

BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING OCTOBER 12, 2021

N.1 DISCUSSION REGARDING THE STATUS OF THE REDONDO BEACH GENERATING STATION (AES POWER PLANT), ITS PROPERTY VALUE AND OWNERSHIP STRUCTURE, AND THE CITY'S EFFORTS TO ACQUIRE PORTIONS OF THE PROPERTY FOR PARK AND OPEN SPACE PURPOSES.

APPROVAL OF A RESOLUTION OPPOSING AMENDMENT OF THE STATE WATER RESOURCES CONTROL BOARD'S ONCE THROUGH COOLING (OTC) POLICY TO ALLOW FOR CONTINUED OPERATION OF THE REDONDO BEACH GENERATING STATION THROUGH DECEMBER 31, 2023.

Attached is the following:

- **Kosmont PowerPoint Presentation + Recorded Documents**
- **AES County Title Transfer**
- **S-10 Legislative Text**
- **AES and Row Zoning Information**
- **Public Communications**

City of Redondo Beach – AES Transaction Summary



October 12, 2021

Presented by:
Kosmont Companies



OVERVIEW

- In 2018 and 2020 three transactions were completed involving properties comprising the AES powerplant site
 1. Former “SEA Lab” site
 2. “Parking Lot” adjacent to Bay Club
 3. Primary “AES Site”
- Recorded documents provide some indication of potential transaction value, and overall transaction structure
- A summary of transfer tax calculation and documents reviewed follow

LEVYING OF TRANSFER TAX

- California Revenue & Taxation Code § 11911
 - Transfer value / transfer tax is *“exclusive of the value of any lien or encumbrance remaining thereon at the time of sale”*
- California Revenue & Taxation Code § 11933
 - *“A declaration of the amount of tax due, signed by the party determining the tax or his or her agent”*
 - Must declare whether value *“was, or was not, exclusive of the value of a lien or encumbrance remaining on the interest or property conveyed at the time of sale”*

CALCULATION OF TRANSFER TAX

- Los Angeles County: \$1.10 per \$1,000 in value
- City of Redondo Beach: \$2.20 per \$1,000 in value
- Total: \$3.30 per \$1,000 in value

- Equal to \$0.0033 per \$1 in value
- For a property with a transfer value of \$10 MM, the property transfer tax would be \$33,000

