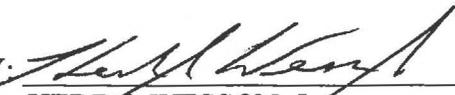


MOTION

At the intersection of Martin Luther King Jr. Boulevard and Marlton Avenue in Council District 10, the 22 acre property known as Marlton Square represents a significant opportunity to revitalize a key location in the heart of the Crenshaw community. The property is the home of Buckingham Place, an affordable senior apartment complex, and the future site of the Kaiser Permanente Baldwin Hills-Crenshaw Medical Offices, a 100,000 square foot facility which will provide medical care to the surrounding community starting in 2017. To continue the redevelopment of Marlton Square, the City of Los Angeles has reached an agreement with Marlton Recovery Partners, LLC to purchase eight parcels fronting Martin Luther King Jr. Boulevard for \$8.0M, to be funded with a mix of federal and City resources which have been approved by the Council in previous actions (C.F. 15-1090). This purchase will provide the City with additional site control and enable future development to occur. In order to execute this transaction, the Council must take several actions to authorize the purchase.

I THEREFORE MOVE that the City Council, subject to the approval of the Mayor:

1. Approve the attached Purchase and Sale Agreement, in substantial conformance, for the purchase of eight parcels on the Marlton Square site from Marlton Recovery Partners, LLC for a total purchase price of \$8.0M and Authorize the Office of the Mayor, or designee, to execute the agreement;
2. Authorize the Controller to take the following actions to provide funding in the total amount of \$4,148,800 for the Marlton Square Acquisition:
 - (a) Expend funds up to \$3,648,800 in Tier 1 of PY41 reprogrammed CDBG funds from Account No. 43M253, Marlton Square, within the Community Development Trust Fund No. 424.
 - (b) Subject to written approval from the CLA as authorized in C.F. 15-1090 regarding reprogramming CDBG Funding from Tier 1 projects to Tier 2 projects, expend funds up to \$500,000 in Tier 2 of PY41 reprogrammed CDBG funds from Account No. 43M457 41st Year Timeliness Reprogramming Projects, within the Community Development Trust Fund No. 424.
3. Authorize the General Manager of EWDD, or designee, to expend up to \$8.0M in accordance with the Purchase and Sale Agreement and Escrow Instructions executed by and between the City and Marlton Recovery Partners, LLC and authorize the expenditure of up to \$95,598 for other costs related to implementing the Purchase and Sale Agreement.
4. Authorize the General Manager of EWDD, or designee, to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with this action, subject to the review of the City Administrative Officer (CAO), and request the Controller to implement these instructions.

PRESENTED BY: 

HERB J. WESSON, Jr.
Councilmember, 10th District

SECONDED BY: 

NOV 10 2015

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions (this "**Agreement**") is made and entered into as of _____, 2015 (the "**Effective Date**," which shall have the same meaning as in Section 9 of the Settlement Agreement, as defined in Recital B), by and between the **CITY OF LOS ANGELES**, a municipal corporation acting by and through its Economic and Workforce Development Department (the "**Buyer**"), and **MARLTON RECOVERY PARTNERS, LLC**, a California limited liability company (the "**Seller**"), with respect to the following facts:

RECITALS

A. Seller is the owner of and desires to sell to Buyer and Buyer desires to purchase from Seller:

(a) that certain real property situated in the City of Los Angeles, County of Los Angeles, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, together with all of the interest of Seller in any and all rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent rights-of-way (collectively, the "**Land**"); and

(b) the buildings, structures, fixtures and other improvements on the Land (collectively, the "**Improvements**"); and

(c) all of Seller's right, title and interest in and to all assignable contracts and agreements (collectively, the "**Operating Agreements**") listed and described on **Exhibit B** (the "**Operating Agreements Schedule**") attached hereto and made a part hereof, relating to the upkeep, repair, maintenance, operation, or remediation of the Land or Improvements which will extend beyond the date of the Close of Escrow (defined below). The Land, the Improvements and the Operating Agreements are hereinafter sometimes referred to collectively herein as the "**Property**."

B. The Seller and Buyer are parties (among others) to that certain Settlement Agreement dated as of _____, 2015 (the "**Settlement Agreement**") pertaining to the Property.

C. Among other things, the Settlement Agreement establishes the terms and conditions under which the Seller will dismiss all of its pending litigation affecting the Property and certain other property comprising what is commonly known as Marlon Square (as described in **Exhibit C** attached hereto), which terms and conditions include the Buyer and Seller entering into this Agreement.

D. By this Agreement, and pursuant to the Settlement Agreement, Seller is agreeing to sell the Property to Buyer and Buyer is agreeing to purchase the Property from Seller upon and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and the Settlement Agreement, and for other valuable consideration, the receipt of which is hereby acknowledged, the Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, on the Close of Escrow (as defined in Section 2), Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property.

2. Opening and Closing of Escrow; Extension of Due Diligence Period and Closing Date. Within five (5) days after the Effective Date, an escrow (the "**Escrow**") shall be opened with Chicago Title Company (the "**Escrow Holder**"), at 700 South Flower Street, Suite 800, Los Angeles, California 90017, Attention: Joan Hawkins, Escrow Officer, Phone: (213) 612-4161, Fax: (213) 488-4384, Email: joan.hawkins@ctt.com (the "**Opening of Escrow**"). Upon the Opening of Escrow, the parties hereto shall deposit a fully executed original of this Agreement with Escrow Holder and this Agreement shall serve as the instructions to Escrow Holder for consummation of the transactions contemplated hereby. Seller and Buyer agree to execute such additional and supplementary escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of any supplementary escrow instructions, the terms and provisions of this Agreement shall control. The "**Close of Escrow**" or "**Closing**" shall be the date that the Grant Deed (as defined in Section 4) is recorded in the Official Records of the Los Angeles County Recorder's Office. The Close of Escrow shall occur on or before ninety (90) days following the Effective Date; provided, however, such ninety (90) day period and the Due Diligence Period (as defined in Section 9) may be extended at the option of the Buyer for an additional period of thirty (30) days (at no cost to Buyer), and for two (2) additional thirty (30) day periods thereafter upon deposit into Escrow of Seven Thousand Five Hundred Dollars (\$7,500.00) for each such additional thirty (30) day period (which such deposits shall be released to the Seller upon either the termination of this Agreement by Buyer prior to the last day of the Due Diligence Period (as extended) or the Close of Escrow). Written notice of such extensions (and, if applicable, such payments), shall be delivered to the Escrow Holder no later than five (5) days prior to the last day of the then applicable Due Diligence Period (the "**Closing Date**").

3. Purchase Price; Deposit; Escrow Account.

(a) The purchase price for the Property to be paid by Buyer is the aggregate amount of Eight Million Dollars (\$8,000,000.00) (the "**Purchase Price**").

(b) Buyer shall deliver to Escrow Holder, (i) within five (5) business days after the Effective Date, a deposit in the amount of Five Hundred Twenty-Five Thousand Dollars (\$525,000.00) (with accrued interest thereon, the "**Deposit**") in the form of a cashier's check, by a federal wire transfer, or other form acceptable to the Escrow Holder. The Deposit shall be placed in an interest-bearing bank account (the "**Escrow Account**") and all interest accruing thereon shall increase and become a part of the Deposit. Five Hundred Thousand Dollars (\$500,000.00) of the Deposit shall be irrevocably released and transferred by Escrow Holder to Seller immediately upon Seller's written request therefor in Seller's sole discretion pursuant to wiring instructions to be provided by Seller, and the remaining Twenty-Five Thousand Dollars

(\$25,000.00) of the Deposit (the "**Remaining Deposit**") shall remain in the Escrow Account and constitute liquidated damages as provided in Section 15. On the Close of Escrow, the Deposit shall be credited against and applied toward the cash payment of the Purchase Price. The remaining balance of the cash payment of the Purchase Price shall be payable by Buyer in the form of a cashier's check, federal wire transfer, or other form acceptable to Seller and the Escrow Holder and placed in the Escrow Account no later than one (1) business day prior to the Close of Escrow. In the event that Buyer terminates this Agreement under Section 5(a), Section 9(a), Section 12 or Section 14 below, or as a result of a default by Seller under this Agreement (and if Buyer does not then elect to pursue the remedy of specific performance), then the Remaining Deposit shall be returned to Buyer. As provided in Section 15 below, if Buyer defaults under this Agreement and Seller is not in default, Seller shall be entitled to the Remaining Deposit, and to retain any released portion of the Deposit, as liquidated damages.

4. Delivery of Documents on the Close of Escrow.

(a) On the Close of Escrow, Seller covenants and agrees to cause to be delivered to Buyer a duly executed and acknowledged Grant Deed in the form attached as **Exhibit D** hereto (the "**Grant Deed**") conveying to Buyer all of Seller's interest in the Property subject only to the Permitted Title Exceptions (as defined in Section 5) approved by Buyer.

