the property by any Buyer);
- (c) Matters affecting title which are created, made, assumed, consented to or requested by Seller, its successors or assigns, excluding any mortgage, deed of trust or similar instrument to which Seller has subordinated certain remedies under this Agreement pursuant to Article 9 below;
- (d) Matters shown as printed exceptions to the standard form ALTA owner's policy of title insurance with regional exceptions; and
- (e) Easements for utilities to be used in connection with the Residence and related improvements constructed on the Property.

4.7 **Repurchase Escrow Terms.** Within FIVE (5) DAYS after Seller's exercise of the option as provided above, or as soon thereafter as possible, an escrow shall be created at Peninsula Escrow or another escrow company selected by Seller to consummate the purchase as specified herein, which escrow shall have a time limit of THIRTY (30) DAYS. Said escrow shall be subject only to approval by Seller of a then current preliminary title report. Any exceptions shown thereon which are not included in Section 4.6 above and are disapproved by written notice to Buyer through escrow shall be removed by Buyer at its sole expense at or prior to close of escrow. In the event that the Property or any portion thereof is encumbered by a mortgage or deed of trust, Seller may unilaterally instruct the escrow agent to satisfy the indebtedness secured thereby out of the proceeds payable to Buyer through escrow. Buyer shall pay any additional amount necessary to satisfy such indebtedness. Buyer and Seller shall each pay one-half of the escrow fees. Buyer shall pay for the documentary transfer tax, recording the deed, and a standard coverage ALTA owner's policy of title insurance with regional exceptions in the amount of the purchase price showing title to the Property vested in Seller or its nominee

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or designee free and clear of all liens, encumbrances and other title exceptions other than those set forth in section 4.6 above or approved by Seller. Any other costs or expenses shall be allocated between the parties in the manner customary in Los Angeles County, California.

4.8 **Irrevocability.** The option created hereby shall be irrevocable by Buyer.

4.9 **Warranties, Plans and Specifications.** In the event Seller reacquires all or any portion of the Property, whether under this Article 4 or under Article 5 below, all warranties, plans and specifications relating to improvements on the Property, whether constructed or not, shall be deemed assigned to Seller or its nominee or designee without further consideration or act by Seller or its nominee or designee. Buyer agrees to execute, within TEN (10) DAYS of a request by Seller or its nominee or designee, such documents as Seller or its nominee or designee requests to document the foregoing assignments.

ARTICLE 5 RIGHT OF FIRST REFUSAL

5.1 **Right of First Refusal.** Buyer hereby grants to Seller a right of first refusal (the "***Right of First Refusal***") for the Property if either Buyer attempts to make a Transfer or any holder of the lien of any mortgage or deed of trust or other lien of any nature secured by the Property (a "***Lien Holder***") attempts to make a Transfer (including, without limitation, instituting proceedings, judicial or otherwise, to foreclose its lien, exercising the power of sale, accepting, or causing its affiliate to accept, a deed in lieu of foreclosure, or otherwise conveying, causing the conveyance of or accepting the conveyance of the Property, each a "***Lender Transfer***") at any time prior to final completion of the construction of the Residence in accordance with Section 1.2 and 1.3 above. By way of clarification, and notwithstanding anything to the contrary, the rights of each and every Lien Holder to convey, cause the conveyance of or accept the conveyance of the Property pursuant to a Lender Transfer shall be subject and subordinate to the Right of First Refusal. As used in this Section 5.1, the term "Transfer" shall not include a transfer merely creating a security interest securing an obligation of Buyer but it shall include a transfer arising from the enforcement of such security interest. For the avoidance of doubt, an attempt to make a Transfer set forth above includes, without limitation, entering into a contract to Transfer.

5.2 ROFR Procedures.

- (a) **ROFR Notice.** The Buyer (or Lien Holder) shall give Seller prior written notice (the "**ROFR Notice**") of any Transfer, including, without limitation, a conveyance of the Property pursuant to a Lender Transfer. The ROFR Notice shall set forth the proposed transferee's name and shall include a summary of the terms of the proposed Transfer, including without limitation, the purchase price and method of payment, and shall have attached to it a copy of any offer or counteroffer executed or to be executed by Buyer or the transferee or both, as well as a copy of a current preliminary title report covering the Property. If the Transfer is to be made in exchange for property of the transferee, the Notice shall also include the dollar value placed on the transferee's property by Buyer. Buyer represents and warrants that the purchase price,

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terms and conditions referred to in the Notice shall have been reached through arm's length negotiations (or an arm's length auction process). Notwithstanding anything to the contrary, a credit bid shall not constitute part of the purchase price for purposes of this Article 5 and the purchase price for the purposes of exercising this Right of First Refusal shall be the purchase price less any portion thereof constituting a credit bid or similar crediting.

- (b) Election and Non-Election. If Seller, within TEN (10) DAYS after receipt of the ROFR Notice, indicates in writing to Buyer its agreement to purchase the Property on the terms stated in the ROFR Notice, Buyer shall sell and convey the Property to Seller on the same terms and conditions set forth in the ROFR Notice, except that in the event of a proposed exchange of property Seller shall pay the aforesaid dollar value placed on the property to be exchanged for the Property in full in cash rather than exchange property and provided further that such dollar value shall be reduced by all amounts secured by any instrument encumbering the Property (including, without limitation, a deed of trust or mortgage) that will continue to encumber the Property after acquisition by Seller. If Seller does not notify Buyer of its intent to exercise its right of first refusal within such TEN (10) DAY period, or if Seller gives Buyer written notification that it does not elect to exercise such right of first refusal on the same terms and conditions offered to Seller as set forth in the ROFR Notice, then Buyer will not be obligated to sell and convey the Property to Seller pursuant to this Article 5 on the same terms and conditions offered to Seller as set forth in the ROFR Notice, subject to the terms and conditions of subsection 5.2(c) below, provided, however, the transfer will remain subject to Article 3, Article 4 and the other remedies provided in this Instrument, at law or in equity. Seller may elect to exercise the ROFR in its sole and absolute discretion.
- (c) Failure to Timely Sell or Sale on Renegotiated Terms. If Buyer (or Lien Holder) does not complete the Transfer of the Property within ONE HUNDRED TWENTY (120) DAYS after the earlier of (i) expiration of the aforesaid TEN (10) DAY period in which Seller could have exercised its right to purchase the Property or (ii) receipt by Buyer of Seller's notice that it does not elect to exercise its right to purchase the Property, then any further transaction (including a transaction on the same price and terms set forth in the Notice to same transferee or to another party) shall be deemed a new determination by Buyer (or Lien Holder) to Transfer the Property, the Buyer (or Lien Holder) shall deliver a new ROFR Notice to Seller, and the procedures set forth in Section 5.2 shall apply with respect to such new ROFR Notice.

