

**EXCHANGE AGREEMENT
AND ESCROW INSTRUCTIONS**

This Exchange Agreement and Escrow Instructions ("**Agreement**") is entered into as of _____, 2015, for identification purposes only, by and between the CITY OF LOS ANGELES, a municipal corporation ("**City**"), and PORTER RANCH DEVELOPMENT CO., a California joint venture among Shapell Industries, Inc., a Delaware corporation, PRD Investors, Inc., a Delaware corporation, and PRD Investors, LLC, a Delaware limited liability company ("**PRDC**"). PRDC and City are hereinafter individually referred to as a "**Party**" and collectively as the "**Parties.**"

RECITALS

A. PRDC is the sole fee simple owner of that certain real property located in the City of Los Angeles, County of Los Angeles ("**County**"), State of California, as more particularly described in *Exhibit A-1* ("**PRDC Property**"). City desires to acquire from PRDC the PRDC Property.

B. City is the sole fee simple owner of that certain real property located in the vicinity of the PRDC Property, as more particularly described in *Exhibit A-2* ("**City Property**"). The PRDC Property and City Property are collectively referred to as the "**Properties**" and individually as a "**Property.**" PRDC desires to acquire from City the City Property.

C. PRDC and City wish to exchange with each other their respective Properties in accordance with the provisions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of valuable consideration, PRDC and City agree as follows:

1. **Exchange.** PRDC shall convey the PRDC Property to City, and City shall accept the PRDC Property from PRDC, all in accordance with this Agreement. City shall convey the City Property to PRDC, and PRDC shall accept the City Property from City, all in accordance with this Agreement. The Parties consider the value of the Properties to be equal. Therefore, no additional consideration shall be payable by either of the Parties upon the exchange of the Properties pursuant to this Agreement (the "**Exchange**").

2. **Escrow.**

2.1 **Escrow Instructions.** As soon as practicable after full execution of this Agreement, the Parties shall open an escrow account ("**Escrow**") with First American Title Insurance Company ("**Escrow Holder**") for the Exchange. Delivery of a fully executed copy of this Agreement to Escrow Holder shall constitute the opening of Escrow ("**Opening of Escrow**"). Escrow Holder shall confirm the Opening of Escrow to the Parties in writing. This Agreement constitutes the Parties' joint escrow instructions to Escrow Holder for the Exchange. The Parties agree to execute such additional escrow instructions consistent with the provisions of this Agreement, which may be required by Escrow Holder. As between the Parties, PRDC and City

agree that, if there is any conflict between the terms of this Agreement and any escrow instructions required by Escrow Holder, then the terms of this Agreement shall control.

2.2 Payment of Closing Costs at Closing. PRDC shall pay all Escrow, title, recording, and documentary/transfer tax fees, as applicable, in connection with the Exchange of the Properties; provided, however, that if City elects to require extended ALTA title coverage or special endorsements for insuring City's title to the PRDC Property, then that portion of the cost for such title insurance in excess of a standard coverage ALTA Owner's policy of title insurance (with mechanic's lien endorsement) shall be borne by City. Escrow Holder shall furnish PRDC and City with a preliminary Escrow closing statement, which shall include their respective share of closing costs, at least three (3) business days prior to the Closing Date (as defined below). No later than 4:00 p.m. on the business day immediately prior to the Closing Date, PRDC shall deposit into Escrow all closing costs pursuant to the preliminary Escrow closing statement furnished by Escrow Holder.

2.3 Close of Escrow. Escrow shall close as soon as practicable, on or before the date that is thirty (30) calendar days following the date on which the City Clerk of the City attests this Agreement, as indicated on the signature page of this Agreement ("**Effective Date**"), subject to extension of the Escrow period by mutual written agreement of the Parties. As used in this Agreement, "**Closing Date**" shall mean the date on which both Quitclaim Deeds (described below) are concurrently recorded in the Office of the County Recorder. Notwithstanding anything to the contrary, *the Parties hereby instruct Escrow Holder to record both Quitclaim Deeds (as defined below) concurrently, and neither of the two Quitclaim Deeds shall be recorded without the concurrent recordation of the other Quitclaim Deed.* Such concurrent recordation of the two Quitclaim Deeds shall constitute "**Close of Escrow**" hereunder.