(b) At the Close of Escrow, Buyer shall receive the Title Policy (as defined in Section 5) issued by Chicago Title Company (the "**Title Company**"), Chicago Title Company, 700 South Flower, Suite 800 Los Angeles, California 90017, Attention: Dave Balassi, Title Officer, Phone: (213) 488-4394, Fax: (213) 488-4360, Email: Dave.Balassi@CTT.com, insuring in Buyer fee simple title to the Property, free and clear of all liens and encumbrances other than the Permitted Title Exceptions (as defined in Section 5).

5. Title and Title Insurance.

(a) Within five (5) days after the Effective Date, the Title Company shall deliver to Buyer and Seller a preliminary report for the Property from Title Company together with copies of all instruments noted as exceptions therein (the "**Preliminary Title Report**"). Buyer shall have until the expiration of the Due Diligence Period to disapprove any exceptions to title shown on the Preliminary Title Report or reflected on the Survey (collectively, "**Disapproved Exceptions**") and to provide Seller with notice of disapproval in writing describing the defect with reasonable particularity (the "**Disapproval Notice**"). Any exceptions to title not disapproved by Buyer within such period shall be deemed approved. Within five (5) business days of Seller's receipt of a Disapproval Notice, Seller shall have the obligation to remove the Disapproved Exceptions. If a Disapproved Exception is not susceptible to removal and cure prior to the Close of Escrow despite Seller's commercially reasonable efforts, the scheduled date for the Close of Escrow shall be automatically extended by a reasonable additional time to effect such a cure, but in no event shall the extension exceed thirty (30) days after the scheduled Closing Date. If Seller does not remove any of the Disapproved Exceptions, Buyer, by notifying Seller in writing within three (3) business days prior to Close of Escrow, may elect to terminate this Agreement or to take the Property subject to the Disapproved Exceptions. Seller shall pay in full all loans secured by mortgages and deeds of trust encumbering the Property and to remove any mechanics liens and any other monetary liens

encumbering the Property including all real property taxes and assessments prior to or concurrently with the Close of Escrow provided that such real property taxes and assessments and related charges may be paid, or their payment provided for, out of funds distributed for the account of the Seller at the Close of Escrow; provided, however, Seller shall have the right to bond over mechanic's liens so long as such bond is reasonably acceptable in form and substance to the Buyer and is sufficient to allow the Title Company to insure over such liens in the Title Policy (defined below). The Title Policy shall include such endorsements as Buyer shall reasonably request and which Title Company agrees to issue on or before the expiration of the Due Diligence Period. Any title policy endorsements are to be paid for by Buyer (except any such endorsements as Buyer may require pertaining to or related to any delinquent tax payments with respect to the Property or any pending actions pertaining to tax defaults for non-payment of delinquent taxes which shall be paid by Seller). Whether or not Buyer shall have furnished to Seller any notice of Disapproved Exceptions pursuant to the foregoing provisions of this Agreement, Buyer may, at or prior to the Close of Escrow, notify Seller in writing of any objections to title first raised by the Title Company between (a) the last date on which Buyer is entitled to make such an objection as set forth above and (b) the date on which the transaction contemplated herein is scheduled to close. With respect to any Disapproved Exceptions set forth in such notice, Seller shall have the same obligation to cure (or in the case of a monetary lien, the obligation to obtain the removal or bonding thereof as provided above) and Buyer shall have the same option to accept title subject to such matters or to terminate this Agreement as those which apply to any notice of Disapproved Exceptions made by Buyer before the expiration of the Due Diligence Period. The scheduled date for the Close of Escrow shall be automatically extended by a reasonable additional time, not to exceed thirty (30) days, to effect such a cure.

(b) Buyer's obligation to consummate the purchase contemplated by this Agreement is conditioned upon the irrevocable commitment by the Title Company, issued on or before the expiration of the Due Diligence Period, and reconfirmed not later than one (1) business day prior to the Closing Date, to issue a CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of Eight Million Dollars (\$8,000,000), issued by Title Company (the "**Title Policy**"). The Title Policy shall insure Buyer's fee interest in the Property subject only to the following permitted conditions of title (the "**Permitted Title Exceptions**"):

- (i) General and special real property taxes and assessments for the then current tax fiscal year which are a lien not then due and payable;
- (ii) The applicable zoning, building and development regulations of any municipality, county, state or federal jurisdiction affecting the Property;
- (iii) Such other exceptions listed in the Preliminary Title Report that have been approved, or been deemed approved, by Buyer as provided in Section 5(b); and
- (iv) Any exceptions directly or indirectly caused by Buyer or Buyer's agents, employees or contractors.

At Buyer's election and cost, Buyer may cause the Title Company to provide Buyer with an ALTA Extended Coverage Owner's Policy. Notwithstanding the foregoing, Buyer's receipt of an ALTA policy shall only be a condition to closing provided that Buyer pays the cost of the

ALTA policy in excess of the cost of a CLTA policy and Buyer obtains an ALTA survey acceptable to the Title Company prior to the expiration of the Due Diligence Period. Seller shall not encumber, lease or agree to sell the Property to any other party during the period from the Effective Date to the Close of Escrow or the date of the termination of this Agreement.

6. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to the Close of Escrow the below listed instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow, except that the Dismissal (as hereinafter defined) shall be delivered by Seller to Escrow Holder within five (5) business days after the Opening of Escrow .

(b) Seller shall deliver:

(i) The Grant Deed duly executed and acknowledged by Seller;

(ii) Two (2) original counterparts of an assignment and assumption agreement in the form of **Exhibit E** attached hereto (the “**General Assignment**”) duly executed by Seller, assigning to Buyer all of Seller’s right, title and interest in and to the Operating Agreements;

(iii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the “**Withholding Affidavit**”) duly executed by Seller;

(iv) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(v) Such funds as are required to pay for costs and expenses payable by Seller hereunder;

(vi) Such proof of Seller’s authority and authorization to enter into this transaction as the Title Company may reasonably require in order to issue the Title Policy;

(vii) The Operating Agreements and licenses and permits, if any, in the possession of Seller or Seller’s agents, together with such property files and records which are material in connection with the continued operation and maintenance of the Property; and

(viii) Fully executed and court filing ready Requests for Dismissal as set forth in Section 3 of the Settlement Agreement. (the “**Dismissal**”).

(c) Buyer shall deliver:

(i) The balance of Purchase Price (less the Deposit);

(ii) Two (2) original counterparts of the General Assignment duly executed by Buyer;

(iii) Such proof of Buyer's authority and authorization to enter into this transaction as the Title Company may reasonably require in order to issue the Title Policy; and

Each of the Buyer and Seller may waive any condition of the Close of Escrow to be performed by the other and set forth in this Section 6.

7. Authorization to File Dismissal, Record Documents and Disburse Funds. Escrow Holder is hereby authorized to file the Dismissal with the Los Angeles Superior Court and to record the other documents and disburse the funds and distribute the other documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company is irrevocably committed to issue in favor of Buyer the Title Policy, with a liability in the amount of Eight Million Dollars (\$8,000,000), as set forth in Section 5(b).

(b) Escrow Holder shall have received Buyer's authorization to close and Buyer's notice of approval or satisfaction or waiver of all of the contingencies/conditions to Buyer's obligations hereunder, as provided for in Section 12;

(c) Escrow Holder shall have received Seller's authorization to close and Seller's notice of approval or satisfaction or waiver of all of the contingencies/conditions to Seller's obligations hereunder, as provided for in Section 13; and

(d) Seller and Buyer shall have deposited into Escrow the documents and funds required pursuant to Section 6.

Unless otherwise instructed in writing, Escrow Holder is authorized to record at the Close of Escrow any instrument delivered through this Escrow if necessary or proper for the issuance of the Title Policy.

8. Escrow Charges and Prorations.

(a) Seller shall pay (i) one-half (1/2) of the fees and charges of Escrow Holder, (ii) the cost of the premium for the CLTA Standard Coverage portion of the Title Policy, (iii) all documentary or other local transfer taxes on the transfer of the Property; and (iv) Seller's share of the charges prorated under this Agreement. If the Escrow shall fail to close for any reason other than Buyer's default, Seller shall pay one-half (1/2) of any applicable Escrow cancellation charges.

(b) Buyer shall pay (i) one-half (1/2) of the fees and charges of Escrow Holder, (ii) the cost of the premium for the Title Policy in excess of the premium for a CLTA Standard Coverage policy, if any, (iii) the cost of all endorsements to the Title Policy, (iv) all costs and charges for the recordation of the Grant Deed, and (v) Buyer's share of the charges prorated under this Agreement. If the Escrow shall fail to close for any reason other than Seller's default, Buyer shall pay one-half (1/2) of any applicable Escrow cancellation charges.