Notwithstanding the foregoing, if for any reason (including, without limitation, adjustments arising from the conduct of due diligence by any potential purchaser of the Property) the actual Transfer of the Property (within or without the 120 day period described above) is proposed to be made for a purchase price (including, without limitation, any in-kind property valued in the manner described in subsection 5.2(d) below) that is lower than the purchase price set forth in the ROFR Notice by five percent (5%) or more (the "**Lowered Purchase Price**"), then such Transfer at the Lowered Purchase Price shall be deemed a new determination by Buyer (or Lien Holder) to Transfer the Property, the Buyer (or Lien Holder) shall deliver a new ROFR Notice to Seller at the Lowered Purchase Price, and the procedures set forth in Section 5.2 shall apply with respect to such new ROFR Notice.

- (d) Valuing In-Kind Consideration. Notwithstanding anything to the contrary in the foregoing, if Seller objects to the dollar value placed by Buyer on any exchange property as stated in the Notice, Seller shall notify Buyer of its objection and the dollar value shall be the fair market value of such property as determined in accordance with Article 6. The TEN (10)-DAY time period provided in subsection 5.2(b) above for Seller to deliver notice of exercise of its right to purchase the Property shall be extended for so long as it takes to complete the determination of the fair market value plus an additional TEN (10) DAYS.
- (e) Lender Transfers. As provided in Section 5.1 above, Seller shall be permitted to exercise its ROFR if a Lien Holder desires to convey, cause the conveyance of or accept the conveyance of the Property pursuant to a Lender Transfer.

Buyer shall provide to Seller copies of any written notice of default, notice of election to sell the Property and/or any notice of sale required by law from a Lien Holder promptly after Buyer's receipt thereof. Each Lien Holder shall be obligated to give reasonable prior written notice, but in any event not less than thirty (30) days prior written notice, of the initiation of any Lender Transfer whether or not provision is made therefore in any statutes governing the process of such Lender Transfer and to put all bidders at any private or public auction, or other participants at any Lender Transfer, on written notice that the sale of the Property pursuant thereto is subject to the ROFR.

Prior to the conveyance of the Property pursuant to a Lender Transfer, Buyer shall or shall cause the Lien Holder to give Seller a ROFR Notice. The procedures set forth in Section 5.2 shall apply with respect to such ROFR Notice.

Seller shall not be precluded from and may, at its option, bid for and acquire the Property at any public or private auction pursuant to a Lender Transfer and may make settlement for the purchase price by crediting any Landscaping Costs and Liquidated Damages from the amount of the outstanding mortgage debt.

5.3 **Right of First Refusal Escrow Terms.** Within FIVE (5) DAYS after Buyer's receipt of Seller's notice of exercise, or as soon thereafter as possible, an escrow shall be created at Peninsula Escrow or another escrow company selected by Seller to consummate the purchase as specified herein, which escrow shall have a time limit of THIRTY (30) DAYS. Buyer shall transfer the Interest through escrow to Seller or Seller's nominee or designee subject only to those matters described in Section 4.6 above or otherwise approved by Seller. Buyer and Seller shall each pay one-half of the escrow fees. Buyer shall pay for the documentary transfer tax, recording the deed, and a standard coverage ALTA owner's policy of title insurance with regional exceptions in the amount of the purchase price showing title to the Interest vested in Seller or its nominee or designee free and clear of all liens, encumbrances and other title exceptions other than those set forth above or approved by Seller. Any other costs or expenses shall be allocated between the parties in the manner customary in Los Angeles County, California.

5.4 **Transfer Not Permitted.** Nothing in this Article 5 or elsewhere in this Instrument shall be deemed or construed to allow or permit Buyer to Transfer the Property in violation of Article 2 of this Instrument.

ARTICLE 6 **FAIR MARKET VALUE**

6.1 **Fair Market Value.** Whenever any provision of this Instrument calls for the determination of the "*Fair Market Value*" of any property, such Fair Market Value shall be determined in accordance with this Article 6.

6.2 **Agreement of Parties.** The Fair Market Value shall mean the value of the property as mutually determined in good faith by the parties hereto.

6.3 **Appraisal Procedure.** If Seller and buyer fail to agree to the Fair Market Value within THIRTY (30) DAYS after the date Seller gives Buyer notice that a Fair Market Value determination must be made as demanded by a particular covenant of this Instrument, the following procedure shall apply:

- (a) **Seller's Appraisal.** Seller shall deliver to Buyer a written appraisal of the applicable Fair Market Value with which Seller agrees prepared by an independent qualified appraiser ("*Seller's Appraisal*"). The term "*independent qualified appraiser*" as used in this Instrument shall mean a professional independent appraiser who is a Member of the American Institute of Real Estate Appraisers (R.M. or M.A.I.), the Society of Real Estate Appraisers (S.R.A., S.R.P.A., or S.R.E.A.), the American Society of Appraisers (member or senior member [A.S.A.]), of another recognized association of appraisers, or a similar association of

real estate appraisers that has adopted rules and regulations governing the professional conduct and ethics of its members requiring independent appraisals without bias to any party or to any result, or has such other education and experience so as to be considered qualified by both parties. If the Seller's Appraisal exceeds by five percent (5%) or more the value last determined or offered by Buyer prior to the failure of Buyer and Seller to agree on the Fair Market Value, and Buyer agrees with Seller's Appraisal, then Buyer shall pay Seller the cost of the Seller's Appraisal.

- (b) **Buyer's Appraisal.** If Buyer does not agree with Seller's Appraisal, Buyer shall notify Seller in writing of such disagreement within TEN (10) DAYS after receipt of Seller's Appraisal and, within THIRTY (30) DAYS of such notice, Buyer, at its cost, shall deliver to Seller a written appraisal of the applicable Fair Market Value with which Buyer agrees, prepared by an independent qualified appraiser ("***Buyer's Appraisal***"). If Buyer fails to deliver Buyer's Appraisal within such THIRTY (30) DAYS or if Buyer's Appraisal is equal to Seller's Appraisal, then Seller's Appraisal shall constitute the final and binding determination of the applicable Fair Market Value.
- (c) **Final Appraisal.** If Buyer's Appraisal is delivered to Seller within such THIRTY (30) DAYS and is not equal to Seller's Appraisal, and if Seller and Buyer cannot then agree as to the applicable Fair Market Value within TEN (10) DAYS after delivery of Buyer's Appraisal to Seller, Seller and Buyer shall within TEN (10) DAYS thereafter mutually agree on a third independent qualified appraiser acceptable to them to make an independent determination of the applicable Fair Market Value (the "***Final Appraisal***"). Such Final Appraisal shall be delivered to Seller and Buyer within THIRTY (30) DAYS of the selection of the third appraiser. If Seller and Buyer do not agree on a third independent qualified appraiser acceptable to them as specified above, then such third appraiser shall be appointed in accordance with the provisions of California Code of Civil Procedure 1281.6, or any successor statute. The independent determination of the Fair Market Value made by the third appraiser shall be the Final Appraisal. If the third appraiser must be appointed pursuant to the provisions of the California Code of Civil Procedure Section 1281.6, or any successor statute, Seller shall file petition to appoint the third appraiser within the Superior Court of Los Angeles County, California ("***Court***"), and shall set the hearing on the petition on the earliest date permitted by the Court's calendar and by the applicable notice period required by law. Seller and Buyer shall share equally all costs of the Final Appraisal. If the Final Appraisal states a Fair Market Value between that of Seller's Appraisal and Buyer's Appraisal,

the Final Appraisal shall be the final and binding determination of the applicable Fair Market Value. Otherwise, the Fair Market Value shall be whichever of Buyer's or Seller's Appraisal is equal or closer to the Final Appraisal.

