

## CONTRIBUTION AND FUNDING AGREEMENT

THIS CONTRIBUTION AND FUNDING AGREEMENT (the "Agreement"), dated as of March 15, 2005, by and among ESSEX MARINA CITY CLUB, LLC, a Delaware limited liability company ("Essex"), MARINA CITY CLUB RESTAURANT, INC., a California corporation ("MCCR") and the MARINA CITY CLUB CONDOMINIUM OWNERS ASSOCIATION, INC., a California corporation (the "Association"), is entered into with reference to the following facts:

### RECITALS

A. Pursuant to that certain Second Amended and Restated Lease [Improved Parcel] (as amended) dated October 15, 1987 (the "Lease"), Essex Marina City Club, L.P. ("Essex L.P.") is leasing the residential, commercial and recreational community known as the Marina City Club located at 4333 Admiralty Way, Marina del Rey, CA 90292 (the "Property") from the County of Los Angeles (the "County").

B. Pursuant to that certain Operating Sublease dated January 21, 2004, Essex is subleasing the Property from Essex L.P.

C. The Property includes the "Marina City Club" (the "Club"), which is a private tennis, swimming, health and fitness club, and a full-service restaurant with over 21,000 square feet of banquet facilities, a bar and a café open to member residents of the Property and a limited number of outside members as defined and governed by Article I of the Club By-Laws.

D. The Property is governed by that certain Letter Agreement re Settlement of Pending Litigation from Marina City Club, L.P., previously known as J.H. Snyder Company ("MCC"), to the Association dated June 30, 1994 (the "Original Letter Agreement"), drafted pursuant to MCC's Amended Plan of Reorganization dated June 28, 1994 filed in the United States Bankruptcy Court for the Central District of California Case No. LA 92-29484-SB (Chapter 11) which provides for certain managerial decisions for the "Project" to be made by the "Management Council" (as defined in the Original Letter Agreement) and that certain Supplemental Agreement dated May 14, 2004, by and between the Association and Essex, successor-in-interest to MCC (the "Supplemental Agreement"); which Essex assumed in conjunction with the purchase of the Property. The Original Letter Agreement as supplemented by the Supplemental Agreement and as now or hereafter supplemented, amended or replaced is hereinafter referred to as the "Letter Agreement." Pursuant to the Letter Agreement, a five (5) person board (the "Management Council") was formed to oversee the operations of the Project, which includes the Restaurant. The Management Council consists of two (2) members of the Association, two (2) members of Essex and one (1) independent member.

E. The Management Council has acted to approve this Agreement as consistent with current and established operations on the Property.

F. Essex and the Association desire to ensure the continued operation and, as necessary, the funding of MCCR's operation of the Club restaurant, bar and café (the "Restaurant"), subject to the terms and conditions of this Agreement as set forth herein.

G. Concurrently herewith, Essex as "Sublandlord" and MCCR as "Subtenant" have entered into that certain Marina City Club Restaurant Sublease ("Sublease") for the premises constituting the Restaurant. The Sublease is separate and independent of this Agreement, and this Agreement and the Sublease shall at all times be independent of each other and one shall not be construed or deemed to supplement, modify or amend the other.

## AGREEMENT

1. Acknowledgment. MCCR is an entity owned and controlled solely by the Association created for the sole purpose of managing, operating and maintaining the Restaurant. Neither Essex nor Essex L.P. have any association with MCCR. As provided in Section 2, Essex shall permit the funding of MCCR with funds from the Essex Marina City Club Depository Account, for the sole purpose of operating and maintaining the Restaurant in order to continue to provide the members of the Club with access to the Restaurant located within the Property. MCCR recognizes and acknowledges that it has sole control of the purchasing, keeping and dispensing of alcohol at the Restaurant, the operation of the Restaurant and all employees employed by MCCR, and Essex has no control or authority over such activities.

2. Association and Essex Financial Contributions and Insurance. The Association shall contribute (or cause its members to contribute), and Essex shall contribute, the stated percentage share of Club funding for the Restaurant as set forth in Paragraph H of the Letter Agreement to the extent Restaurant revenues are not sufficient to cover costs (i.e. deficit funding). Any cost paid directly by Essex for insurance as provided in Section 9 of the Sublease and not reimbursed by MCCR may at the election of Essex be considered a contribution hereunder to be credited against its stated percentage share under the Letter Agreement.