(c) The following shall be apportioned with respect to the Property as of 12:01 a.m., on the day on which the Close of Escrow occurs, as if Buyer were vested with title to the Property during the entire day upon which the Close of Escrow occurs: (i) taxes and assessments levied against the Property; (ii) payments under the Operating Agreements; (iii) gas, electricity and other utility charges for which Seller is liable, if any, such charges to be apportioned at the Close of Escrow on the basis of the most recent meter reading occurring prior to the Close of Escrow; and (iv) any other operating expenses or other items pertaining to the Property which are customarily prorated between a buyer and a seller in the area in which the Property is located.

(d) Notwithstanding anything contained in Section 8(c):

(i) Any installment of taxes or assessments for the current year paid at or prior to the Close of Escrow shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before the Close of Escrow, Seller shall be charged at the Close of Escrow an amount equal to that portion of such taxes and assessments which relates to the period before the Close of Escrow and Buyer shall pay the taxes and assessments which relates to the period after the Close of Escrow prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at the Close of Escrow, the parties shall make all necessary adjustments by appropriate payments between themselves following the Close of Escrow. All delinquent taxes and assessments (and any penalties thereon) for period prior to the Close of Escrow, if any, affecting the Property shall be paid by Seller and Seller shall have the right, at its own cost, to contest any payments of taxes (or any penalties thereon) paid for the period prior to the Close of Escrow and to keep any proceeds resulting from any such action.

(e) All prorations shall be determined on the basis of a 365 day year. The provisions of this Section 8 shall survive the Close of Escrow.

9. Due Diligence Period; Access. During the period commencing on the Effective Date and ending at 5:00 p.m. sixty (60) days thereafter, as such sixty (60) day period may be extended as provided in Section 2 (the "**Due Diligence Period**"), Buyer may inspect the Property as necessary to approve all zoning and land use matters relating to the Property and to approve the physical condition of the Property subject to the limitations set forth below.

(a) Within five (5) business days after the Effective Date, Seller shall provide to Buyer, any and all of the following documents to the extent in Seller's possession or under Seller's control: environmental materials (as described in Section 10(a)(i) and (iv)) soils and geological testings and reports, structural engineering reports, plans and specifications, utility contracts, service contracts, brokerage agreements, operating statements for the prior calendar year, including monthly statements to date, to the extent available, and property tax bills for each of the three (3) prior years. It is understood by the parties hereto that Seller does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information contained in Seller's files or in the documents produced by Seller, including without limitation, any environmental audit or report prepared by unaffiliated third party consultant. To

the extent permitted by law, Buyer shall keep all information provided by the Seller confidential and shall not disclose it to any third parties except its accountants, legal counsel, and other consultants employed in connection with its acquisition of the Property. In the event this Agreement is terminated, Buyer shall promptly return to Seller all such documentation and other information obtained from or otherwise provided by Seller. Buyer shall provide Seller with copies of all reports, test results, surveys and other written materials obtained by Buyer in connection with its investigation of the Property promptly following Buyer's receipt thereof. Buyer may terminate this Agreement in Buyer's sole and absolute discretion for any reason, or for no reason whatsoever, by giving written notice to the Seller on any day prior to and including the final day of the Due Diligence Period, in which event, this Agreement shall become null and void and, except as expressly set forth in this Agreement, neither party shall have any further rights, duties and obligations hereunder and the Remaining Deposit shall be promptly returned to Buyer.

(b) Subject to Buyer's compliance with the terms of this Section 9, Buyer and its agents, attorneys, accountants, and other representatives shall have the right, at Buyer's sole cost and expense, to enter upon the Property during the Due Diligence Period to make inspections and other examinations of the Property and the improvements thereon, including without limitation, the right to perform surveys, soil and geological tests of the Property and the right to perform environmental site assessments and studies of the Property. Buyer's physical inspection of the Property shall be conducted during normal business hours at times mutually acceptable to Buyer and Seller. Buyer shall give Seller at least 24 hours prior notice of any entry onto the Property and Seller shall have the right to be present during any such entry or inspections. No invasive testing or boring shall be done without the prior notification of Seller. Buyer shall promptly repair any damage to the Property caused by its inspections and investigations. To evidence Buyer's right of entry to the Property, the parties shall execute and deliver that certain Right of Entry Agreement attached hereto as **Exhibit F** within three (3) business days following the Effective Date.

10. Warranties, Representations and Covenants of Seller. Seller hereby represents and warrants to Buyer the following, it being expressly understood and agreed that, except as hereinafter provided, the following representations and warranties are true and correct in all material respects as of the Effective Date. If the Seller acquires additional knowledge regarding the matters which are the subject of the warranties or representations contained in this Section 10 which would cause any of such warranties or representations to be incorrect in any material respect prior to the Close of Escrow, Seller shall give prompt written notice thereof to Buyer. Within seven (7) business days following receipt of such notice, Buyer may elect to cancel this Agreement and receive a refund of the Remaining Deposit; provided that the Seller shall retain any released portion of the Deposit. As of the Close of Escrow, the warranties and representations contained in this Section 10 shall be true and correct in all material respects, subject to any matters disclosed in writing by Seller to Buyer as provided herein.

(a) Hazardous Substances.

(i) To Seller's actual knowledge, except as otherwise described in **Exhibit G**, Seller has received no written notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the

Property are or have been in violation of any Environmental Law (as defined in Exhibit H), or informing Seller that the Property is subject to investigation or inquiry regarding Hazardous Substances (as defined in Exhibit H) on the Property or the potential violation of any Environmental Law.

(ii) To Seller's actual knowledge, except as otherwise described in Exhibit G, there is no monitoring program required by the Environmental Protection Agency or any similar state agency concerning the Property.

(iii) To Seller's actual knowledge, except as otherwise described in Exhibit G, no toxic or hazardous chemicals, waste, or substances of any kind have ever been spilled, disposed of, or stored on, under, or at the Property, whether by accident, burying, drainage, or storage in containers, tanks, or holding areas, or by any other means.

(iv) To Seller's actual knowledge, Seller has delivered to Buyer a list of all information, records, reports and studies maintained by Seller or under Seller's control in connection with the Property concerning Hazardous Substances and all existing orders and directives from or agreements with any governmental agency pertaining to the environmental condition of the Property and any requests for information, documents, access or investigation pertaining thereto, and such list is contained in Exhibit G attached hereto.

(v) To Seller's actual knowledge, Seller has received no written request, directive, administrative order or judicial order to impose any type of land use restriction or institutional control relating to Hazardous Substances on the Property.

(b) Seller has full right and power to execute, deliver and perform its obligations under this Agreement, and when executed and delivered, Seller and all parties having an interest in the Property shall be lawfully bound by the terms of this Agreement. Seller is the sole owner of the Property, and to Seller's actual knowledge, the Property is free and clear of all leases, occupancy agreements, liens, claims, encumbrances, easements, or rights of way of any nature, other than those that may appear on the Preliminary Title Report, and free and clear of encroachments on the Property from adjacent properties, encroachments by improvements or vegetation on the Property onto adjacent property, other than those that may appear on any Survey provided by Seller to Buyer as described in Section 5(a). Seller shall not transfer the Property (or enter into any agreement with respect thereto, other than this Agreement), or encumber the Property or allow the Property to be further encumbered prior to the Close of Escrow.

(c) Other than as described in the Dismissal or otherwise described in writing to Buyer prior to the final date of the Due Diligence Period, and other than the claims asserted in the underlying action (Los Angeles County Superior Court Case No. BC 527351), and other than any other claims on file asserted by MLK and/or MLKFD against Kaiser relating to Kaiser's development, there is no pending or, to Seller's actual knowledge, threatened litigation, which does or may adversely affect the Property.

(d) To Seller's actual knowledge, there are no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the

Property, or any part thereof or any interest therein, which will survive the Close of Escrow other than those that may appear on the Preliminary Title Report. Seller has entered into no understanding or agreement with any taxing or assessing authority respecting the imposition or deferment of any taxes or assessments respecting the Property.

(e) Neither this Agreement nor anything provided to be done hereunder, including the transfer of title to the Property to Buyer, violates or shall violate, any contract, instrument, partnership agreement, trust agreement, or any other agreement to which Seller is a party, and which affects the Property or any part thereof, and the sale of the Property herein contemplated does not require the consent of any party not a signatory hereto.

(f) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

(g) To Seller's actual knowledge, the agreements identified on the Operating Agreements Schedule are all of the contracts or agreements, such as maintenance, service, or utility contracts relating to or affecting the Property and which will survive the Close of Escrow.

Seller agrees to indemnify Buyer and agrees to defend and hold Buyer harmless from all actual, reasonable out-of-pocket loss, costs, liability, expense, damage, or other injury, including without limitation, attorneys' fees and expenses, and all other costs and expenses incurred by reason of, or in any manner resulting from the breach of any warranties and representations in this Section 10. The provisions of this Section 10 shall survive the Close of Escrow or the termination of this Agreement for a period of two (2) years.