- (d) **Terms of Procedure.** The procedure set forth above for determining the Fair Market Value shall be the exclusive procedure therefor and shall be final, binding and non-appealable unless expressly waived by both parties in writing. It is the responsibility of Buyer to ensure that this procedure for determining Fair Market Value is instituted in sufficient time to satisfy any commitments, agreements or needs of Buyer.

ARTICLE 7 **REMEDIES**

7.1 **General.** In addition to the rights and remedies granted to Seller under Articles 3, 4, and 5 above and Section 7.2 below, Seller may exercise any rights or remedies to which Seller may be entitled by law or in equity, including without limitation bring a suit for declaratory relief or bring an action for specific performance or to enforce compliance or an injunction to enjoin the continuance of any breach or violation; provided, however, that the monetary damages for Buyer's breach of Article 1 shall be determined in accordance with Section 7.2 below. Except as specifically restricted herein, Seller shall at all times have all rights and remedies to which Seller may be entitled at law or in equity to enforce compliance by Buyer with the provisions of this Instrument and all remedies provided herein shall be cumulative and not exclusive.

7.2 **Breach of Article 1.** Upon the breach of Article 1, Buyer shall pay to Seller a fee in the amount of (a) Fifty Thousand Dollars (\$50,000.00) (the "**Initial Lump Sum**") plus (b) Two Hundred Fifty Dollars (\$250.00) per day, which fee shall increase by ten percent (10%) each calendar month thereafter so that the daily fee is ten percent (10%) greater than the daily fee from the previous calendar month, as liquidated damages ((a) and (b), collectively, the "**Liquidated Damages**") until Buyer has satisfied its obligations under Article 1. The parties hereto acknowledge the difficulty of ascertaining the actual monetary damages in the event of Buyer's default under and violation of any of the provisions of Article 1 above, that it is difficult more precisely to estimate or otherwise determine the total amount of monetary damages to be suffered by Seller upon Buyer's default under and violation of any of the provisions of Article 1 above, that such payment of the Liquidated Damages amount is intended not as a penalty, but as full liquidated monetary damages and such amount constitutes a reasonable good faith estimate of the potential monetary damages arising therefrom, it being otherwise difficult or impossible to estimate Seller's actual monetary damages which would be suffered by Seller upon a breach of any of the provisions of Article 1 above. The Liquidated Damages shall be immediately due and payable and shall be paid to Seller immediately upon demand by Seller at any time or from time to time. Buyer's obligation to pay the Liquidated Damages hereunder shall be secured by the lien of this Instrument described in Article 8 below.

ARTICLE 8

IMPOSITION OF LIEN

8.1 **Creation of Mortgage Lien.** Trustor hereby irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, the Property together with the rents, issues and profits thereof. This instrument creates a "***mortgage***" (as defined in Section 2920 of the California Civil Code) lien on the Property for the purpose of securing all of Buyer's obligations under this Instrument, including without limitation, payment of any Landscaping Costs and the Liquidated Damages.

8.2 **Power of Sale.** Upon default by Trustor in payment of any indebtedness secured hereby, Beneficiary may declare a default hereunder, in which event Trustee shall prepare and record a written notice of default and election to sell the Property ("***Notice of Default***") in the office of the County Recorder of Los Angeles County, California and to other parties and locations as required by law. After THREE (3) MONTHS or such shorter time as may be allowed by law shall have elapsed from the recordation of such Notice of Default, and after a notice of sale has been given to the extent required by the then applicable law, Trustee, without legal action or demand on Trustor, shall sell the property (at such time and place fixed in said notice of sale or at the time and place to which the sale is postponed in the manner required by the then applicable law) at public auction to the highest bidder for cash in lawful money of the United States at the time of sale or upon such other terms as Trustee may consider advisable. Trustee may postpone the sale of the Property by public announcement thereof at the time and place of sale and from time to time thereafter by public announcement at the time and place of the preceding postponement. In conducting or postponing said sale Trustee may act through its agents, officers or employees or any other person designated by Trustee, whether or not such party shall be a licensed auctioneer. Trustee shall deliver to the buyer or buyers at such sale, a trustee's deed conveying the Property subject to all of the provisions of this Instrument, but without any covenant or warranty express or implied. Any person, including Beneficiary, may purchase at such sale. Trustor hereby agrees to surrender immediately and without demand possession of the Property to the buyer at such sale. No such sale shall release or extinguish any rights, remedies or provisions contained in this Instrument in the event of any further violation of any covenant set forth herein.

8.3 **Application of Proceeds.** Trustee shall apply the proceeds of such sale of the Property in the following manner and order:

- (a) First, to the Trustee, expenses of such sale and all costs, fees, charges and expenses of Trustee, including costs of evidence of title and reasonable attorney's fees;
- (b) Second, to the Beneficiary all sums secured hereby or otherwise payable to Seller pursuant to this Instrument; and
- (c) The remainder, if any, to the person or persons legally entitled thereto.

8.4 **Foreclosure by Court Action.** In addition, Trustee may foreclose the lien created by this Instrument by court action in the manner provided by the laws then applicable to

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this Instrument, in which event Trustor agrees to pay all costs and expenses thereof, including reasonable attorneys' fees, as the court may determine.

8.5 **Notice of Sale.** Trustor hereby requests that copies of the Notice of Default and any notice of sale hereunder be mailed to it at the address set forth below his signature hereto. Trustor agrees that any such notice or demand shall be deemed fully given to Trustor if mailed to Trustor by registered mail at such address or any more recent address Trustor provides to Beneficiary.

8.6 **Intent; Compliance with Law.** This Article is intended to create a mortgage lien on the Property and, upon default by Trustor under this Instrument, allow Trustee to foreclose on the Property by power of sale or otherwise, all in accordance with and subject to the provisions of Section 2924 of the California Civil Code. Therefore, the provisions of this Instrument shall be construed liberally to effectuate such intent. If any provision of this Instrument is found by a court of competent jurisdiction to conflict with the provisions of the California Civil Code respecting mortgage liens, then (a) such Civil Code provisions shall be deemed to control, and (b) this Instrument shall be deemed amended to comply with such Civil Code provisions.

8.7 **Substitute Trustee.** Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time-to-time by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of Los Angeles County shall be conclusive proof of proper substitution of such Trustee, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, power and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8.8 Trustee accepts this Trust when this Agreement, duly executed and acknowledged, is made public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

8.9 Jill Martin Esq. is acting hereunder solely in her capacity as Trustee and shall have no personal liability of any kind or nature whatsoever to Trustors. Trustors hereby irrevocably waive and release the right to proceed against Jill Martin Esq. in any capacity for any damages or other relief or remedy to which they may otherwise be entitled other than solely for the purpose of, and to the extent she must be named in order to obtain, any temporary restraining order or injunction of any act intended to be taken solely in her capacity as Trustee hereunder. The preceding paragraph shall not limit or otherwise qualify any right or remedy that Trustors may have against Beneficiary.

