

changed) or by telegram, telex, or facsimile. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of telegram, telex or facsimile, upon completion of transmission (which is confirmed by telephone or by a statement generated by the transmitting machine) with receipt acknowledged by the recipient thereof facsimile; provided that service of a notice required by any applicable statute shall be considered complete when the requirements of that statute are met. This section shall not be construed in any way to affect or impair any waiver of notice or demand provided in this Guaranty or in any other Loan Document or to require giving of notice or demand to or upon any Person in any situation or for any reason except as may otherwise be specifically provided for in this Guaranty or the other Loan Documents.

13. Demand for Payment.

(a) Subject to the limitations on Guarantor's liability set forth herein, Guarantor shall make payment of the Guaranteed Obligations and other amounts payable by Guarantor hereunder within five (5) days after demand therefor is made by Lender to Guarantor in writing. Lender shall not be required to seek payment of the Obligations or the Guaranteed Obligations from Borrower or any Obligor or any other Person (including any other guarantor) prior to exercising Lender's rights and enforcing Lender's remedies under this Guaranty and the other Loan Documents. It shall not be necessary for Lender, in order to exercise Lender's rights and enforce Lender's remedies under this Guaranty or under the other Loan Documents, first to institute suit or exhaust Lender's remedies against the Property or any other collateral given as security for the Loan, the Borrower or any other Person liable for the Debt (including any other guarantor or any other Person constituting collectively the "**Guarantor**" under this Guaranty), to have Borrower or any other obligated Person (including any other guarantor or any other Person constituting collectively the "**Guarantor**" under this Guaranty) joined with Guarantor in any suit brought under this Guaranty or to enforce Lender's rights against any security which shall ever have been given to secure the Debt. However, in the event Lender elects in Lender's sole discretion to enforce and/or exercise any remedies it may possess with respect to the Property or any other security for the Obligations prior to demanding payment from Guarantor, Guarantor shall nevertheless be obligated hereunder for the Guaranteed Obligations and not repaid or recovered incident to the exercise of such remedies. The obligations of Guarantor hereunder are independent of the obligations of Borrower. A separate action may be brought and prosecuted against Guarantor or any Person comprising Guarantor, subject to the limitations on Guarantor's liability herein expressed. Guarantor expressly waives any rights under any statute or the common law, providing any requirement that Lender institute suit or exercise or exhaust Lender's remedies or rights against the Property or any other collateral or security for the Loan, the Borrower or against any other Person, guarantor, or other collateral guaranty securing all or any part of the Obligations, prior to enforcing any rights Lender has under this Guaranty, or otherwise. Guarantor agrees that Lender's liability hereunder is primary, absolute and unconditional without regard to the liability of any other party, it being understood that this Guaranty is a guaranty of payment and performance and not merely of collection. Without limitation to the foregoing, Guarantor waives, to the extent the same are applicable: (i) any defense based upon any legal disability or other defense of Borrower, any other guarantor or other Person, or by reason of the cessation or limitation of the liability of Borrower from any cause other than full payment of all sums payable under the Note or any of the other Loan

Documents; (ii) any defense based upon any lack of authority of the officers, directors, partners or agents acting or purporting to act on behalf of Borrower or any principal of Borrower or any defect in the formation of Borrower or any principal of Borrower; (iii) any defense based upon the application by Borrower of the proceeds of the Loan for purposes other than the purposes represented by Borrower to Lender or intended or understood by Lender or Guarantor; (iv) any and all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise; (v) any defense based upon Lender's failure to disclose to Guarantor any information concerning the Property, Lender's underwriting of the Loan and the Property, Borrower's financial condition or any other circumstances bearing on Borrower's ability to pay all sums payable under the Note or any of the other Loan Documents; (vi) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal; (vii) any defense based upon Lender's election, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code or any successor statute; (viii) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Bankruptcy Code; (ix) presentment, demand, protest and notice of any kind (except as expressly required herein); (x) the benefit of any statute of limitations affecting the liability of Guarantor hereunder or the enforcement hereof, ~~(xi) any defense arising by reason of any insolvency, death, insanity, minority, dissolution or any other defense of Borrower, or any other surety, co-maker, endorser or guarantor of Borrower's obligations under the Loan Documents, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other such Person be found not liable thereon for any reason,~~ (xii) all suretyship defenses of every kind and nature, and (xiii) any claim Guarantor might otherwise have against Lender by virtue of Lender's invocation of any right, remedy or recourse permitted Lender hereunder or under the other Loan Documents. Guarantor further waives any and all rights and defenses that Guarantor may have because Borrower's debt is secured by real property; this means, among other things, that: (1) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower; (2) if Lender forecloses on any real property collateral pledged by Borrower, then (A) the amount of the Guaranteed Obligations may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (B) Lender may collect from Guarantor even if Lender, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Borrower. The foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because Borrower's debt is secured by real property. These rights and defenses being waived by Guarantor include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure to the extent that the same are applicable. Without limiting the generality of the foregoing or any other provision hereof, Guarantor further expressly waives to the extent permitted by law any and all rights and defenses, including without limitation, any rights of subrogation, reimbursement, indemnification and contribution, which might otherwise be available to Guarantor under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580a, 580b, 580d and 726, or any of such section to the extent the same are applicable. Guarantor hereby consents to Borrower's waiver in Section 11.5 in the