As used anywhere in this Agreement, the terms "**actual knowledge**" and "**to Seller's actual knowledge**" refers to the actual knowledge of Mike Mollo, Manager, Marlton Recovery Partners, LLC, without the obligation to undertake any investigation or inquiry. Mr. Mollo has primary responsibility for the operation and maintenance of the Property.

11. Warranties, Representations and Covenants of Buyer. Buyer hereby represents, warrants and covenants to Seller the following, it being expressly understood and agreed that all such representations and warranties are true and correct in all material respects as of the Effective Date. If Buyer acquires additional knowledge regarding the matters which are the subject of the representations or warranties contained in this Section 11 which would cause any of such representations or warranties to be incorrect in any material respect and not reparable prior to the Close of Escrow, Buyer shall give prompt written notice thereof to Seller. Within seven (7) business days of receipt of such notice, Seller may elect to cancel this Agreement, in which case Seller shall be entitled to retain any released portion of the Deposit, and Buyer shall receive a refund of the Remaining Deposit. As of the Close of Escrow, the representations and warranties contained in this Section 11 shall be true and correct in all material respects, subject to any matters disclosed in writing by Buyer to Seller as herein provided.

(a) Buyer has the full right, power and authority to enter into this Agreement and has taken all action necessary to consummate the transaction contemplated hereby. The execution, delivery and performance of this Agreement has been duly and validly authorized by

Buyer, and no other action by Buyer is requisite to the valid and binding execution, delivery, and performance of this Agreement by Buyer.

(b) This Agreement and all documents executed by Buyer which are to be delivered to Seller at or prior to the Close of Escrow are, or at the Close of Escrow will be, duly authorized, executed, and delivered by Buyer, are or at the Close of Escrow will be legal, valid and binding obligations of Buyer, enforceable in accordance with their terms, and do not and at the Close of Escrow will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer is subject.

(c) Buyer agrees to indemnify Seller and agrees to defend and hold Seller harmless from all actual, reasonable out-of-pocket loss, costs, liability, expense, damage, or other injury, including without limitation, attorneys' fees and expenses, and all other costs and expenses incurred by reason of, or in any manner resulting from the breach of any warranties and representations in this Section 11. The provisions of this Section 11 shall survive the Close of Escrow or the termination of this Agreement for a period of two (2) years.

12. Buyer's Conditions. For the benefit of the Buyer, the Close of Escrow and Buyer's obligation to consummate the purchase of Property shall be contingent upon and subject to written notice to Escrow Holder by Buyer of the satisfaction of all of the following conditions precedent (or Buyer's written waiver thereof, it being agreed that Buyer can waive any or all such contingencies) on or before the Close of Escrow:

(a) Buyer's obtaining a satisfactory commitment issued by Title Company to issue the Title Policy in favor of Buyer with a liability amount equal to Eight Million Dollars (\$8,000,000) showing Buyer's fee interest in the Property subject only to the Permitted Title Exceptions, and being otherwise in accordance with the provisions of Section 5 of this Agreement, and expressly insuring against the claims of any persons in possession, other than Seller, of all or any part of the Property and the claims of any mechanics or materialmen.

(b) Buyer's verifying that there are no mechanics' and/or materialmen's liens, or lis pendens actions affecting the Property, and that all taxes, sewer, water, and utility bills have been paid, or will be paid out of funds due to Seller out of Escrow.

(c) That as of the Close of Escrow the representations and warranties of Seller contained in this Agreement are either all true and correct in all material respects or, to the extent that is not the case, have been waived by Buyer.

(d) Seller's delivery of all documents required to be delivered by Seller pursuant to Section 6 hereof.

(e) Buyer's approval, prior to the expiration of the Due Diligence Period, of the physical condition of the Property, including without limitation, any and all inspections, tests, survey(s), if any, and other studies to be conducted by Buyer, in Buyer's sole discretion.

(f) Buyer's obtaining the Survey provided for herein prior to the expiration of the Due Diligence Period.

(g) That as of the Close of Escrow all conditions precedent to the sale and acquisition of the Property contained in the Settlement Agreement shall have been satisfied and that no default thereunder on the part of the Seller (or circumstance which with the passage of time would constitute a default under the Settlement Agreement), shall have occurred and be continuing.

If all the foregoing conditions precedent have not been either met to Buyer's sole satisfaction or expressly waived in writing by Buyer on or before the respective dates set forth therein, or if no date is set forth therein on or prior to the Close of Escrow, then Buyer may terminate this Agreement by written notice to Seller, in which event, except as expressly set forth in this Agreement, neither party shall have any further rights, duties and obligations hereunder, and Seller shall be entitled to retain any released portion of the Deposit, and the Remaining Deposit shall be returned to Buyer (unless Seller is in default and Buyer elects the remedy of specific performance).

13. Seller's Conditions. For the benefit of Seller, the Close of Escrow and Seller's obligation to consummate the sale of the Property, shall be contingent upon and subject to written notice to the Escrow Holder by Seller of the satisfaction of all of the following conditions precedent (or Seller's written waiver thereof, it being agreed that Seller can waive any or all such contingencies) on or before the Close of Escrow:

(a) Deposit by Buyer of the Purchase Price and all other sums to be deposited by Buyer in Escrow in accordance with the requirements hereof.

(b) Buyer's delivery of all documents required to be delivered by Buyer pursuant to Section 6 hereof and performance of all other material covenants and agreements to be performed by Buyer under this Agreement.

(c) That as of the Close of Escrow the representations and warranties of Buyer contained in this Agreement are all either true and correct in all material respects or, to the extent that is not the case, have been waived by Seller.

(d) That as of the Close of Escrow all conditions precedent to the sale and acquisition of the Property contained in the Settlement Agreement shall have been satisfied and that no default thereunder on the part of the Buyer (or circumstance which with the passage of time would constitute a default under the Settlement Agreement), shall have occurred and be continuing.

14. Destruction/Condemnation. In the event that prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire, earthquake, or other casualty, or is subject to a taking by a public authority, then Buyer shall have the right, exercisable by giving notice to Seller within fifteen (15) days after receiving written notice of such damage or taking, either (a) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder, except that (i) Buyer and Seller shall each be responsible for one half (1/2) of any cancellation fees charged by the Escrow Holder and/or the Title Company and (ii) Seller shall be entitled to retain any released portion of the Deposit, and the Remaining Deposit and any other funds deposited into Escrow by Buyer, including interest thereon, shall be refunded to

Buyer, or (b) to accept the Property in its then condition and proceed with the Closing, and to receive an assignment of all of Seller's rights to any proceeds of insurance or condemnation awards payable by reason of such damage or taking. If Buyer elects to proceed under the preceding clause (b), there shall be no adjustment to the Purchase Price and Seller shall not compromise, settle or adjust any claims to such proceeds of insurance or condemnation awards. Seller agrees to give Buyer prompt notice of any damage to or taking of the Property promptly after Seller receives notice of the same.

Buyer's Initials: _____

Seller's Initials: _____

15. Remedies for Default; Disposition of Remaining Deposit. IF THIS AGREEMENT IS TERMINATED BY BUYER UNDER SECTION 5(a), 9(a), 12 OR 14, OR AS A RESULT OF A DEFAULT BY SELLER, THEN THE REMAINING DEPOSIT WILL BE RETURNED TO BUYER (AND THE SELLER SHALL BE ENTITLED TO RETAIN ANY RELEASED PORTION OF THE DEPOSIT); PROVIDED, HOWEVER, THAT IF THE TRANSACTION HEREIN SHALL FAIL TO CLOSE BY REASON OF SELLER'S DEFAULT, AND BUYER SHALL HAVE FULLY PERFORMED ITS OBLIGATIONS HEREUNDER AND SHALL BE READY, WILLING AND ABLE TO CLOSE, THEN BUYER MAY ELECT TO SPECIFICALLY ENFORCE THIS AGREEMENT IN WHICH CASE THE REMAINING DEPOSIT SHALL BE RETAINED BY ESCROW UNTIL THE CLOSING AND THEN APPLIED TO THE PURCHASE PRICE. IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF ANY DEFAULT OF BUYER, IT IS AGREED THAT THE REMAINING DEPOSIT SHALL BECOME NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO THE REMAINING DEPOSIT, WHICH, TOGETHER WITH ANY PREVIOUSLY RELEASED PORTION OF THE DEPOSIT, SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT THE REMAINING DEPOSIT, TOGETHER WITH ANY PREVIOUSLY RELEASED PORTION OF THE DEPOSIT, CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS PARAGRAPH, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

SELLER

BUYER

16. As-Is Sale. BUYER ACKNOWLEDGES AND AGREES THAT BUYER WILL BE CONCLUDING THE PURCHASE OF THE PROPERTY BASED UPON BUYER'S