ARTICLE 9 SUBORDINATION OF LIEN

9.1 **Subordination.** The mortgage lien created by this Instrument shall be subordinate to the lien (an "**Institutional Lien**") of any Construction Loan from an Institutional Lender. The terms and conditions of this Instrument (including, without limitation, the Right of First Refusal) shall be superior to each Institutional Lien and the terms and conditions of all documents evidencing or securing each Institutional Lien and/or Construction Loan from an Institutional Lender. In connection with any Construction Loan, Buyer shall deliver to Seller a copy of a Request for Notice of Default pursuant to Section 2924b of the California Civil Code prepared for execution and acknowledgment by Seller that, when recorded at the expense of Buyer, will entitle Seller to the notices prescribed by Section 2924b of the California Civil Code.

9.2 **Costs.** The first recordable subordination instrument requested by Buyer shall be executed by Seller free of charge upon the satisfaction of the above conditions. Thereafter, Seller may, at its option, require a payment by Buyer of Two Hundred Fifty Dollars (\$250) as a condition to the execution of any such subsequent recordable instrument.

9.3 **Subsequent Owners.** During its operative term, this Instrument and all provisions hereof shall be binding upon and effective against any subsequent owner of the Property, including, without limitation, one whose title arose out of a Lender Transfer. Without limiting the generality of and notwithstanding anything to the contrary in the foregoing sentence, any such subsequent owner shall be required to diligently commence and/or complete construction of the Residence on the Property, as the case may be, if the same is incomplete on the date such subsequent owner acquires title, all subject to the requirements contained in this Instrument, within the initial time periods following the Acquisition Date as specified in Sections 1.2 and 1.3 if any time is remaining with respect to the initial Commencement Period and/or the initial Construction Period, as the case may be, irrespective of whether Seller has subordinated its lien or rights pursuant to this Instrument to the lien of a mortgage or deed of trust securing a loan made by a lender to purchase or improve the Property or to reimburse Buyer for such expenditures. Without limitation of Article 3, 4 or 5 or the other remedies provided in this Instrument, at law or in equity, if any subsequent owner acquires title after the initial Construction Period following the Acquisition Date has expired and the construction of the Residence of the Property is incomplete, then such subsequent owner shall be required to diligently commence and complete construction of the Residence on the Property subject to Seller's right to collect Liquidated Damages pursuant to Section 7.2, until the construction of the Residence on the Property is completed and the right to the enforcement of the mortgage lien created hereby under Article 8 at any time. The term "**subsequent owner**" as used in this Article 8 shall include but not be limited to the lender or any successor beneficiary that acquires title arising from a Lender Transfer. An "**Institutional Lender**" shall mean (i) (A) commercial bank organized under the laws of the United States or any state thereof; (B) a savings and loan association or savings bank organized under the laws of the United States or any state thereof; or (C) a commercial bank organized under the laws of any other country or a political subdivision thereof (provided, however, that (1) such bank, financial institution or financial company is acting through a branch or agency located in the United States or (2) such bank, financial institution or financial company is organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development or a political subdivision of such country).

ARTICLE 10 TERMINATION OF INSTRUMENT

This Instrument shall automatically terminate with respect to all of the Property at the earlier of:

- (a) Such time as (i) Buyer has completed construction of the Residence, (ii) Buyer has obtained a valid certificate of occupancy for the Residence on the Property in accordance with plans and specifications therefor approved by Seller, (iii) the Property has been cleared of all debris, dumpsters and other containers, constructions materials, and construction vehicles, and (iv) all sums then secured by this Instrument have been paid, including but not limited to any Landscaping Costs, Liquidated Damages and Additional Purchase Price(s) due; or
- (b) That date that is THIRTY (30) YEARS after the Acquisition Date.

Upon termination, if requested by Buyer, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto". Five years after issuance of such full reconveyance, Trustee may destroy said note and this instrument.

ARTICLE 11 MISCELLANEOUS PROVISIONS

11.1 Covenants to Run with the Property.

- (a) The Property shall be held and developed subject to the terms set forth in this Instrument. The covenants contained herein are intended and shall be construed as covenants and conditions running with and binding the Property and equitable servitudes upon the Property and every part thereof; and subject to subsection 11.1(b) below, are for the benefit of the Benefited Property described on **Exhibit B** attached hereto. Furthermore, all and each of the terms hereunder shall be binding upon and burden all persons having or acquiring any right, title or interest in the Property (during their ownership of such interest), or any part thereof, and their successors and assigns; and subject to subsection 11.1(b), shall inure to the benefit of the Benefited Property and all persons having or acquiring any right, title or interest in the Benefited Property, or any part thereof, which shall be deemed the dominant tenement for purposes of this Instrument. This Instrument is intended to bind and benefit said persons only and its not intended to be, nor shall it be construed as being, for the benefit of adjoining property owners or any other third party.
- (b) In the event that fee title to any portion of the Benefited Property is or has been conveyed by Seller to a third party (a "**Transferred**

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Parcel"), the terms of this Instrument shall cease to benefit said Transferred Parcel unless Seller expressly assigns to the transferee of the Transferred Parcel the benefits of all or a portion of the covenants contained herein, either concurrently with conveyance of the Transferred Parcel or at any time thereafter, in either case by recorded assignment document executed by Seller and specifically referencing this Instrument (general references to appurtenances or rights related to the acquired land will not suffice). Seller and, upon recordation of any such assignment executed by Seller in favor of a Benefits Successor (as that term is defined below), the Benefits Successor, and their successors alone shall have the right to enforce the terms of this Instrument and to recover for violations by Buyer hereunder. Any merger of Seller or Seller's parent company with or into another entity, any transfer made in connection with a reorganization or restructuring of Seller or for tax or estate planning purposes, or any acquisition of all or a portion of the membership interests or equity of Seller by a third party will not be deemed a conveyance of the Benefited Property triggering the applicability of this paragraph.

11.2 **Definition of Buyer.** As used in this Instrument, the term "***Buyer***" shall mean the owner holding title to the Property at the time of the application of any provision of this Instrument. Any Buyer shall be required to diligently commence and/or complete construction of the Residence on the Property if the same is incomplete on the date such Buyer acquires title, all subject to the requirements contained in this Instrument, within the initial time periods specified in Sections 1.2 and 1.3 following the Acquisition Date if any time is remaining with respect to the initial Commencement Period and/or the initial Construction Period, as the case may be. The initial Commencement Period and/or the initial Construction Period may be extended for an additional SIX (6) MONTHS by Seller, in its reasonable discretion if the subsequent owner is an Institutional Lender. If any Buyer acquires title after the initial Construction Period following the Acquisition Date has expired and the construction of the Residence on the Property is incomplete, then such subsequent Buyer shall be required to diligently commence and complete construction of the Residence on the Property subject to Seller's right to collect Liquidated Damages, pursuant to Section 3.1 and the other remedies provided under this Instrument, at law or in equity, until the construction of the Residence on the Property is completed.