Loan Agreement of Borrower's rights or defenses based upon Section 2822 of the California Civil Code; and Guarantor hereby waives any rights or defenses available to Guarantor based upon Section 2822 of the California Civil Code to the extent the same are applicable. Finally, Guarantor agrees that the performance of any act or any payment which tolls any statute of limitations applicable to the Loan Documents shall similarly operate to toll the statute of limitations applicable to Guarantor's liability hereunder.

This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to the Guaranteed Obligations arising or created after any attempted revocation by Guarantor. The liquidation, dissolution or withdrawal of Borrower or Guarantor shall not terminate or affect this Guaranty. Guarantor agrees that to the extent Borrower makes a payment or payments to Lender, which payment or payments or any part thereof are at any time invalidated, declared to be fraudulent or preferential, set aside or required for any of the foregoing reasons or for any other reason to be repaid or paid over to a custodian, trustee, receiver, or any other party under any bankruptcy act, state or federal law, common law or equitable cause, then to the extent of such payment or repayment, the Guaranteed Obligations or any part thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment or repayment had not been made and Guarantor shall, subject to the limitations on its liability herein contained, be primarily liable for such Guaranteed Obligations and any prior release or discharge from the terms of this Guaranty given to Guarantor by Lender shall be without effect, and this Guaranty shall remain in full force and effect to the extent of such amount required to be repaid or paid over as aforesaid. Guarantor agrees that this Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment or performance of any of the Obligations or the Guaranteed Obligations, or any part thereof, is avoided, rescinded or waived and must otherwise be restored, disgorged, reimbursed or repaid by Lender and shall continue in full force and effect as long as there exists a possibility that any payment or performance of any of the Obligations or the Guaranteed Obligations may be avoided, rescinded or waived and so restored, disgorged, reimbursed or repaid. Guarantor, jointly and severally, agrees that it will indemnify the Lender on demand for all reasonable costs and expenses (including reasonable fees of counsel) incurred by the Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law. Guarantor acknowledges that a primary purpose of this Guaranty is to ensure that neither the Borrower nor any other Borrower Party interferes with the rights and remedies of the Lender under the Loan Documents. Guarantor shall remain liable for the Guaranteed Obligations notwithstanding any extension, reduction, modification, composition or other alteration of the Obligations or the Guaranteed Obligations as a result of any proceeding under the Bankruptcy Code (as the Obligations and the Guaranteed Obligations existed without giving effect to any such extension, reduction, modification, composition or other alteration). Accordingly, Guarantor further acknowledges and agrees that in the event that proceedings by Lender against Borrower are stayed by or in any court for any reason, or in the event that the Loan Documents are terminated or not enforced by action of a court or trustee in such proceedings, such stay, termination or unenforceability shall not prevent or prohibit any action by Lender upon this Guaranty, notwithstanding any potential allegation by Guarantor that enforcement of this Guaranty may in any manner inhibit or prevent the reorganization or rehabilitation of Borrower. Guarantor acknowledges and agrees that Guarantor's efforts are not necessary for a successful reorganization or rehabilitation of Borrower or any other Person and

Guarantor therefore waives any right to seek a stay or injunction of any proceeding against Guarantor with respect to this Guaranty whether based on Section 105 of the Bankruptcy Code or otherwise.