INSPECTION AND INVESTIGATION OF THE PROPERTY, AND THAT WITH THE EXCEPTION OF EXCLUSIONS FOUND IN SECTION 5 AND 9 (TITLE AND ENVIRONMENTAL) BUYER WILL BE PURCHASING THE PROPERTY ON AN "AS IS, WHERE IS" BASIS, WITH ALL FAULTS, LATENT AND PATENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, IS NOT HEREBY MAKING, AND SELLER HEREBY EXPRESSLY DISCLAIMS AND NEGATES, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EITHER EXPRESS OR IMPLIED, EXCEPT THOSE EXPRESSLY CONTAINED IN SECTION 10 OF THIS AGREEMENT, ON WHICH BUYER IS RELYING, AS TO ANY MATTER CONCERNING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, MATTERS RELATING TO THE ZONING, LAND-USE OR OTHER ENTITLEMENTS, THE ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE EXISTING ENVIRONMENTAL CONDITION), AND/OR SOILS, SEISMIC, GEOTECHNICAL, THE CONSTRUCTION OF THE IMPROVEMENTS ON THE PROPERTY, THE COMPLIANCE OF THE PROPERTY WITH APPLICABLE LAWS AND REGULATIONS, OR ANY OTHER REPRESENTATION OR WARRANTY RESPECTING LIENS, ENCUMBRANCES, RIGHTS OR CLAIMS, AFFECTING OR CONCERNING THE PROPERTY OR ANY PART THEREOF, AND SELLER SPECIFICALLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES, AND/OR OTHER MATTERS RELATING TO THE CONDITION OF THE PROPERTY. BUYER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY BY OR ON BEHALF OF SELLER, INCLUDING, WITHOUT LIMITATION, THE ENVIRONMENTAL REPORTS AND THE OTHER DOCUMENTS AND INSTRUMENTS TO BE DELIVERED TO, OR OTHERWISE MADE AVAILABLE TO, BUYER WAS OBTAINED FROM A VARIETY OF SOURCES, THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION, THAT ALL SUCH INFORMATION HAS BEEN AND SHALL BE PROVIDED SOLELY AS AN ACCOMMODATION TO BUYER, AND THAT SELLER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION. AS PART OF BUYER'S AGREEMENT TO PURCHASE AND ACCEPT THE PROPERTY "AS-IS, WHERE-IS," AND "WITH ALL FAULTS", AND NOT AS A LIMITATION ON SUCH AGREEMENT, BUYER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL ACTUAL OR POTENTIAL CLAIMS OR RIGHTS AGAINST THE SELLER ARISING OUT OF THE INACCURACY OR INCOMPLETENESS OF ANY MATERIALS SO FURNISHED, ARISING OUT OF OR IN CONNECTION WITH THE ENVIRONMENTAL CONDITION OF THE PROPERTY, AND ANY AND ALL ACTUAL OR POTENTIAL CLAIMS OR RIGHTS BUYER MIGHT HAVE REGARDING ANY FORM OF REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR TYPE, RELATING TO THE PROPERTY, OTHER THAN IN CONNECTION WITH THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN SECTION 10 OF THIS AGREEMENT. SUCH WAIVER IS ABSOLUTE, COMPLETE, TOTAL AND UNLIMITED IN ANY WAY. AS PART OF THE PROVISIONS OF THIS SECTION, BUT NOT AS A LIMITATION THEREON, BUYER HEREBY AGREES, REPRESENTS AND WARRANTS THAT THE MATTERS RELEASED HEREIN ARE NOT LIMITED TO MATTERS WHICH ARE KNOWN OR DISCLOSED, AND BUYER

HEREBY WAIVES ANY AND ALL RIGHTS AND BENEFITS WHICH IT NOW HAS, OR IN THE FUTURE MAY HAVE CONFERRED UPON IT, BY VIRTUE OF THE PROVISIONS OF FEDERAL, STATE OR LOCAL LAWS, RULES OR REGULATIONS, INCLUDING WITHOUT LIMITATION, SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA OR ANY SIMILAR STATUTE, LAW, RULE OR REGULATION OF ANY OTHER STATE. BUYER ACKNOWLEDGES THAT SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTION THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

SELLER AND BUYER HAVE EACH INITIALED THIS SECTION TO FURTHER INDICATE THEIR AWARENESS AND ACCEPTANCE OF EACH AND EVERY PROVISION HEREOF.

SELLER

BUYER

17. Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by personal delivery (by recognized courier service or otherwise). Notices shall be considered given upon the earlier of (a) personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

To the Buyer: EWDD
 1200 W. 7th Street, 6th Floor
 Los Angeles, CA 90017
 Attn: General Manager
 Phone: _____
 Fax: _____

With a copy to: The Honorable Herb J. Wesson, Jr.
 President
 Los Angeles City Council
 200 North Spring Street, Room 430
 Los Angeles, California 90012

With a copy to: Mayor's Office of Economic Development
 200 North Spring Street, 13th Floor
 Los Angeles, CA 90012
 Attn: Deputy Mayor for Economic Development

With a copy to: City of Los Angeles
200 North Main Street, 9th Floor
Los Angeles, CA 90012
Attn: Noreen Vincent, City Attorney
Phone: _____
Fax: _____

With a copy to: Richards, Watson & Gershon
355 South Grand Avenue, 40th Floor
Los Angeles, CA 90071
Attn: Jim G. Grayson, Esq.
Phone: (213) 626-8484
Fax: (213) 626-0078
Email: jgrayson@rwglaw.com

To the Seller: Marlton Recovery Partners, LLC
2601 Airport Drive #290
Torrance, California 90505
Attention: Mike Mollo, Manager
Phone: (310) 325-2132
Fax: (310) 626-6278
Email: mp.mollo@verizon.net

With a copy to: Wendel, Rosen, Black & Dean LLP
1111 Broadway, 24th Floor
Oakland, California 94607
Attention: Kevin R. Brodehl, Esq.
Phone: (510) 834-6600
Fax: (510) 834-1928

Escrow Holder: Chicago Title Company
700 South Flower Street, Suite 800
Los Angeles, California 90017
Attention: Joan Hawkins, Escrow Officer
Phone: (213) 612-4161
Fax: (213) 488-4384
Email: joan.hawkins@ctt.com

18. Broker's Commissions. Seller has retained Commercial Mortgage Managers, Inc. as a broker with respect to the transaction contemplated by this Agreement, and Seller shall be solely responsible for the payment of any commission or finder's fee due to such entity. Buyer represents that it has incurred no liability for any brokerage commission or finder's fee arising from or relating to the transaction contemplated by this Agreement. Each party hereby indemnifies and agrees to protect, defend and hold harmless the other party from and against all liability, cost, damage or expense (including, without limitation, attorneys' fees and costs incurred in connection therewith) on account of any brokerage commission or finder's fee which the indemnifying party has agreed to pay or which is claimed to be due as a result of the actions

of the indemnifying party. This Section 18 is intended to be solely for the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Agreement. The indemnification obligations contained in this Section 19 shall survive the Close of Escrow and the delivery of the Grant Deed.

19. Removal of Personal Property. Title to all personal property located on the Property, if any, shall remain in the Seller, and the Seller, at its sole expense, shall cause all such personal property to be removed from the Property within thirty (30) days following the Close of Escrow.

20. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

21. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

22. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

23. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

24. Amendments. Any amendments to this Agreement shall be in writing, and shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

25. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

26. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

27. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

28. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be

deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

29. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in the sole and absolute discretion of the applicable party.

30. Rights and Remedies. Except as otherwise expressly provided herein to the contrary, each party shall have the right to pursue all rights and remedies provided by applicable law or equity in the event of a default hereunder by the other party.

31. Interpretation. Whenever used herein, the term "including" shall be deemed to be followed by the words "without limitation." Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender.

32. Captions. The captions and headings of the Articles and Sections of this Agreement are for convenience of reference only, and shall not be deemed to define or limit the provisions hereof.

33. Exhibits. The exhibits and schedules attached hereto are hereby incorporated by reference herein.

34. Effect of Waiver. A waiver by either party hereto shall not affect either party's right to enforce the provisions contained herein, nor shall any extension or waiver be held to be an extension of time or waiver of any prior or subsequent breach of the same or any other obligation under this Agreement.

35. Confidentiality. Buyer acknowledges that, during the course of its due diligence, the information it will receive with respect to the Property and Seller is confidential in nature. Buyer agrees (unless otherwise required by law) not to disclose such information to any third party and to keep such information confidential, except for disclosures which may be made to Buyer's attorneys, accountants, and other consultants employed for the purpose of facilitating the transactions contemplated hereby, provided that Buyer makes all such parties aware of the confidentiality requirements set forth herein, and causes such parties to abide by this Section.