11.3 **Assignment by Seller.** Seller may assign any of its rights and powers under this Instrument to one or more of the following (a "***Benefits Successor***"): (a) the Association, or (b) any other person or entity who has acquired any Transferred Parcel. Upon the recordation of such assignment executed by Seller, the Benefits Successor, to the extent of such assignment, shall have the same rights and powers as are given to Seller herein and Seller shall be released and relieved of such rights and any obligations relating thereto. Without limiting the generality of the foregoing, Seller may make such an assignment as to all or a portion of the rights granted to Seller hereunder. Unless specifically assigned in writing as stated in this Section 11.3, Seller alone shall have the right to enforce the terms of this Instrument and to recover for violations by Buyer hereunder. If and to the extent specifically assigned in writing

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as stated in this Section 11.3, the Benefits Successor shall be a third party beneficiary of this Instrument.

11.4 **No Waiver.** Failure by Seller, Trustee or any Benefits Successor to exercise any one of its rights under this Instrument shall not constitute a waiver of any other right under this Instrument, nor shall it constitute a waiver of any right of Seller, Trustee or any Benefits Successor under this Instrument, on any subsequent or continuing breach of any covenant of Buyer contained herein. Without limiting the generality of the foregoing, the failure of Seller to exercise its right to or its option to repurchase upon Buyer's failure to commence construction of the Residence by the appropriate date shall not constitute a waiver of its right to repurchase the Property upon Buyer's failure to complete construction by the appropriate date.

11.5 **Payment for Statement of Obligations.** Buyer shall, in addition to all other payments specified herein, pay to Seller the sum of Fifty Dollars (\$50.00) for each statement requested by Buyer regarding the obligations secured by this Instrument.

11.6 **Irrevocability and Applicable Law.** This Instrument shall be irrevocable by Buyer and shall be governed by and construed according to the laws of the State of California.

11.7 **Construction.** In this Instrument whenever the context so requires, the masculine, feminine and neuter gender include each other and the singular includes the plural.

11.8 **Attorneys' Fees.** Notwithstanding anything to the contrary herein, if any action or proceeding is brought to enforce any provision of this Instrument, the prevailing party shall be entitled to recover from the losing party all of its costs and expenses incurred therein, including without limitation reasonable attorneys' fees, and if the prevailing party is Seller, all such costs and expenses shall be secured by the lien described in Article 8 above.

11.9 **Invalidity of Provision.** If any provision of this Instrument as applied to either party hereunder or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Instrument, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of the Instrument as a whole.

11.10 **Notices.** All notices required or allowed shall be in writing and shall be sent to the addresses shown below the signatures of the parties. A party may change its address for notice by giving notice to the other party. Notice may be delivered by personal delivery, facsimile transmission during normal business hours of the recipient, an overnight delivery service, or U.S. Mail sent certified with return receipt requested. Notices are effective on the earlier of the date received, the date of the delivery receipt, or the third day after postmark, as applicable.

11.11 **Application to Seller.** Notwithstanding anything herein to the contrary, if Seller reacquires title to the Property, or any portion thereof, at any time after the date hereof, this Instrument shall automatically cease and terminate and be of no further force or effect as to Seller and such portion of the Property reacquired by Seller, effective as of the date of such reacquisition by Seller.

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11.12 **Amendments; Blue Pencil.** Seller has the right to unilaterally amend this Instrument for the following reasons: (a) correct typographical errors, or (b) conform this Instrument to law, lender guidelines or California Department of Real Estate requirements. Except as provided in this instrument concerning (a) unilateral amendments as provided above in this Section, (b) assignment of the rights of Seller hereunder to a Benefits Successor, (c) the acquisition of the Property by Seller and (d) provision of further descriptions of all or portions of the Benefited Property, no addition to or modification of this Instrument shall be effective unless fully set forth in a writing executed and acknowledged by both parties and recorded with the Los Angeles County Recorder. If some part of this Instrument is determined by a Court of competent jurisdiction to be invalid or otherwise unenforceable, the parties specifically empower the court to amend this Instrument to come as closely as possible to meet the parties' intent as the then current law will allow.

11.13 **Entire Agreement.** This Instrument constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein. The foregoing sentence shall in no way affect the validity of the Purchase Agreement pursuant to which Buyer acquired the Property or any instruments executed in connection therewith.

11.14 **Intentionally deleted.**

11.15 **Disclaimers.** Nothing herein: (i) creates any right or remedy for the benefit of any person not a party hereto nor (ii) creates a fiduciary relationship (other than the fiduciary relationship, if any, created at law between the Trustee and the Beneficiary), an agency, or partnership.

11.16 **Interpretation.** The provisions hereof shall be interpreted to give effect to their fair meaning and shall be construed as though prepared by both parties. The entire agreement of the parties is set forth herein, and all prior negotiations, documents and discussions are superseded. The parties acknowledge there are no applicable representations, warranties or terms which are not stated herein. The invalidity of any provision shall not affect the validity of any other provision. Section headings are for convenience only and may not be used in interpretations.

11.17 **Intentionally deleted.**

11.18 **References.** All references to this document include references to all its amendments. References to a party include, bind, and inure to the benefit of, that party's officers, agents, employees, successors in interest and assignees. Reference to days means consecutive calendar days including weekends and holidays.

11.19 **Time.** Time is of the essence of all provisions hereof where time is a factor.

11.20 **Waiver.** No right or remedy will be waived unless the waiver is in writing and signed by the party claimed to have made the waiver. One waiver will not be interpreted as a continuing waiver.

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11.21 **Severability.** Invalidation of any one or a portion of these covenants, conditions or restrictions shall in no way affect any other provision hereof, all of which shall remain in full force and effect.

11.22 **Counterparts.** This document may be executed in multiple counterparts, each of which is an original and all of which are one agreement.

11.23 **Judicial Reference of Disputes.** If either party to this Instrument commences a lawsuit for a dispute arising under this Instrument (and excluding Seller's exercise of its rights to enforce this Instrument), all of the issues in such action, whether of fact or law, shall be submitted to general judicial reference pursuant to California Code of Civil Procedure Sections 638(1) and 641 through 645.1 or any successor statutes thereto. Buyer and Seller shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the judicial reference proceeding. Seller shall not be required to participate in the judicial reference proceeding unless it is satisfied that all necessary and appropriate parties will participate. The parties shall share equally in the fees and costs of the referee, unless the referee orders otherwise. The parties shall bear their own attorney fees.

The general referee shall have the authority to try all issues, whether of fact or law, and to report a statement of decision to the court. The parties shall use the procedures adopted by Judicial Arbitration and Mediation Services/EnDispute ("**JAMS**") for judicial reference, or any other entity offering judicial reference dispute resolution procedures mutually acceptable to the parties, provided that the following rules and procedures shall apply in all cases unless the parties agree otherwise:

- (a) All proceedings, including any mediation, arbitration and trial proceedings, must be heard exclusively in the county in which the Project is located;
- (b) The referee must be a retired judge or a licensed attorney with substantial experience in real estate matters;
- (c) Any dispute regarding the selection of the referee must be resolved by JAMS or the entity providing the reference services, or, if no entity is involved, by the court with jurisdiction;
- (d) The referee may require one or more pre-hearing conferences;
- (e) The parties shall be entitled to discovery, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge;
- (f) A stenographic record of the trial shall be made, provided that the record shall remain confidential except as may be necessary for post-hearing motions and any appeals;
- (g) The referee's statement of decision shall contain findings of fact and conclusions of law; and

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- (h) The referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge.