(b) In any bankruptcy or other proceeding in which the filing of claims is required by law, Guarantor shall file, at the option of Lender (which shall be exercised in Lender's sole and absolute discretion), all claims which Guarantor may have against Borrower relating to any indebtedness of Borrower to Guarantor and shall assign to Lender all rights of Guarantor thereunder. If Guarantor does not file any such claim, Lender, as attorney-in-fact for Guarantor, is hereby authorized to do so in the name of Guarantor or, in Lender's discretion, to assign the claim to a nominee and to cause proof of claim to be filed in the name of Lender's nominee. The foregoing power of attorney is coupled with an interest and cannot be revoked. Lender or its nominee shall have the right to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the Person or Persons authorized to pay such claim shall pay to Lender the amount payable on such claim and, to the full extent necessary for that purpose, Guarantor hereby assigns to Lender all of Guarantor's rights to any such payments or distributions; provided, however, that the Guaranteed Obligations shall not be satisfied except to the extent that Lender receives cash by reason of any such payment or distribution. If Lender receives anything hereunder other than cash, the same shall be held as collateral for amounts due under this Guaranty. In the event of any foreclosure sales of the Property and collateral covered by the Loan Documents, the proceeds of such sales shall be applied first to the discharge of that portion of the Guaranteed Obligations then remaining unpaid as to which Guarantor is not fully personally liable pursuant to this Guaranty, it being the express intention of the parties that the application of the proceeds of such foreclosure sales shall be in such a manner as not to extinguish or reduce Guarantor's personal liability hereunder until all of the Guaranteed Obligations as to which Guarantor is not personally liable hereunder has been paid in full. Nothing contained in this Section 13 shall be construed to require that Lender foreclose the liens and security interests created in the Loan Documents as a condition precedent to bringing an action against Guarantor upon this Guaranty, or as an agreement that Guarantor's liability is limited to any deficiency remaining after such a foreclosure.

14. Waiver of Notice of Acceptance. Guarantor hereby waives notice of acceptance of this Guaranty.

15. Additional Guaranties. This Guaranty is in addition and without prejudice to any other guaranties of any kind (whether or not in the same form as this instrument) now or hereafter held by Lender. Lender shall not be obligated to proceed under any other guaranty or security with respect to any or all of the Obligations or the Guaranteed Obligations before being entitled to payment from Guarantor under this Guaranty.

16. GOVERNING LAW. THIS INSTRUMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS.

17. WAIVER OF TRIAL BY JURY. LENDER BY ACCEPTING THIS GUARANTY AND GUARANTOR HEREBY AGREE NOT TO ELECT A TRIAL BY JURY

OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR AND LENDER, AND IS INTENDED TO ENCOMPASS EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO TRIAL BY JURY WOULD OTHERWISE ACCRUE OR ARISE. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY THE OTHER PARTY.

18. Addresses of Notices. All notices, demands, and other communications provided for hereunder shall be in writing and shall be given or made in the manner set forth in the Loan Agreement and addressed as follows:

if to Guarantor:

DS Ventures, LLC
8383 Wilshire Boulevard, Suite 1000
Beverly Hills, California 90211
Attention: David Schwartzman
Telecopier: (323) 658-1520

with copies to:

LB/L-DS Pasadena Project LLC
c/o Lakeside Capital Partners
3500 West Olive Avenue, Suite 650
Burbank, California 91505
Attention: Mr. Melvin T. Andrews
Telecopier: (818) 558-6273

Paul Hastings Janofsky & Walker LLP
515 S. Flower Street, 25th Floor
Los Angeles, California 90071
Attention: Robert Keane, Jr., Esq.
Telecopier: (213) 627-0705

LB Lakeside Four LLC
10250 Constellation Boulevard, 24th Floor
Los Angeles, California 90067
Attention: Eric Kraft
Telecopier: (310) 481-4179

TriMont Real Estate Advisors, Inc.
Monarch Tower
3424 Peachtree Road, N.E. Suite 2200

Atlanta, Georgia 30326
Attention: J. Gregory Winchester

TriMont Real Estate Advisors, Inc.
2 Park Plaza, Suite 500
Irvine, California 92614-8515
Attention: Jim Hill

and if to Lender

LEHMAN ALI INC.
10250 Constellation Blvd., 24th Floor
Los Angeles, CA 90067
Attention: Eric Kraft
Telecopier: (646) 834-0752

with a copy to:

Weil, Gotshal & Manges LLP
1395 Brickell Avenue, Suite 1200
Miami, Florida 33131
Attention: Beatriz Azcuy-Diaz, Esq.,
Telecopier: (305) 374-7159

or as to each party at such other address or addresses within the continental United States of America as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section 18.