2.4 Escrow Cancellation.

2.4.1 Charges.

(1) **Party Default.** If Escrow fails to close due to a Party's default hereunder, and this Agreement is terminated as a result, then the defaulting Party shall pay all Escrow cancellation charges. "**Escrow cancellation charges**" means all fees, charges and expenses charged or passed on to the Parties by Escrow Holder, including all title expenses.

(2) **No Default.** If Escrow fails to close, and this Agreement is terminated for any reason other than a default hereunder by one of the Parties, then PRDC and City shall each pay one-half (½) of any Escrow cancellation charges, and each Party shall be deemed to have released the other Party from all liability for the failure of Escrow to close.

2.5 Permitted Exceptions to Title. The term "**Permitted Exceptions**", as used in this Agreement, shall mean *all* of the following: (a) the Quitclaim Deeds and all reservations thereunder, as applicable; (b) liens for non-delinquent real property taxes and assessments, as applicable; (c) any items and exceptions created by or with the written consent of both Parties, including documents to be recorded pursuant to this Agreement; (d) all covenants, conditions, restrictions, encroachments, reservations, easements, rights, and rights-of-way that

are apparent from a visual inspection of the Properties; and (e) the title exceptions shown on the following Preliminary Title Reports for the Properties, as applicable: (i) for the PRDC Property, that certain Preliminary Title Report issued by First American Title Insurance Company ("**Title Company**"), dated _____, 201____ (Title Order No. _____), attached hereto as **Exhibit B-1**, and (ii) for the City Property, that certain Preliminary Title Report issued by the Title Company, dated _____, 201____ (Title Order No. _____), attached hereto as **Exhibit B-2**, excluding from both such preliminary title reports all monetary liens and monetary encumbrances on the Properties (other than liens for non-delinquent real property taxes and assessments), which monetary liens and encumbrances shall be removed from title prior to or concurrently with the Close of Escrow (meaning removal from title, and not the issuance of endorsement(s) in connection therewith by the Title Company) by each Party, at its sole cost and expense, as to the Property such Party is conveying.

2.6 **Title Insurance.** At the Close of Escrow, title to each Property shall be insured by the issuance of a standard coverage ALTA Owner's policy of title insurance with mechanic's lien endorsement ("**Title Policy**"), issued by Title Company and insuring fee title to the Property being conveyed to the Party receiving title to such Property, in an insured amount equal to \$20,000 and subject only to the Permitted Exceptions. Each Party agrees to execute and deliver to the Escrow Holder an Owners Affidavit and/or indemnity reasonably necessary to enable the Title Company to issue the applicable mechanic's lien endorsement and to remove any owners in possession exception from title. If either Party requires any title endorsements in addition to the mechanic's lien endorsement or that the Title Policy issued to such Party be an extended coverage ALTA Owner's policy, then that Party shall make such election in a timely manner so as to not interfere with or delay the Close of Escrow, and the cost of such additional coverage or endorsements shall be borne by the Party making such election.

2.7 **Possession.** Each Party shall be entitled to possession of the Property conveyed to such Party at Close of Escrow subject only to the Permitted Exceptions and free of any tenancies and/or third party claims of right to use or ownership.

2.8 [reserved]

2.9 **Recordation and Delivery of Documents.**

2.9.1 **Delivery of PDRC Documents.** No later than 4:00 p.m. on the business day immediately prior to the Closing Date, PRDC, in addition to submitting to Escrow all of the closing costs pursuant to Section 2.2 above, shall deposit into Escrow the following documents:

(1) One (1) original of a quitclaim deed, duly executed by PRDC and notarized, in the form attached hereto as **Exhibit C-1 ("PRDC Quitclaim Deed")**, conveying the PRDC Property to City (conformed copies of the recorded PRDC Quitclaim Deed shall be returned to City as soon as practicable);

(2) One (1) completed and executed (by PRDC as transferee of the City Property) original of the Preliminary Change in Ownership Report in the form attached hereto as **Exhibit D-1**;

(3) One (1) completed and executed (by PRDC as transferor of the PRDC Property) original of the FIRPTA certificate in the form attached hereto as **Exhibit E-1**;

(4) One (1) completed and executed (by PRDC as transferor of the PRDC Property) original of the CALFIRPTA certificate in the form attached hereto as **Exhibit F-1**;

(5) A preliminary closing statement reasonably acceptable to PRDC, prepared by Escrow Holder and signed by PRDC, provided that such preliminary closing statement shall be provided to PRDC no later than the time set forth in Section 2.2 above; and

(6) Such additional documents as shall be reasonably required by Escrow to consummate the Exchange, provided that any request for such additional documents shall be made to PRDC in writing no later than three (3) business days prior to the Closing Date.