The statement of decision of the referee upon all of the issues considered by the referee is binding upon the parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon.

The decision of the referee shall be appealable as if rendered by the court. This provision shall in no way be construed to limit any valid cause of action which may be brought by any of the parties.

BY INITIALING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING AND ACCEPT THAT THEY ARE WAIVING THEIR RIGHT TO A JURY TRIAL.

COUNTERPART	IS
_____ Buyer's Initials	_____ Seller's Initials

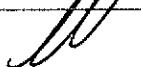

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- (h) The referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge.

The statement of decision of the referee upon all of the issues considered by the referee is binding upon the parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon.

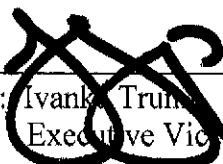
The decision of the referee shall be appealable as if rendered by the court. This provision shall in no way be construed to limit any valid cause of action which may be brought by any of the parties.

BY INITIALING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING AND ACCEPT THAT THEY ARE WAIVING THEIR RIGHT TO A JURY TRIAL.



	
Buyer's Initials	Seller's Initials

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IN WITNESS WHEREOF, Seller and Buyer have executed this Instrument Imposing a Mortgage Lien, Option to Repurchase and Right of First Refusal as of the day and year first written above.

"BUYER"	"SELLER"
<p>Cape Point, LLC, A California limited liability company</p> <p>COUNTERPART</p> <p>Name: _____ Title: _____</p> <p>Address of Buyer:</p> <p><u>1515 Artesia Blvd #4, Manhattan, Beach CA</u> <u>90266</u></p>	<p>VHPS LLC, a Delaware limited liability company</p> <p>By: </p> <p>Name: Ivanka Trump Its: Executive Vice President</p> <p>Address of Seller:</p> <p><u>One Trump National Drive, Rancho Palos Verdes,</u> <u>CA 90275</u></p>

IN WITNESS WHEREOF, Seller and Buyer have executed this Instrument Imposing a Mortgage Lien, Option to Repurchase and Right of First Refusal as of the day and year first written above.

"BUYER"	"SELLER"
<p>Cape Point, LLC, A California limited liability company</p> <p> Name: <u>Anthony Alasi</u> Title: <u>Senior Vice President</u></p> <p>Address of Buyer: <u>1515 Artesia Blvd #4, Manhattan, Beach CA</u> <u>90266</u></p>	<p>VHPS LLC, a Delaware limited liability company</p> <p>COUNTERPART</p> <p>By:  Name: <u>Ivanka Trump</u> Its: <u>Executive Vice President</u></p> <p>Address of Seller: <u>One Trump National Drive, Rancho Palos Verdes,</u> <u>CA 90275</u></p>

ALL PURPOSE 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 New York
County of New York

} SS
} SS

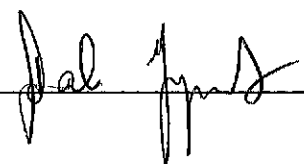
On NOVEMBER 22, 2016, before me, HAROUA ZAPANTIS - NOTARY PUBLIC
(here insert name and title of officer)

personally appeared, IVANCA TRUMP
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 New York that the foregoing is true and correct.

WITNESS my hand and official seal

Signature



Haroua Zapantis
New York State Notary Public
Reg. No. 012A6168577
Qualified in Queens County
Comm. Expires Feb. 12, 2017

(SEAL)

ILLEGIBLE NOTARY SEAL DECLARATION

Government Code Section 27361.7

I certify under penalty of perjury that the notary seal on the document to which this statement attached reads as follows:

Name of Notary: Haroula Zapantis

Date Commission Expires: February 12, 2017

Reg. No: 01ZA6160677

County Where Bond Filed: Queens County

Place of Execution of the Declaration: Corona, CA

Date: November 29, 2016

First American Title

Mary Murando

CALIFORNIA ALL-PURPOSE 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 California

County of RIVERSIDE

On 11/28/2016 before me, UNA KIM, Notary Public,
(Here insert name and title of the officer)

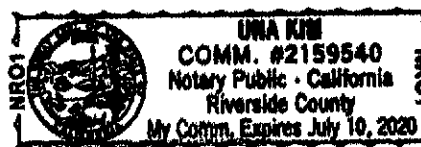
personally appeared ANTHONY ALOSI

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 of Notary Public



(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
☐ Corporate Officer

(Title)

- ☐ Partner(s)
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

ILLEGIBLE NOTARY SEAL DECLARATION

Government Code Section 27361.7

I certify under penalty of perjury that the notary seal on the document to which this statement attached reads as follows:

Name of Notary: Una Kim

Date Commission Expires: July 10, 2020

Notary Identification No: 2159540

County Where Bond Filed: Riverside

Manufacturer/Vendor Identification No: NRO1

Place of Execution of the Declaration: Corona, CA

Date: November 29, 2016

First American Title

Marymunda

EXHIBIT A**TO INSTRUMENT IMPOSING A MORTGAGE LIEN, OPTION TO REPURCHASE
AND RIGHT OF FIRST REFUSAL FOR THE ESTATES AT TRUMP NATIONAL
GOLF COURSE****LEGAL DESCRIPTION OF THE PROPERTY**

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

PARCEL 1:

LOT 23 OF TRACT NO. 50667, IN THE CITY OF RANCHO PALOS VERDES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1241, PAGES 71 TO 82, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND BY A CERTIFICATE OF CORRECTION OF WHICH WAS RECORDED APRIL 25, 2000 AS INSTRUMENT NO. 00-622434 OF OFFICIAL RECORDS.

RESERVING THEREFROM, FOR THE BENEFIT OF VHPS LLC, ITS SUCCESSORS IN INTEREST AND ASSIGNEES, TO THE EXTENT NOT ALREADY EXCEPTED BY INSTRUMENTS OF RECORD:

- A.) ALL OIL RIGHTS, MINERAL RIGHTS, NATURAL GAS RIGHTS AND RIGHTS TO ALL OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, TO ALL GEOTHERMAL HEAT AND TO ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING (COLLECTIVELY, "SUBSURFACE RESOURCES"); AND
- B.) THE PERPETUAL RIGHT TO DRILL, MINE, EXPLORE AND OPERATE FOR AND TO PRODUCE, STORE AND REMOVE ANY OF THE SUBSURFACE RESOURCES ON OR FROM LOT, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THE LOT, WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LOT, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS WITHIN OR BEYOND THE EXTERIOR LIMITS OF THE LOT, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, BUT WITHOUT THE RIGHT TO DRILL, MINE, EXPLORE, OPERATE, PRODUCE, STORE OR REMOVE ANY OF THE SUBSURFACE RESOURCES THROUGH OR IN THE SURFACE OR THE UPPER FIVE HUNDRED (500) FEET OF THE SUBSURFACE OF THE LOT.