36. No Memorandum. The parties agree that neither this Agreement nor a memorandum hereof shall be recorded, as the parties intend to maintain the confidentiality of the transactions contemplated hereby.

37. Waiver of Conditions. All actions of the Buyer pertaining to the waiver of any conditions or provisions hereof may be evidenced in writing and signed by Herb J. Wesson, Jr., City Councilman, District 10.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

“Seller”

MARLTON RECOVERY PARTNERS, LLC
a California limited liability company

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

“Buyer”

THE CITY OF LOS ANGELES, a municipal
corporation acting by and through its Economic and
Workforce Development Department

Date: _____

By: _____

Name: _____

Title: Mayor of the City of Los Angeles

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON,
A Professional Corporation

By: _____

Jim G. Grayson
Special Counsel to the City of Los
Angeles

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

THE REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (5032-004-019)

LOT 14 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN DEEDS OF RECORD.

PARCEL 2: (5032-004-003)

LOT 15 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPMENT OR EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHAS H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246, PAGE 212 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF

THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED SEPTEMBER 24, 1951 AS INSTRUMENT NO. 237, IN BOOK 47213, PAGE 86, OF OFFICIAL RECORDS.

PARCEL 3: (5032-004-005)

LOT 17 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPMENT OR EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHAS H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246, PAGE 212 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED MAY 20, 1955, BOOK 47834, PAGE 272 OF OFFICIAL RECORDS.

PARCEL 4: (5032-004-006)

LOT 18 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED APRIL 4, 1955, AS INSTRUMENT NO. 342, OF OFFICIAL RECORDS.

PARCEL 5: (5032-004-007)

LOT 19 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPING OR

EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHARLES H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246 PAGE 212, OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED MAY 10, 1955, INSTRUMENT NO. 1609 OF OFFICIAL RECORDS.

PARCEL 6: (5032-004-004)

LOT 16 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN DEEDS OF RECORD.

PARCEL 7: (5032-004-018)

LOTS 20 AND 21 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBON AND ALL OTHER MINERALS WITHIN OR UNDERLYING SAID LAND, AS EXCEPTED BY CHARLES H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1948 IN DEED RECORDED MAY 19, 1949 AS INSTRUMENT NO. 806 IN BOOK 30124 PAGE 18, OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OR ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE

SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPING OR EXTRACTING ANY OIL, GAS NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHARLES H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246 PAGE 212, OFFICIAL RECORDS.

ALSO EXCEPT ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WILL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED HEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATION, AS RESERVED IN THE DEED FROM THE CAPITAL COMPANY, RECORDED MAY 10, 1955 AS INSTRUMENT NO. 1409 IN BOOK 47729 PAGE 74, OFFICIAL RECORDS.

PARCEL 8: (5032-005-004 AND 006 PORTION OF OLD PARCELS 001 AND 003)

THOSE PORTIONS OF PARCEL 2 OF CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT RECORDED ON APRIL 6, 2007, AS INSTRUMENT NO. 2007-0831663 OF OFFICIAL RECORDS AND LOT 51 OF TRACT NO. 16050, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THRU 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 1 OF SAID CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT, THENCE THE FOLLOWING NUMBERED COURSES:

1. NORTH 83° 11' 32" EAST, 165.09 FEET, ALONG THE SOUTHERLY LINE OF SAID PARCEL 1;
2. NORTH 37° 04' 20" EAST, 107.14 FEET, ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 1, TO A LINE THAT IS PARALLEL WITH AND 163.50 FEET SOUTHWESTERLY OF THE NORTHEASTERLY LINE OF SAID LOTS 51 AND 52;
3. SOUTH 52° 56' 03" EAST, 827.37 FEET, ALONG SAID PARALLEL LINE, TO THE NORTHWESTERLY LINE OF SAID LOT 48.

SAID LAND IS ALSO SHOWN AS PARCEL 2 OF CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT RECORDED ON DECEMBER 22, 2011 AS INSTRUMENT NO. 2011-1738454, OFFICIAL RECORDS OF SAID COUNTY.

EXHIBIT B

OPERATING AGREEMENTS SCHEDULE

[TO BE PROVIDED BY SELLER]

EXHIBIT C

LEGAL DESCRIPTION OF MARLTON SQUARE

[TO BE PROVIDED]

EXHIBIT D

FORM OF GRANT DEED

RECORDING REQUESTED BY

AND WHEN RECORDED RETURN TO:

_____, California ____

Attention: _____

APN(s):

[SPACE ABOVE FOR RECORDER'S USE ONLY]

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383 and exempt from Documentary Transfer Tax pursuant to California Revenue and Taxation Code Section 11922.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledge **MARLTON RECOVERY PARTNERS, LLC**, a California limited liability company ("Grantor") hereby grants to **CITY OF LOS ANGELES**, a municipal corporation acting by and through its Economic and Workforce Development Department ("Grantee"), certain real property located in the City of Los Angeles, County of Los Angeles, State of California, more particularly described on Exhibit A attached hereto and incorporated herein by reference.

SUBJECT TO:

1. General and special real property taxes and assessments and supplemental assessments for the current fiscal year;
2. All liens, encumbrances, easements, covenants, conditions and restrictions of record; and
3. All matters which would be revealed or disclosed in an accurate survey of the property.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: _____, 2015

MARLTON RECOVERY PARTNERS, LLC
a California limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

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)

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

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

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 A
to Grant Deed**

LEGAL DESCRIPTION OF THE PROPERTY

THE REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (5032-004-019)

LOT 14 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN DEEDS OF RECORD.

PARCEL 2: (5032-004-003)

LOT 15 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPMENT OR EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHAS H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246, PAGE 212 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAT

DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED SEPTEMBER 24, 1951 AS INSTRUMENT NO. 237, IN BOOK 47213, PAGE 86, OF OFFICIAL RECORDS.

PARCEL 3: (5032-004-005)

LOT 17 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPMENT OR EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHAS H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246, PAGE 212 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED MAY 20, 1955, BOOK 47834, PAGE 272 OF OFFICIAL RECORDS.

PARCEL 4: (5032-004-006)

LOT 18 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED APRIL 4, 1955, AS INSTRUMENT NO. 342, OF OFFICIAL RECORDS.

PARCEL 5: (5032-004-007)

LOT 19 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPING OR

EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHARLES H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246 PAGE 212, OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED MAY 10, 1955, INSTRUMENT NO. 1609 OF OFFICIAL RECORDS.

PARCEL 6: (5032-004-004)

LOT 16 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN DEEDS OF RECORD.

PARCEL 7: (5032-004-018)

LOTS 20 AND 21 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBON AND ALL OTHER MINERALS WITHIN OR UNDERLYING SAID LAND, AS EXCEPTED BY CHARLES H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1948 IN DEED RECORDED MAY 19, 1949 AS INSTRUMENT NO. 806 IN BOOK 30124 PAGE 18, OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OR ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE

SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPING OR EXTRACTING ANY OIL, GAS NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHARLES H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246 PAGE 212, OFFICIAL RECORDS.

ALSO EXCEPT ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WILL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED HEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATION, AS RESERVED IN THE DEED FROM THE CAPITAL COMPANY, RECORDED MAY 10, 1955 AS INSTRUMENT NO. 1409 IN BOOK 47729 PAGE 74, OFFICIAL RECORDS.

PARCEL 8: (5032-005-004 AND 006 PORTION OF OLD PARCELS 001 AND 003)

THOSE PORTIONS OF PARCEL 2 OF CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT RECORDED ON APRIL 6, 2007, AS INSTRUMENT NO. 2007-0831663 OF OFFICIAL RECORDS AND LOT 51 OF TRACT NO. 16050, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THRU 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 1 OF SAID CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT, THENCE THE FOLLOWING NUMBERED COURSES:

1. NORTH 83° 11' 32" EAST, 165.09 FEET, ALONG THE SOUTHERLY LINE OF SAID PARCEL 1;
2. NORTH 37° 04' 20" EAST, 107.14 FEET, ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 1, TO A LINE THAT IS PARALLEL WITH AND 163.50 FEET SOUTHWESTERLY OF THE NORTHEASTERLY LINE OF SAID LOTS 51 AND 52;
3. SOUTH 52° 56' 03" EAST, 827.37 FEET, ALONG SAID PARALLEL LINE, TO THE NORTHWESTERLY LINE OF SAID LOT 48.

SAID LAND IS ALSO SHOWN AS PARCEL 2 OF CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT RECORDED ON DECEMBER 22, 2011 AS INSTRUMENT NO. 2011-1738454, OFFICIAL RECORDS OF SAID COUNTY.