2.9.2 Delivery of City Documents. No later than 4:00 p.m. on the business day immediately prior to the Closing Date, City shall deposit into Escrow the following documents:

(1) One (1) original of the certificate of acceptance, duly executed by City, in the form attached to Exhibit C-1 hereto, accepting the PRDC Quitclaim Deed, as required under Government Code Section 27281;

(2) One (1) original of a quitclaim deed, duly executed by City and notarized, in the form attached hereto as **Exhibit C-2 ("City Quitclaim Deed"**, together with the PRDC Quitclaim Deed, the "**Quitclaim Deeds**"), conveying the City Property to PRDC (conformed copies of the recorded City Quitclaim Deed shall be returned to PRDC as soon as practicable);

(3) One (1) completed and executed (by City as transferee of the PRDC Property) original of the Preliminary Change in Ownership Report in the form attached hereto as **Exhibit D-2**;

(4) One (1) completed and executed (by City as transferor of the City Property) original of the FIRPTA certificate in the form attached hereto as **Exhibit E-2**;

(5) One (1) completed and executed (by City as transferor of the City Property) original of the CALFIRPTA certificate in the form attached hereto as **Exhibit F-2**;

(6) A preliminary closing statement reasonably acceptable to City, prepared by Escrow Holder and signed by PRDC, provided that such preliminary closing statement shall be provided to City no later than the time set forth in Section 2.2 above; and

(7) Such additional documents as shall be reasonably required by Escrow to consummate the Exchange, provided that any request for such additional documents shall be made to City in writing no later than three (3) business days prior to the Closing Date.

2.10 Assignment of Property Rights. Except as otherwise provided herein, effective as of the Close of Escrow, each Party assigns to the other party all tangible and intangible rights to and interests in or appurtenant to the Property being conveyed to the other Party related to the acquisition, use, development, design, construction, permitting and entitlement of such Property being acquired by the other Party; provided however that such assignment is on an AS IS basis with no representations, warranties or recourse of any kind.

3. Brokerage Commission. PRDC and City represent and warrant to each other that they have not employed, dealt with or incurred any obligation to any other broker, agent or finder in connection with the Properties, and that they have not incurred any obligation to pay any other real estate brokerage or other commission or fee in connection with the conveyance of the Properties to the Parties. PRDC and City agree to indemnify, defend and hold each other free and harmless from and against all costs and liabilities, including, without limitation, reasonable attorneys' fees and the costs and expenses of litigation, for causes of action or proceedings in any way related to or resulting from a breach of the foregoing representation and warranty or arising out of any action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying Party, respectively, in connection with this transaction.

4. Acquire "AS IS." Each Party makes no representations or warranties as to the physical condition, title or any aspect of the Property such Party is transferring or in connection with any matter relating to its condition, value, fitness, use, or regulations which may be relied directly or indirectly. Each Party acknowledges that it is relying solely upon its own inspection, investigation and analyses of the Property it is receiving and the matters described above and its own verification of the information contained herein in entering into this Agreement and is not relying in any way upon any representations, statements, agreements, warranties or other information or material furnished by the transferring Party or its representatives, whether oral or written, express or implied, of any nature whatsoever regarding any such matters. THEREFORE, EACH PARTY AGREES THAT IT IS ACQUIRING THE PROPERTY TO BE CONVEYED TO SUCH PARTY UNDER THIS AGREEMENT "AS-IS", AND "WITH ALL FAULTS", BASED SOLELY ON THE INSPECTION, ANALYSIS, EXAMINATION AND INVESTIGATION EACH PARTY DESIRES TO MAKE AND EXPRESSLY WITHOUT THE OTHER PARTY'S WARRANTY OR REPRESENTATION.