ALSO RESERVING THEREFROM, FOR THE BENEFIT OF VHPS LLC, ITS SUCCESSORS IN INTEREST AND ASSIGNEES, TO THE EXTENT NOT ALREADY EXCEPTED OR RESERVED BY INSTRUMENTS OF RECORD, ANY AND ALL WATER AND WATER RIGHTS, IF ANY, WITHIN AND UNDERLYING THE LOT.

ALSO RESERVING THEREFROM, FOR THE BENEFIT OF VHPS LLC, ITS SUCCESSORS IN INTEREST AND ASSIGNEES, EASEMENTS FOR ACCESS, INGRESS, EGRESS, ENCROACHMENT, SUPPORT, MAINTENANCE, DRAINAGE, REPAIR, AND FOR OTHER PURPOSES, ALL AS MAY BE SHOWN ON THE MAP, AND AS DESCRIBED IN THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE ESTATES AT TRUMP NATIONAL GOLF CLUB (TOGETHER WITH ANY AMENDMENTS THERETO, THE "**DECLARATION**"), RECORDED ON DECEMBER 6, 2004, AS INSTRUMENT NO. 04-3143459, AS AMENDED BY THAT CERTAIN SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE ESTATES AT TRUMP NATIONAL GOLF CLUB, DATED SEPTEMBER 16, 2010, AND RECORDED SEPTEMBER 20, 2010, AS INSTRUMENT NO. 2010-01325322, AND THE AMENDED AND RESTATED DECLARATION OF ESTABLISHMENT OF EASEMENTS (TOGETHER WITH ANY AMENDMENTS THERETO, THE "**GOLF COURSE AGREEMENT**"), RECORDED ON DECEMBER 6, 2004, AS INSTRUMENT NO. 04-3143458, BOTH IN THE OFFICIAL RECORDS.

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF VHPS LLC, ITS SUCCESSORS IN INTEREST AND ASSIGNEES, THE RIGHT TO ENTER THE LOT (I) TO COMPLY WITH REQUIREMENTS FOR THE RECORDATION OF SUBDIVISION MAPS OR LOT LINE ADJUSTMENTS IN THE COVERED PROPERTY OR ANNEXATION PROPERTY, AS THOSE TERMS ARE DEFINED IN THE DECLARATION, (II) TO ACCOMMODATE GRADING OR CONSTRUCTION ACTIVITIES, AND (III) TO COMPLY WITH REQUIREMENTS OF APPLICABLE GOVERNMENTAL AGENCIES. THE TERM OF THIS RESERVATION OF RIGHT OF ENTRY SHALL AUTOMATICALLY EXPIRE ON THE DATE THAT IS ELEVEN (11) YEARS FROM THE LAST CLOSE OF ESCROW FOR THE SALE OF A LOT IN THE COVERED PROPERTY REQUIRING THE ISSUANCE OF A FINAL SUBDIVISION PUBLIC REPORT.

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF THE ESTATES AT TRUMP NATIONAL GOLF CLUB ASSOCIATION, A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION, NONEXCLUSIVE EASEMENTS FOR MAINTENANCE OF THE ASSOCIATION MAINTENANCE AREAS (AS DEFINED IN THE DECLARATION) DEPICTED ON **EXHIBIT E** TO THE DECLARATION AND DESCRIBED IN THE DECLARATION, TOGETHER WITH NONEXCLUSIVE EASEMENTS OVER THE PROPERTY ON WHICH SUCH ASSOCIATION MAINTENANCE AREAS ARE LOCATED FOR ACCESS REASONABLY NECESSARY IN CONNECTION THEREWITH.

PARCEL NO. 2

NONEXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS, DRAINAGE, ENCROACHMENT, MAINTENANCE, REPAIR, AND FOR OTHER PURPOSES, ALL AS

MAY BE SHOWN OR DESCRIBED ON THE MAP, THE DECLARATION AND THE GOLF COURSE AGREEMENT.

PARCEL NO. 1 AND NO. 2 ARE ALSO SUBJECT TO:

1. Nondelinquent general and special real property taxes and public and private assessments;
2. All other covenants, conditions, restrictions, easements, reservations, rights and rights-of-way of record, including without limitation those described and reserved in the Declaration, the Golf Course Agreement and the Map;
3. All (i) matters discoverable or ascertainable by inspection or survey of the Lot, (ii) zoning ordinances and regulations and any other laws, ordinances or governmental regulations restricting or regulating the use, occupancy or enjoyment of the Lot, and (iii) any other matters created, permitted or approved by Grantee; and
4. The provisions of the Instrument Imposing a Lien on Real Property with Power of Sale ("**Instrument 2**") encumbering Parcel No. 1 and Parcel No. 2 recording concurrently herewith, in Official Records and as such Instrument 2 may be amended or restated in Official Records, which imposes a lien to enforce Grantee's obligation to pay a fee upon the subsequent transfer of ownership of the Lot, as more specifically described therein.

EXHIBIT B**DESCRIPTION OF BENEFITED PROPERTY**

The properties described below shall constitute the "Benefited Property" for purposes of this Instrument, provided that any such property shall cease being part of the "Benefited Property" at such time as fee title to such property ceases to be owned by Seller or its affiliates.

All of that certain real property in the City of Rancho Palos Verdes, County of Los Angeles, State of California, described as follows:

Lots 1 to 36, inclusive, and Lots A, B, C and H of Tract No. 50667 in the City of Rancho Palos Verdes, County of Los Angeles, State of California, as per map recorded in Book 1241, Pages 71 to 82, inclusive, of Maps, in the Office of the Los Angeles County Recorder, a Certificate of Correction of which was recorded on April 25, 2000, as Instrument No. 00-622434, of Official Records of Los Angeles County; and

Parcels A, B, C and D of Certificate of Compliance Sub 2002-00004 recorded as Instrument No. 02-1405950 in the Official Records of Los Angeles County (Lot Line Adjustment Map Tentative Tract No. 50666).

EXHIBIT C

CERTIFICATION OF PLANS AND SPECIFICATIONS FOR LOT 23

VHPS LLC ("**Seller**")
One Ocean Trails Drive
Rancho Palos Verdes, CA 90275

Cape Point, LLC ("**Buyer**")
1515 Artesia Boulevard Suite 4
Manhattan Beach Ca 90266

Re: Lot 23 Plans and Specifications submitted to VHPS LLC, pursuant to that certain (i) Purchase Agreement and Escrow Instructions, between Buyer (by assignment for Robert Radke) and Seller, dated as of July 19, 2016, as amended by that certain First Amendment to Purchase Agreement and Escrow Instructions (Lot 23) (the "**Purchase Agreement**") and (ii) Instrument Imposing a Mortgage Lien, Option to Repurchase and Right of First Refusal Lot 23 dated as of November 21, 2016 (the "**Construction Instrument**") among, Seller, Buyer and Jill Martin, Esq., solely in her capacity as trustee for Seller, in each case with respect to the real property known as Lot 23 of Tract No.50667 in the City of Rancho Palos Verdes, County of Los Angeles, State of California (the "**Property**")

Reference is hereby made to Sections 1.1 and 1.2 of the Construction Instrument and Paragraph 10.1 of the Purchase Agreement. Capitalized terms used herein but not otherwise defined herein shall have the meaning ascribed to such terms in the Purchase Agreement and/or the Mortgage Lien.