3. Business Plan. The stated goal of MCCR is to operate the Restaurant at a break even or net profit basis with a minimum standard of quality consistent with the quality of like property. Accordingly, MCCR shall prepare a business plan for the Restaurant ("Business Plan") which details the standards to be followed, number of employees, pricing policies, hours of operation, breakfast, lunch, dinner, banquet and bar cost breakdowns, systems and controls for food costs and inventory, sanitary food production and a capital reserve and improvement program. If the Management Council in accordance with the procedures and terms of the Letter Agreement approves the Business Plan, then MCCR has the absolute obligation to operate the Restaurant in accordance with this Business Plan and shall not discontinue Restaurant operations at anytime. If the Management Council does not approve the Business Plan, MCCR has as its sole options to (a) continue to run the Restaurant, without the funding from the Association and/or Essex or (b) cease operating the Restaurant after not less than one hundred (120) days prior written notice. Notwithstanding the foregoing, the Association's and Essex's obligation to provide deficit funding for the Restaurant is contingent upon MCCR's compliance with all laws and regulations applicable to the purchase, care and sale of alcohol. At any time, from time to time, by written notice to MCCR, MCCR shall provide all documents and other information, financial and otherwise, concerning the Restaurant.

4. Default; Cure Periods. In the event MCCR is in breach of any of the provisions of this Agreement, Essex may give written notice of same to MCCR. MCCR shall have ten (10) days from receipt of such written notice to cure such breach; provided, however, if such breach is

of a nature that it reasonably cannot be cured within this ten (10) day period, MCCR shall have a reasonable time to cure same, not to exceed thirty (30) days in the aggregate from the time of such breach, provided MCCR attempts to begin to cure within such ten (10) day period and at all times thereafter diligently pursues same. If MCCR fails to cure within the time periods described in this Section 4, this failure shall be deemed an "Event of Default" by MCCR. Essex may elect to terminate this Agreement in the Event of Default by giving not less than fifteen (15) days' prior written notice of such termination to MCCR.

5. Attorneys' Fees. If any legal action, arbitration or other proceeding is commenced to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to an award of its actual expenses including, without limitation, expert witness fees and attorneys' fees and disbursements. The phrase "prevailing party" shall mean the party who obtains substantially the relief desired, whether by dismissal, default, summary judgment, settlement or otherwise.

6. Captions. Paragraphs, titles or captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any of its provisions.

7. Interpretation. As used herein, the masculine includes the feminine and neuter, and the singular includes the plural.

8. Further Assurances. Each party hereto shall execute, acknowledge and deliver to each other party all documents, and shall take all actions, reasonably required by such other party from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Agreement.

9. Consent, Approval. If a party's consent or approval is required pursuant to the terms of this Agreement, such party shall not unreasonably withhold or delay such consent or approval.

10. Entire Agreement; Interpretation. This Agreement represents the entire agreement between Essex and MCCR with respect to the matters contained herein and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may only be amended by written instrument executed by both Essex and MCCR.

11. Third Parties. Neither this Agreement nor any part hereof nor any service, relationship or other matter alluded to herein shall inure to the benefit of any third party, to any trustee in bankruptcy, to any assignee for the benefit of creditors, to any receiver by reason of insolvency, to any other fiduciary or officer representing a bankrupt or insolvent estate of either party, or to the creditors or claimants of such an estate.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

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

"Essex"

ESSEX MARINA CITY CLUB, LLC,  
a Delaware limited liability company

By: Essex Portfolio, L.P.,  
a California limited partnership,  
its Sole Member

By: Essex Property Trust, Inc.,  
a Maryland corporation,  
its General Partner

By: *Gerard E. Kelly*  
Printed Name: GERARD E. KELLY  
Title: VICE PRESIDENT

"MCCR"

MARINA CITY CLUB RESTAURANT, INC.  
a California corporation

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: President

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: Secretary

"Association"

MARINA CITY CLUB CONDOMINIUM OWNERS  
ASSOCIATION, INC., a California corporation

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: President

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: Secretary

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

"Essex"

ESSEX MARINA CITY CLUB, LLC,  
a Delaware limited liability company

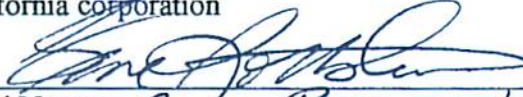
By: Essex Portfolio, L.P.,  
a California limited partnership,  
its Sole Member


By: Essex Property Trust, Inc.,  
a Maryland corporation,  
its General Partner

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

"MCCR"

MARINA CITY CLUB RESTAURANT, INC.  
a California corporation

By:   
Printed Name: GENE ROCKSTEIN  
Title: President

By:   
Printed Name: SHEILA C. RUBY  
Title: Secretary

"Association"

MARINA CITY CLUB CONDOMINIUM OWNERS  
ASSOCIATION, INC., a California corporation

By:   
Printed Name: GENE ROCKSTEIN  
Title: President

By:   
Printed Name: SHEILA C. RUBY  
Title: Secretary