5. [reserved]

6. **Notices.** Any notice to be given hereunder to either Party or to Escrow Holder shall be in writing and shall be given either by personal delivery, facsimile, federal express (or similar overnight delivery service), overnight courier or by depositing such notice in the United States first class mail, certified, with return receipt requested, postage prepaid and addressed as follows:

City:

Attn:
Phone No.:
Fax No.:
E-Mail:

With Copy to

Attn:
Phone No.:
Fax No.:
E-Mail:

PRDC:

Porter Ranch Development Co.

Attn:
Phone No.:
Fax No.:
E-Mail:

With Copy to:

Dzida, Carey & Steinman
3 Park Plaza, Suite 750
Irvine, CA 92614
Attn: Jay R. Steinman, Esq.
Phone No.: (949) 399-0362
Fax No.: (949) 399-0361
E-Mail: jsteinman@dcslaw.com

Escrow Holder:

Attn:
Phone No.:
Fax No.:
E-Mail:

Either Party and Escrow Holder may, by written notice to the other and to Escrow Holder, designate a different address which shall be substituted for the one specified above. If any notice or other document shall be sent by certified mail as set forth above, then it shall be deemed to have been effectively served or delivered seventy-two (72) hours following the deposit of such notice in the United States mail in the manner set forth above. If any notice or other document shall be sent by facsimile or e-mail, then it shall be deemed to have been served or delivered upon electronic confirmation of transmission for facsimile or upon transmission for e-mail;

provided that facsimile and e-mail notices shall be confirmed by a follow-up notice using approved methods hereunder within seventy-two (72) hours and provided further that subject to the foregoing if such transmission occurs on a weekend or holiday or after 5:00 p.m. on a weekday, it shall be deemed to have been received at 8:00 a.m. on the immediately following business day.

7. **Attorneys' Fees.** If any Party to this Agreement shall bring any action or proceeding for any relief against the other, declaratory or otherwise, in any way arising out of or in connection with this Agreement and/or the Properties, then the prevailing Party shall not be entitled to any attorneys' fees and costs (including, without limitation, expert witness fees) incurred in bringing or defending such action or proceeding or enforcing any judgment granted therein. For the purposes of this Section, attorneys' fees shall include, without limitation, fees incurred in the following: (1) post-judgment motions; (2) contempt proceedings; (3) garnishment, levy and debtor and third party examinations; (4) discovery; and (5) bankruptcy litigation.

8. **Miscellaneous.**

8.1 **No Modifications.** No addition to or modification of any term or provision of this Agreement is effective unless in writing and signed by the Parties.

8.2 **Construction of Agreement.** The provisions of this Agreement shall not be construed in favor of or against either Party, but shall be construed as if both Parties prepared this Agreement.

8.3 **Headings.** The Section headings of this Agreement are only for convenience and shall not be deemed to limit the subject of such Sections or to be considered in their construction.

8.4 **Governing Law.** The laws of the State of California shall govern this Agreement.

8.5 **Time of the Essence.** Time is of the essence of each and every provision of this Agreement.

8.6 **Further Assurances.** Each of the Parties shall execute and deliver all additional papers, documents and other assurances, and shall do all acts and things reasonably necessary in connection with the performance of their obligations under this Agreement to carry out the intent of this Agreement.

8.7 **No Waiver.** No waiver by a Party of a breach of any of the terms, covenants, or conditions of this Agreement by the other shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition contained herein. No waiver of any default by a Party shall be implied from any omission by the other Party to take any action on account of such default if such default persists or is repeated and no express waiver shall affect a default other than as specified in such waiver. The consent or approval by either Party to or of any act by the other requiring the first Party's consent or

approval shall not be deemed to waive or render unnecessary the consenting Party's consent or approval to or of any subsequent similar acts by the other Party.

8.8 **Severability.** If any portion of this Agreement is held by any court of competent jurisdiction to be illegal, null, void or against public policy, then the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the full extent permissible by law, but only to the extent that performance of such remaining provisions would not be inconsistent with the intent and purposes of this Agreement.

8.9 **Gender and Number.** As used in this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural include one another.

8.10 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the Exchange, and all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties, oral or written, (including, without limitation, any letters of intent or understanding) with respect to the Exchange are hereby superseded and merged herein. The preceding sentence shall not affect the validity of any instrument executed by the Parties in the form of the exhibits attached to this Agreement.