Buyer and _____, in his/her capacity as [architect/engineer] ("**Architect/Engineer**") for the Buyer in connection with the construction of a single-family residence at the Property (the "**Project**") hereby certifies as follows with respect to the plans and specifications and supporting information submitted to Seller on __, 201__ and listed on **Exhibit A** attached hereto (the "**Submitted Documents**"):

1. The Submitted Documents are in compliance in all respects with the Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Estates at Trump National Golf Club, recorded on December 6, 2004, as Instrument No. 04-3143459 of the Official Records of Los Angeles County, California, as the same has been amended from time to time (the "**Project Declaration**");
2. The Submitted Documents are in compliance in all respects with the Development Standards and Design Guidelines (as such term is defined in the Project Declaration);

3. The Submitted Documents are in compliance in all respects with the Purchase Agreement and the Construction Instrument; and
4. The Submitted Documents and the Submitted Documents have not been amended or modified in any respect.

Buyer and [Architect/Engineer] each (i) acknowledges that this certificate is given knowing that Seller will rely on the statements contained herein in reviewing the Submitted Documents to determine, among other matters, if Buyer is in compliance with the terms of the Project Declaration, the Development Standards and Design Guidelines, the Purchase Agreement and the Construction Instrument and (ii) certifies that he or she has had sufficient involvement in the construction of the Residence and other improvement on the Property and the review of the Submitted Documents to make the statements in this certificate.

Date: _____

BUYER:
Cape Point, LLC

Name:
Title

ARCHITECT/ENGINEER:

Name:
Title:

[Seal]

Exhibit A

Submitted Documents

201631910156

LLC-1

Articles of Organization of a Limited Liability Company (LLC)

To form a limited liability company in California, you can fill out this form, and submit for filing along with:

- A \$70 filing fee.
- A separate, non-refundable \$15 service fee also must be included, if you **drop off** the completed form.

Important! LLCs in California may have to pay a minimum \$800 yearly tax to the California Franchise Tax Board. For more information, go to <https://www.ftb.ca.gov>.

LLCs may not provide "professional services," as defined by California Corporations Code sections 13401(a) and 13401.3.

Note: Before submitting the completed form, you should consult with a private attorney for advice about your specific business needs.

FILED
Secretary of State
State of California

NOV 10 2016

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This Space For Office Use Only

For questions about this form, go to www.sos.ca.gov/business/be/filing-tips.htm.

LLC Name (List the proposed LLC name exactly as it is to appear on the records of the California Secretary of State.)

① Cape Point, LLC

Proposed LLC Name

The name **must** include: LLC, L.L.C., Limited Liability Company, Limited Liability Co., Ltd. Liability Co. or Ltd. Liability Company; and **may not** include: bank, trust, trustee, incorporated, inc., corporation, or corp., insurer, or insurance company. For general entity name requirements and restrictions, go to www.sos.ca.gov/business/be/name-availability.htm.

Purpose

- ② The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

LLC Addresses

③ a. 18500 Von Karman Avenue, Suite 600, Irvine CA 92612

Initial Street Address of Designated Office in CA - Do not list a P.O. Box

City (no abbreviations)

State Zip

b.

Initial Mailing Address of LLC, if different from 3a

City (no abbreviations)

State Zip

Service of Process (List a California resident or a California registered corporate agent that agrees to be your initial agent to accept service of process in case your LLC is sued. You may list any adult who lives in California. You may not list an LLC as the agent. Do not list an address if the agent is a California registered corporate agent as the address for service of process is already on file.)

④ a. Anthony Alosi

Agent's Name

b. 18500 Von Karman Avenue, Suite 600, Irvine CA 92612

Agent's Street Address (if agent is not a corporation) - Do not list a P.O. Box

City (no abbreviations)

State Zip

Management (Check only one.)

- ⑤ The LLC will be managed by:

☐

One Manager

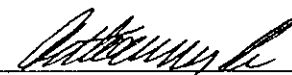
☐

More Than One Manager

☒

All Limited Liability Company Member(s)

This form must be signed by each organizer. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are made part of these articles of organization.


Organizer - Sign here

Anthony Alosi

Print your name here

Make check/money order payable to: **Secretary of State**

Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$5 certification fee.

By Mail

Secretary of State
Business Entities, P.O. Box 944228
Sacramento, CA 94244-2280

Drop-Off

Secretary of State
1500 11th Street, 3rd Floor
Sacramento, CA 95814



State of California

Secretary of State

L

STATEMENT OF INFORMATION

(Limited Liability Company)

142

Filing Fee \$20.00. If this is an amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FILED
Secretary of State
State of California

FEB 21 2017

1. LIMITED LIABILITY COMPANY NAME

Cape Point, LLC

Corrected file # is:
201631910156

This Space For Filing Use Only

File Number and State or Place of Organization

2. SECRETARY OF STATE FILE NUMBER
20161910156

3. STATE OR PLACE OF ORGANIZATION (If formed outside of California)
CA

No Change Statement

4. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

☐ If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 15.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 5 and 7 cannot be P.O. Boxes.)

5. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE CITY STATE ZIP CODE
c/o First American Exchange Co. 18500 Von Karman, Ste. 600 Irvine 92612

6. MAILING ADDRESS OF LLC, IF DIFFERENT THAN ITEM 5 CITY STATE ZIP CODE

7. CALIFORNIA OFFICE WHERE RECORDS ARE MAINTAINED (DOMESTIC ONLY) CITY STATE ZIP CODE
First American Exchange Co - 18500 Von Karman, 600 Irvine CA 92612

Name and Complete Address of the Chief Executive Officer, If Any

8. NAME ADDRESS CITY STATE ZIP CODE

Name and Complete Address of Any Manager or Managers, or if None Have Been Appointed or Elected, Provide the Name and Address of Each Member (Attach additional pages, if necessary.)

9. NAME ADDRESS CITY STATE ZIP CODE
First American Exchange Co 18500 Von Karman Avenue, Ste 600 Irvine 92612

10. NAME ADDRESS CITY STATE ZIP CODE

11. NAME ADDRESS CITY STATE ZIP CODE

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 13 must be completed with a California address, a P.O. Box is not acceptable. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 13 must be left blank.

12. NAME OF AGENT FOR SERVICE OF PROCESS
Anthony Alosi

13. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE
18500 Von Karman Avenue, Suite 600 Irvine CA 92612

Type of Business

14. DESCRIBE THE TYPE OF BUSINESS OF THE LIMITED LIABILITY COMPANY
acquire, hold & dispose of Real Estate

15. THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

Anthony Alosi

Senior VP

DATE

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

TITLE

SIGNATURE