Marlton Recovery Partners, LLC

JOB TITLE: _____

To

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

STANDARD INSTRUMENT

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

GRANT DEED

By: _____
Jose L. Ramirez, Authorized Officer

Date: _____, 2015

Approved as to Authority _____, 2015

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within deed or grant to the City of Los Angeles, a municipal corporation, is hereby accepted under the authority of the City Council of the City of Los Angeles, pursuant to Ordinance No. 171735, approved October 23, 1997, and the grantee consents to the recordation thereof by its duly authorized officer and the grantee consents to the recordation thereof by its duly authorized officer.

By: _____

Approved as to description _____, 2015

By: _____
Jose L. Ramirez, Authorized Officer

By: _____
Authorized Officer

Date: _____

General Services Department
Real Estate Services Division

Council File No. _____

EXHIBIT E

FORM OF GENERAL ASSIGNMENT

ASSIGNMENT OF OPERATING AGREEMENTS

THIS ASSIGNMENT AND ASSUMPTION OF OPERATING AGREEMENTS is made and entered into as of this ____ day of _____, 2015, by **MARLTON RECOVERY PARTNERS, LLC**, a California limited liability company ("Assignor"), and **CITY OF LOS ANGELES**, a municipal corporation acting by and through its Economic and Workforce Development Department ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), and in connection with the sale of that certain real property described in **Exhibit A** attached hereto (the "Property") Assignor hereby assigns and transfers unto Assignee all of its right, title, claim and interest in and under all of the service contracts and operating agreements listed in **Exhibit B** attached hereto (the "Operating Agreements").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

1. As of the Effective Date, Assignee hereby accepts the foregoing assignment and assumes all of the Assignor's obligations arising from and after the Effective Date under the Operating Agreements.
2. In the event of any litigation between Assignor and Assignee arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, reasonable attorneys' fees.
3. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
4. This Assignment shall be governed by and construed in accordance with the laws of the State of California.
5. This Assignment is delivered pursuant to the Purchase Agreement.
6. For purposes of this Assignment, the "Effective Date" shall be the date of the Close of Escrow (as defined in the Purchase Agreement).
7. This Assignment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment the day and year first above written.

“Assignor”

MARLTON RECOVERY PARTNERS, LLC
a California limited liability company

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

“Assignee”

THE CITY OF LOS ANGELES, a municipal
corporation acting by and through its Economic and
Workforce Development Department

Date: _____

By: _____

Name: _____

Title: Mayor of the City of Los Angeles

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON,
A Professional Corporation

By: _____

Jim G. Grayson
Special Counsel to the City of Los
Angeles

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (5032-004-019)

LOT 14 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN DEEDS OF RECORD.

PARCEL 2: (5032-004-003)

LOT 15 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPMENT OR EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHAS H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246, PAGE 212 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF

THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED SEPTEMBER 24, 1951 AS INSTRUMENT NO. 237, IN BOOK 47213, PAGE 86, OF OFFICIAL RECORDS.

PARCEL 3: (5032-004-005)

LOT 17 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

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PARCEL 4: (5032-004-006)

LOT 18 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED APRIL 4, 1955, AS INSTRUMENT NO. 342, OF OFFICIAL RECORDS.

PARCEL 5: (5032-004-007)

LOT 19 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPING OR

EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHARLES H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246 PAGE 212, OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED MAY 10, 1955, INSTRUMENT NO. 1609 OF OFFICIAL RECORDS.

PARCEL 6: (5032-004-004)

LOT 16 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN DEEDS OF RECORD.

PARCEL 7: (5032-004-018)

LOTS 20 AND 21 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBON AND ALL OTHER MINERALS WITHIN OR UNDERLYING SAID LAND, AS EXCEPTED BY CHARLES H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1948 IN DEED RECORDED MAY 19, 1949 AS INSTRUMENT NO. 806 IN BOOK 30124 PAGE 18, OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OR ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE

SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPING OR EXTRACTING ANY OIL, GAS NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHARLES H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246 PAGE 212, OFFICIAL RECORDS.

ALSO EXCEPT ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WILL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED HEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATION, AS RESERVED IN THE DEED FROM THE CAPITAL COMPANY, RECORDED MAY 10, 1955 AS INSTRUMENT NO. 1409 IN BOOK 47729 PAGE 74, OFFICIAL RECORDS.

PARCEL 8: (5032-005-004 AND 006 PORTION OF OLD PARCELS 001 AND 003)

THOSE PORTIONS OF PARCEL 2 OF CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT RECORDED ON APRIL 6, 2007, AS INSTRUMENT NO. 2007-0831663 OF OFFICIAL RECORDS AND LOT 51 OF TRACT NO. 16050, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THRU 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 1 OF SAID CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT, THENCE THE FOLLOWING NUMBERED COURSES:

1. NORTH 83° 11' 32" EAST, 165.09 FEET, ALONG THE SOUTHERLY LINE OF SAID PARCEL 1;
2. NORTH 37° 04' 20" EAST, 107.14 FEET, ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 1, TO A LINE THAT IS PARALLEL WITH AND 163.50 FEET SOUTHWESTERLY OF THE NORTHEASTERLY LINE OF SAID LOTS 51 AND 52;
3. SOUTH 52° 56' 03" EAST, 827.37 FEET, ALONG SAID PARALLEL LINE, TO THE NORTHWESTERLY LINE OF SAID LOT 48.

SAID LAND IS ALSO SHOWN AS PARCEL 2 OF CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT RECORDED ON DECEMBER 22, 2011 AS INSTRUMENT NO. 2011-1738454, OFFICIAL RECORDS OF SAID COUNTY.

EXHIBIT B

OPERATING AGREEMENTS

[TO BE PROVIDED BY SELLER]

EXHIBIT F

FORM OF RIGHT OF ENTRY AND ACCESS AGREEMENT

RIGHT OF ENTRY AND ACCESS AGREEMENT

THIS RIGHT OF ENTRY AND ACCESS AGREEMENT (herein called this "Agreement") is made and entered into as of _____, 2015 (the "Effective Date"), by **MARLTON RECOVERY PARTNERS, LLC**, a California limited liability company (herein called "Grantor"), and **CITY OF LOS ANGELES**, a municipal corporation acting by and through its Economic and Workforce Development Department (herein called "Grantee").

WITNESSETH:

WHEREAS, Grantor is the owner of the real property more particularly described on **Exhibit A**, attached hereto and incorporated herein by reference (herein called the "Property");

WHEREAS, Grantor and Grantee are contemplating entering into a Purchase and Sale Agreement and Escrow Instructions related to the Property (the "Purchase Agreement");

WHEREAS, Grantee has requested the right of entry upon and access to the Property for the purpose of undertaking tests, inspections and other due diligence activities (herein called the "Due Diligence Activities") in connection with the proposed acquisition by Grantee of the Property;

WHEREAS, Grantor has agreed to grant to Grantee, and Grantee has agreed to accept from Grantor, a non-exclusive, revocable license to enter upon the Property to perform the Due Diligence Activities in accordance with the terms and provisions of this Agreement;

WHEREAS, Grantor and Grantee desire to execute and enter into this Agreement for the purpose of setting forth their agreement with respect to the Due Diligence Activities and Grantee's entry upon the Property.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee do hereby covenant and agree as follows:

1. Access by Grantee.

(a) Subject to Grantee's compliance with the terms and provisions of this Agreement, until the earlier to occur of (i) the expiration of the Due Diligence Period (as defined in the Purchase Agreement), or (ii) the earlier termination of this Agreement, Grantee and Grantee's agents, employees, contractors, representatives and other designees (herein collectively called "Grantee's Designees") shall have the right to enter upon the Property for the purpose of conducting the Due Diligence Activities.

(b) Grantee expressly agrees as follows: (i) any activities by or on behalf of Grantee, including, without limitation, the entry by Grantee or Grantee's Designees onto the Property in connection with the Due Diligence Activities shall not damage the Property in any manner whatsoever, (ii) in the event the Property is altered or disturbed in any manner in connection with the Due Diligence Activities, Grantee shall immediately return the Property to the condition existing prior to the Due Diligence Activities, and (iii) Grantee, to the extent allowed by law, shall indemnify, defend and hold Grantor harmless from and against any and all claims, liabilities, damages, losses, costs and expenses of any kind or nature whatsoever (including, without limitation, attorneys' fees and expenses and court costs) suffered, incurred or sustained by Grantor as a result of, by reason of, or in connection with the Due Diligence Activities or the entry by Grantee or Grantee's Designees onto the Property. Notwithstanding any provision of this Agreement to the contrary, Grantee shall not have the right to undertake any invasive activities or tests upon the Property, or any environmental testing on the Property beyond the scope of a standard "Phase I" investigation, without prior notice to the Grantor documenting a workplan for such "Phase II" or invasive testing.