8.11 **Survival.** All covenants, agreements, representations, warranties and indemnities contained in this Agreement shall survive the execution and delivery of this Agreement and the Close of Escrow and the delivery and recordation of all documents or instruments in connection therewith.

8.12 **Time References.** Unless otherwise expressly provided in this Agreement, any reference in this Agreement to time for performance of obligations or to elapsed time shall mean Pacific Standard Time and time periods shall mean consecutive calendar days, months or years, as applicable. If the date ("**Performance Date**") on which any action is to be taken, any obligation is to be performed, or any notice is to be given under this Agreement falls on a Saturday, Sunday or federal holiday, then such Performance Date shall be automatically extended to the next business day. As used in this Agreement, "**business day**" means any calendar day that is not a Saturday, Sunday or City holiday. The time for performance on any Performance Date shall be no later than 5:00 p.m., unless otherwise provided in this Agreement.

8.13 **Incorporation of Exhibits.** Except as intentionally omitted, all exhibits attached hereto and referred to herein are incorporated into the Agreement as though fully set forth herein.

8.14 **Venue.** In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be the Superior Court of the County and the Parties hereby agree to and do hereby submit to the jurisdiction of such court.

8.15 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be construed as one instrument.

8.16 **Evidence of Execution.** Execution of this Agreement may be evidenced by the Parties exchanging signed copies of this Agreement by electronic transmission which electronic copies shall be deemed to be as good as hard/wet copies.

8.17 **City's Proprietary Capacity.** Except where clearly and expressly provided otherwise in this Agreement, the capacity of the City in this Agreement shall be solely as transferee of the PRDC Property and transferor of the City Property ("Proprietary Capacity"), and any obligations or restrictions imposed by this Agreement on the City shall be limited to that capacity and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect the governmental capacities of the City, including, without limitation, enacting laws, inspecting structures, granting or denying land use entitlements, reviewing and issuing permits, and all of the other legislative and administrative or enforcement functions of each pursuant to federal, state or local law.

8.18 **Indemnity.** PRDC hereby agrees to defend (with counsel reasonably acceptable to the City), indemnify, and hold harmless the City and its officials, agents, officers, employees, consultants, and contractors from any and all claims, demands, proceedings, rights, actions, causes of action, writs, liabilities, damages, losses, obligations, judgments, suits, and costs or expenses, including without limitation reasonable attorneys' fees, of any kind or nature whatsoever, that, in any manner, directly or indirectly, in whole or in part, arise in connection with, result from, relate in any way to, are caused by, or are alleged to arise in connection with, result from, relate in any way to, or be caused by any of the following: (i) City's action(s) authorizing the Exchange and this Agreement, (ii) City's entering into this Agreement, (iii), City's acquisition of the PRDC Property pursuant to this Agreement, (iv) City's disposition of the City Property pursuant to this Agreement, and/or (v) City's performance of any task under the this Agreement or necessary to carry out the Exchange ("**Indemnified Claim(s)**"). Upon being served with a lawsuit or other legal process involving an Indemnified Claim, the City shall timely notify PRDC thereof. The obligations imposed in this Section 8.18 shall apply notwithstanding any allegation or determination in the Indemnified Claim that the City acted contrary to applicable laws. Nothing in this section shall be construed to mean that PRDC shall defend, indemnify, and hold harmless the City (or its officials, agents, officers, and employees) from any claims arising from, or alleged to arise from, the intentional misconduct or gross negligence of the City (or its officials, agents, officers, and employees) in the performance of this Agreement. This Section 8.18 shall apply to Indemnified Claims arising before and after the Effective Date and shall survive the Close of Escrow or any termination of this Agreement.

8.19 **Representation Regarding Authority.** Each Party hereby represents and warrants to the other Party that the execution and delivery of this Agreement, and the performance of such Party's obligations hereunder, have been duly authorized and that, upon the Effective Date, this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms. The representations contained in this Section 8.19 shall survive the Close of Escrow or any termination of this Agreement.

[Signatures on following two pages]

PRDC and City have executed this Agreement as of the Effective Date.