19. No Waiver, Remedies. No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. Any amendments to, or revisions of, any provisions of this Guaranty must be in writing and signed by Guarantor and Lender to be effective. Any waiver of any provision of this Guaranty must be in writing and signed by the party against whom such waiver is sought to be enforced.

20. Benefit and Binding Nature. This Guaranty is a continuing guaranty of payment and shall (a) remain in full force and effect until irrevocable payment in full of the Guaranteed Obligations and all other amounts payable hereunder, (b) be binding upon Guarantor, Guarantor's personal representatives, executors, administrators, heirs, distributees and successors and assigns, and (c) inure to the benefit of and be enforceable by Lender and its respective successors and assigns.

21. Jurisdiction. Guarantor hereby irrevocably submits to the non-exclusive jurisdiction of any California State or Federal court of competent jurisdiction sitting in the

County of Los Angeles County, California in any action or proceeding arising out of or relating to this Guaranty or any other Loan Document, and Guarantor hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such California State court, or to the extent permitted by law, in such Federal court. Guarantor hereby irrevocably waives, to the fullest extent Guarantor may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

22. Subordination. Any indebtedness of Borrower or any Obligor to Guarantor now or hereafter existing is hereby subordinated to the Guaranteed Obligations. If Lender so requests during the continuance of an Event of Default, (a) all instruments evidencing such indebtedness shall be duly endorsed and delivered to Lender, (b) all security for such indebtedness shall be duly assigned and delivered to Lender, (c) such indebtedness shall be enforced, collected and held by Guarantor as trustee for Lender and shall be paid over to Lender on account of the Loan but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty, and (d) Guarantor shall execute, file and record such documents and instruments and take such other action as Lender deems necessary or appropriate to perfect, preserve and enforce Lender's rights in and to such indebtedness and any security therefor. If Guarantor fails to take any such action, Lender, as attorney-in-fact for Guarantor, is hereby authorized to do so in the name of Guarantor. The foregoing power of attorney is coupled with an interest and cannot be revoked. Guarantor agrees that Guarantor will not seek, accept, or retain for Guarantor's own account, any payment from or on behalf of Borrower or any Obligor on account of such subordinated debt. Any payments to Guarantor on account of such subordinated debt shall be collected and received by Guarantor in trust for Lender and shall be paid over to Lender on account of the Guaranteed Obligations without impairing or releasing the obligations of Guarantor hereunder. Guarantor hereby unconditionally and irrevocably agrees that (i) Guarantor will not at any time assert against Borrower or any Obligor (or the estate of Borrower or any Obligor in the event Borrower or any Obligor becomes bankrupt or becomes the subject of any case or proceeding under the bankruptcy laws of the United States of America) any right or claim to indemnification, reimbursement, contribution or payment for or with respect to any amounts Guarantor may pay or be obligated to pay Lender pursuant to this Guaranty, including the Guaranteed Obligations, and any and all obligations which Guarantor may perform, satisfy or discharge, under or with respect to this Guaranty, unless and until all of the Guaranteed Obligations shall have been irrevocably paid in full, and (ii) Guarantor subordinates all such rights and claims (including "claims" as defined in 11 U.S.C. §§ 101 et seq.) to indemnification, reimbursement, contribution, exoneration or payment which Guarantor may have now or at any time against Borrower or any Obligor (or estate of Borrower or any Obligor in the event Borrower or any Obligor becomes bankrupt or becomes the subject of any case or proceeding under the bankruptcy laws of the United States of America), whether such rights arise under an express or implied contract or by operation of law, to each of the obligations of Borrower under the other Loan Documents and the Loan Agreement unless and until all of the Guaranteed Obligations shall have been irrevocably paid in full. Guarantor further agrees not to assign, sell, pledge, hypothecate or otherwise transfer all or any part of the indebtedness of Borrower or any Obligor owing to Guarantor.