2. Lien Waivers. Upon receipt of a written request from Grantor, Grantee will provide Grantor with lien waivers following completion of the Due Diligence Activities from each and every contractor, materialman, engineer, architect and surveyor who might have lien rights, in form and substance reasonably satisfactory to Grantor and its counsel. To the extent permitted by applicable law, Grantee hereby indemnifies Grantor from and against any claims or demands for payment, or any liens or lien claims made against Grantor or the Property as a result of the Due Diligence Activities.

3. Insurance. Prior to entry onto the Property, Grantee shall, and shall cause all of Grantee's Designees performing the Due Diligence Activities to, procure or maintain a policy of commercial general liability insurance issued by an insurer reasonably satisfactory to Grantor covering each of the Due Diligence Activities with a single limit of liability (per occurrence and aggregate) of not less than \$1,000,000.00, and to deliver to Grantor a certificate of insurance evidencing that such insurance is in force and effect, and evidencing that Grantor has been named as an additional insured thereunder with respect to the Due Diligence Activities. Such insurance shall be maintained in force throughout the term of this Agreement.

4. Successors. To the extent any rights or obligations under this Agreement remain in effect, this Agreement shall be binding upon and enforceable against, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

5. Limitations. Grantor does not hereby convey to Grantee any right, title or interest in or to the Property, but merely grants the specific rights and privileges hereinabove set forth.

6. Notices. Whenever any notice, demand, or request is required or permitted under this Agreement, such notice, demand, or request shall be in writing and shall be delivered by hand, be sent by registered or certified mail, postage prepaid, return receipt requested, or shall be sent by nationally recognized commercial courier for next business day delivery, to the addresses set forth below the respective executions of the parties hereof, or to such other addresses as are specified by written notice given in accordance herewith, or shall be transmitted by facsimile to

the number for each party set forth below their respective executions hereof, or to such other numbers as are specified by written notice given in accordance herewith. All notices, demands, or requests delivered by hand shall be deemed given upon the date so delivered; those given by mailing as hereinabove provided shall be deemed given on the date of deposit in the United States Mail; those given by commercial courier as hereinabove provided shall be deemed given on the date of deposit with the commercial courier; and those given by facsimile shall be deemed given on the date of facsimile transmittal. Nonetheless, the time period, if any, in which a response to any notice, demand, or request must be given shall commence to run from the date of receipt of the notice, demand, or request by the addressee thereof. Any notice, demand, or request not received because of changed address or facsimile number of which no notice was given as hereinabove provided or because of refusal to accept delivery shall be deemed received by the party to whom addressed on the date of hand delivery, on the date of facsimile transmittal, on the first calendar day after deposit with commercial courier, or on the third calendar day following deposit in the United States Mail, as the case may be.

7. Assignment. This Agreement may not be assigned by Grantee.
8. Governing Law. This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of California.
9. Termination. This Agreement can be terminated by Grantor at any time and for any reason, or no reason, upon written notice from Grantor to Grantee.
10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.
11. No Recording of Agreement or Memorandum of Agreement. In no event shall this Agreement or any memorandum hereof be recorded in the Official Records of Los Angeles County, California, and any such recordation or attempted recordation shall constitute a breach of this Agreement by the party responsible for such recordation or attempted recordation.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be executed and sealed, on the day and year first written above.

“Assignor”

MARLTON RECOVERY PARTNERS, LLC
a California limited liability company

Address for notices:

Marlton Recovery Partners, LLC

Attn: _____

Phone: _____

Fax: _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

“Assignee”

THE CITY OF LOS ANGELES, a municipal corporation acting by and through its Economic and Workforce Development Department

Address for notices:

City of Los Angeles

Attn: _____

Phone: _____

Fax: _____

By: _____

Name: _____

Title: Mayor of the City of Los Angeles

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON,
A Professional Corporation

By: _____

Jim G. Grayson
Special Counsel to the City of Los Angeles

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (5032-004-019)

LOT 14 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN DEEDS OF RECORD.

PARCEL 2: (5032-004-003)

LOT 15 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPMENT OR EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHAS H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246, PAGE 212 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF

THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED SEPTEMBER 24, 1951 AS INSTRUMENT NO. 237, IN BOOK 47213, PAGE 86, OF OFFICIAL RECORDS.

PARCEL 3: (5032-004-005)

LOT 17 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

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ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED MAY 20, 1955, BOOK 47834, PAGE 272 OF OFFICIAL RECORDS.

PARCEL 4: (5032-004-006)

LOT 18 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBONS AND ALL OTHER MINERALS, WITHIN OR UNDERLYING SAID ABOVE DESCRIBED LAND, AS EXCEPTED BY CHAS H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1949 IN DEED RECORDED MAY 19, 1949 IN BOOK 30124, PAGE 18 OF OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED APRIL 4, 1955, AS INSTRUMENT NO. 342, OF OFFICIAL RECORDS.

PARCEL 5: (5032-004-007)

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THE RIGHT TO ENTER UPON OR USE THE SURFACE OF ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPING OR

EXTRACTING ANY OIL, GAS, NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHARLES H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246 PAGE 212, OFFICIAL RECORDS.

ALSO EXCEPTING ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAT DESCRIBED THEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL, FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS RESERVED IN DEED FROM THE CAPITAL COMPANY, RECORDED MAY 10, 1955, INSTRUMENT NO. 1609 OF OFFICIAL RECORDS.

PARCEL 6: (5032-004-004)

LOT 16 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY AS PROVIDED IN DEEDS OF RECORD.

PARCEL 7: (5032-004-018)

LOTS 20 AND 21 OF TRACT NO. 16050, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THROUGH 46, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT AN UNDIVIDED ONE-HALF INTEREST OF ALL PETROLEUM, OIL, GAS, NAPHTHA, ASPHALTUM, BREA AND OTHER HYDROCARBON AND ALL OTHER MINERALS WITHIN OR UNDERLYING SAID LAND, AS EXCEPTED BY CHARLES H. CHURCH, TRUSTEE UNDER DECLARATION OF TRUST DATED NOVEMBER 30, 1948 IN DEED RECORDED MAY 19, 1949 AS INSTRUMENT NO. 806 IN BOOK 30124 PAGE 18, OFFICIAL RECORDS.

THE RIGHT TO ENTER UPON OR USE THE SURFACE OR ANY PART OR PORTION OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 200 FEET FROM THE

SURFACE FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPING OR EXTRACTING ANY OIL, GAS NAPHTHA AND OTHER HYDROCARBON AND MINERAL SUBSTANCES WAS QUITCLAIMED BY A DEED EXECUTED BY CHARLES H. CHURCH, AS TRUSTEE, RECORDED IN BOOK 32246 PAGE 212, OFFICIAL RECORDS.

ALSO EXCEPT ALL THE REMAINING OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WILL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED HEREIN, AND SHALL NOT PENETRATE ANY PART OR PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 100 FEET OF THE SURFACE THEREOF AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATION, AS RESERVED IN THE DEED FROM THE CAPITAL COMPANY, RECORDED MAY 10, 1955 AS INSTRUMENT NO. 1409 IN BOOK 47729 PAGE 74, OFFICIAL RECORDS.

PARCEL 8: (5032-005-004 AND 006 PORTION OF OLD PARCELS 001 AND 003)

THOSE PORTIONS OF PARCEL 2 OF CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT RECORDED ON APRIL 6, 2007, AS INSTRUMENT NO. 2007-0831663 OF OFFICIAL RECORDS AND LOT 51 OF TRACT NO. 16050, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 370, PAGES 44 THRU 46 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING NORTHERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 1 OF SAID CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT, THENCE THE FOLLOWING NUMBERED COURSES:

1. NORTH 83° 11' 32" EAST, 165.09 FEET, ALONG THE SOUTHERLY LINE OF SAID PARCEL 1;
2. NORTH 37° 04' 20" EAST, 107.14 FEET, ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 1, TO A LINE THAT IS PARALLEL WITH AND 163.50 FEET SOUTHWESTERLY OF THE NORTHEASTERLY LINE OF SAID LOTS 51 AND 52;
3. SOUTH 52° 56' 03" EAST, 827.37 FEET, ALONG SAID PARALLEL LINE, TO THE NORTHWESTERLY LINE OF SAID LOT 48.

SAID LAND IS ALSO SHOWN AS PARCEL 2 OF CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT RECORDED ON DECEMBER 22, 2011 AS INSTRUMENT NO. 2011-1738454, OFFICIAL RECORDS OF SAID COUNTY.

EXHIBIT G

DESCRIPTION OF ENVIRONMENTAL MATTERS

[TO BE PROVIDED BY SELLER]

EXHIBIT H

CERTAIN DEFINITIONS

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

- (a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;
- (b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];
- (c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

- (d) Any material, waste, or substance that is
 - (i) a petroleum or refined petroleum product,
 - (ii) asbestos,
 - (iii) polychlorinated biphenyl,
 - (iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,
 - (v) a flammable explosive, or
 - (vi) a radioactive material.