CITY:

The City of Los Angeles, a municipal corporation

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____
Name: _____
Title: _____
Date: _____

PRDC:

Porter Ranch Development Co.,
a California joint venture

By: Shapell Industries, Inc.,
a Delaware corporation
Its: General Partner

By: _____
Name: Frank Su
Its: Division Vice President

By: PRD Investors, Inc.,
a Delaware corporation
Its: General Partner

By: _____
Name: Frank Su
Its: Division Vice President

By: PRD Investors, LLC,
a Delaware limited liability company
Its: General Partner

By: _____
Name: Frank Su
Its: Division Vice President

ACKNOWLEDGEMENT

Escrow Holder executes this Agreement solely for the purpose of acknowledging that it agrees to be bound by the provisions respecting Opening of Escrow, Close of Escrow, and termination of this Agreement.

ESCROW HOLDER:

First American Title Insurance Company

By: _____

Name: _____

Title: _____

EXHIBIT A-1

LEGAL DESCRIPTION
OF
PRDC PROPERTY

[please see attached]

EXHIBIT A-2

LEGAL DESCRIPTION
OF
CITY PROPERTY

[please see attached]

EXHIBIT B-1

PRDC PROPERTY PRELIMINARY TITLE REPORT

[please see attached]

EXHIBIT B-2

CITY PROPERTY PRELIMINARY TITLE REPORT

[please see attached]

EXHIBIT C-1

FORM OF
PRDC QUITCLAIM DEED

Free recording in accordance with California
Government Code Section 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Los Angeles
General Services Department
Real Estate Services Division
111 E. First St., Room 201
Los Angeles, California 90012

The City of Los Angeles is acquiring title pursuant to
this Quitclaim Deed. Pursuant to California Revenue
and Taxation Code Section 11922, **this conveyance
is exempt from the Documentary Transfer Tax.**

(Space Above This Line For Recorder's Use Only)

QUITCLAIM DEED
(Conveying PRDC Property)

FOR VALUE RECEIVED, PORTER RANCH DEVELOPMENT CO., a California joint venture among Shapell Industries, Inc., a Delaware corporation, PRD Investors, Inc., a Delaware corporation, and PRD Investors, LLC, a Delaware limited liability company ("PRDC"), hereby quitclaims to the CITY OF LOS ANGELES, a municipal corporation, all of PRDC's right, title and interest in and to that certain real property ("PRDC Property") situated in the City of Los Angeles, County of Los Angeles, State of California, described on Exhibit 1 attached hereto and by this reference incorporated herein, reserving therefrom, unto PRDC, all oil, gas, water and mineral rights now vested in PRDC, without the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals. This conveyance is subject to all covenants, conditions, restrictions, encroachments, reservations, easements, rights, and rights-of-way that are apparent from a visual inspection of the PRDC Property.

IN WITNESS WHEREOF, the undersigned has executed this Quitclaim Deed
dated as of _____, 2015.

[remainder of page intentionally left blank]

[Signature page to *Quitclaim Deed (Conveying PRDC Property)*]

Porter Ranch Development Co.,
a California joint venture

By: Shapell Industries, Inc.,
a Delaware corporation
Its: General Partner

By: _____
Name: Frank Su
Its: Division Vice President

By: PRD Investors, Inc.,
a Delaware corporation
Its: General Partner

By: _____
Name: Frank Su
Its: Division Vice President

By: PRD Investors, LLC,
a Delaware limited liability company
Its: General Partner

By: _____
Name: Frank Su
Its: Division Vice President

**PORTER RANCH DEVELOPMENT
COMPANY, a California joint venture**

to

**CITY OF LOS ANGELES, a municipal
corporation**

=====
QUITCLAIM DEED
=====

Date: _____, 2015

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed to the City of Los Angeles, a municipal corporation, to which this certification is attached, is hereby accepted by the City Council of the City of Los Angeles, pursuant to Council File No. _____, and the grantee consents to the recordation thereof, by its duly authorized officer.

By: _____
Authorized Officer
Tony M. Royster, General Manager
Date: _____

=====
General Services Department
Real Estate Services Division
=====

JOB TITLE: _____

APN: _____
=====

STANDARD INSTRUMENT

Checked as to parties, marital status, dates, signature, acknowledgments, and corporate seal.

By: _____
Jose L. Ramirez, Authorized Officer

Approved as to Authority: _____, 2015.