23. Waivers. All diligence in collection or protection, and all presentment, demand (except as provided herein) or protest, and except as provided for herein or any other Loan Documents, notice to Guarantor or any other Person of any of the following are expressly

waived: maturity, extension of time, change in nature or form of the Obligations or the Guaranteed Obligations, acceptance of further security, release of further security, composition or agreement arrived at as to the amount of, or the terms of, the Obligations or the Guaranteed Obligations, adverse change in the financial condition of Borrower or any Obligor or any other fact which might materially increase the risk to Guarantor), protest, acceleration, intent to accelerate, dishonor, default, non-payment and the creation and existence of any of the Obligations or the Guaranteed Obligations, and of any security and collateral therefor, and of any extensions of credit and indulgence hereunder and all other provisions of law which are or might be in conflict with the terms of this Guaranty. In addition to the waivers contained herein, Guarantor waives and agrees that Guarantor shall not at any time insist upon, plead or in any manner whatever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, marshalling of assets or redemption laws, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by Guarantor of the Guaranteed Obligations under, or the enforcement by Lender of, this Guaranty. Guarantor represents, warrants and agrees that, as of the date of this Guaranty, Guarantor's obligations under this Guaranty are not subject to any offsets, counterclaims or defenses against Lender or Borrower of any kind. Guarantor further agrees that Guarantor's obligations under this Guaranty shall not be subject to any counterclaims or offsets against Lender or against Borrower of any kind that may arise in the future.

24. Additional Waivers. Lender may enforce the obligations of Guarantor without first resorting to or exhausting any security or collateral or without first having recourse to the Note, the Security Instrument, or any other Loan Documents or any of the Property, through foreclosure proceedings or otherwise, provided, however, that nothing herein shall inhibit or prevent Lender from suing on the Note, foreclosing, or exercising any power of sale under, the Security Instrument, or exercising any other rights and remedies thereunder. This Agreement is not collateral or security for the debt of Borrower pursuant to the Loan. It is not necessary for an Event of Default to have occurred for Lender to exercise its rights pursuant to this Agreement. Pursuant to Section 9.1 of the Loan Agreement, the obligations pursuant to this Agreement are exceptions to any non-recourse or exculpation provision of the Loan Documents, including Section 9.1 of the Loan Agreement, and Guarantors are fully and personally liable for such obligations, and their liability is not limited to the original or amortized principal balance of the Loan or the value of the Property.

25. Interpretation. Section 1.2 of the Loan Agreement is hereby incorporated into this Guaranty by reference for all purposes.


26. Attorneys' Fees. In the event Lender is required to incur legal fees or expenses in order to enforce this Guaranty after a failure by Guarantor to pay any amount due pursuant to this Guaranty in accordance with the terms hereof, then Guarantor shall also be liable to Lender for any reasonable legal fees or expenses so incurred whether or not suit is filed, expressly including, without limitation, all reasonable costs, attorneys' fees and expenses incurred by the Lender in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving Borrower or Guarantor as the insolvent or bankrupt party which in any way affect the exercise by the Lender of its rights and remedies hereunder.

27. Loan Sales. Guarantor agrees that this Guaranty shall be sufficient evidence of the obligations of Guarantor to each Investor, and Guarantor further agrees to cooperate with Lender (at no material cost to Guarantor) in connection with any sale, assignment, securitization, conveyance, alienation or pledge or other transfer made including the delivery of such amendments to this Guaranty as may be reasonably requested by the Lender or desired by the Rating Agencies or otherwise to effect a Securitization; provided, however, that Guarantor shall not be required to modify or amend this Guaranty if such modification or amendment would modify or amend any of the material economic terms or conditions of this Guaranty or impose any additional liability on Guarantor. Lender may forward to each Investor or any Rating Agency, each prospective Investor, and any organization maintaining databases on the underwriting and performance of commercial mortgage loans, all documents and information which Lender now has or may hereafter acquire relating to the Loan or to Lender or the Property.

28. Counterparts. This Guaranty may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty on the _____
day of October 2007.

By: 
DAVID SCHWARTZMAN, an individual