By: _____
David L. Roberts, Authorized Officer

Approved as to description: _____, 2015.

By: _____
Jose L. Ramirez, Authorized Officer

Approved: _____, 2015.

Michael N. Feuer, City Attorney

By: _____
Edward C. Young, Deputy City Attorney

=====
Council File No. _____

**Exhibit 1
to
Quitclaim Deed
(conveying PRDC Property)**

LEGAL DESCRIPTION of PRDC PROPERTY

[please see attached]

EXHIBIT C-2

FORM OF
CITY QUITCLAIM DEED

Free recording in accordance with California
Government Code Section 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

[PRDC]

MAIL TAX STATEMENT TO:

[PRDC]

(Space Above This Line For Recorder's Use Only)

DOCUMENTARY TRANSFER TAX \$ _____
Exemption (R&T Code) _____
Explanation: _____

Signature of Declarant or Agent determining tax

QUITCLAIM DEED
(conveying City Property)

FOR VALUE RECEIVED, the CITY OF LOS ANGELES, a municipal corporation ("City"), hereby quitclaims to PORTER RANCH DEVELOPMENT CO., a California joint venture, all of City's right, title and interest in and to that certain real property ("City Property") situated in the City of Los Angeles, County of Los Angeles, State of California, described on Exhibit 1 attached hereto and by this reference incorporated herein, reserving therefrom any interest in the fee to the adjacent streets, if any, that would otherwise pass with the conveyance of City Property pursuant to this quitclaim deed, and further reserving therefrom, unto City, all oil, gas, water and mineral rights now vested in City, without the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals. This conveyance is subject to all covenants, conditions, restrictions, encroachments, reservations, easements, rights, and rights-of-way that are apparent from a visual inspection of the City Property.

This Quitclaim Deed is made in accordance with the provisions of Council File No. _____ of the City of Los Angeles.

In witness whereof, City of Los Angeles, a municipal corporation, by its City Council, has caused this Quitclaim Deed to be executed on its behalf, by its Mayor, and its corporate seal to be thereto affixed by its City Clerk, this _____ day of _____, 2015

The City of Los Angeles, a municipal corporation

By: _____
Eric Garcetti, Mayor

Attest:

Holly L. Wolcott, City Clerk

By: _____
Name: _____
Date: _____

**THE CITY OF LOS ANGELES,
a municipal corporation**

QUITCLAIMS TO

**PORTER RANCH DEVELOPMENT
COMPANY, a California joint venture**

QUITCLAIM DEED

JOB TITLE:

APN: _____

CADASTRAL MAP: _____

Approved as to Authority _____, 2015

Department of General Services

By: _____
TONY M. ROYSTER, General Manager

Approved as to Description _____ 2015

Department of General Services

By: _____
JOSE L. RAMIREZ, Authorized Officer

Approved as to Form _____, 2015

MICHAEL N. FEUER, City Attorney

By: _____
EDWARD C. YOUNG, Deputy City Attorney

Council File No. _____

**Exhibit 1
to
Quitclaim Deed
(conveying City Property)**

LEGAL DESCRIPTION of CITY PROPERTY

[please see attached]

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 _____) ss.

On _____, 2015, before me, _____, a 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.

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

Witness my hand and official seal.

Signature _____ (Seal)

EXHIBIT D-1

FORM OF
PRELIMINARY CHANGE IN OWNERSHIP REPORT

(signed by PRDC as transferee of City Property)

[please see attached]

EXHIBIT D-2

FORM OF
PRELIMINARY CHANGE IN OWNERSHIP REPORT

(signed by City as transferee of PRDC Property)

[please see attached]

EXHIBIT E-1

FORM OF
FIRPTA CERTIFICATE

(signed by PRDC as transferor of PRDC Property)

[please see attached]

EXHIBIT E-2

FORM OF
FIRPTA CERTIFICATE

(signed by City as transferor of City Property)

[please see attached]

EXHIBIT F-1

FORM OF
CALFIRPTA CERTIFICATE

(signed by PRDC as transferor of PRDC Property)

[please see attached]

EXHIBIT F-2

FORM OF
CALFIRPTA CERTIFICATE

(signed by City as transferor of City Property)

[please see attached]