TRANSACTIONS

1. Former “SEA Lab” Property

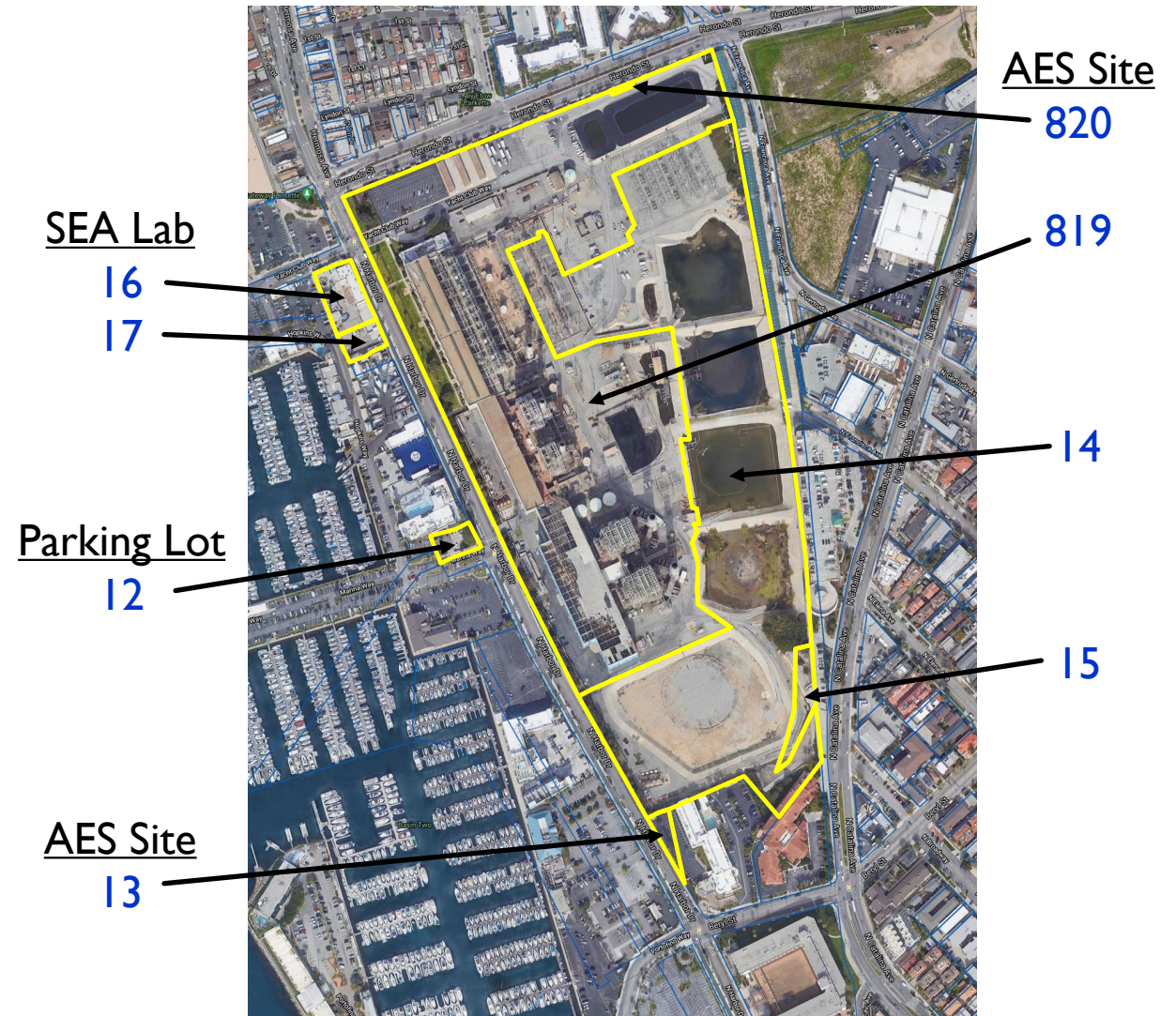
- Transferred on October 23, 2018
- Originally parcels 7503-013-821 & 822
- Currently parcels 7503-013-016 & 017
- Grant Deed: Document #20181075961

2. “Parking Lot” adjacent to Bay Club

- Transferred on October 23, 2018
- Originally parcels 7503-013-803
- Currently parcels 7503-013-012
- Grant Deed: Document #20181075964

3. Primary “AES Site”

- Transferred on March 27, 2020
- Parcels 7503-013-013, 014, 015, 819, & 820
- Grant Deed: Document #20200359849



I. FORMER SEA LAB PROPERTY

■ Transfer Tax

- “Computed on the full value of the property conveyed”
- Transfer Tax on Grant Deed - \$27,060
- Implied value - \$8.2 MM

■ Documents

- **Grant Deed: #20181075961**
 - Dated: Oct 17, 2018 / Recorded: Oct 23, 2018
- **Deed of Trust: #20181075962**
- **Easement Agreement: #20181075963**
- **Deed of Trust w/ Assignment of Lease: #20200166708**
 - Dated: Feb 6, 2020 / Recorded: Feb 20, 2020

■ Valuation

- \$8.2 MM as of October 23, 2018
- 0.86 acres of land / 11,314 SF of building area
- CC-4 zoning
- Assessor Records
 - Current assessed valuation based on transfer value
- 2019 Base Value: **\$8.2 MM = \$9.57 MM / acre**

2. PARKING LOT PROPERTY

■ Transfer Tax

- “Computed on the full value of the property conveyed”
- Transfer Tax on Grant Deed - \$2,640
- Implied value - \$800,000

■ Documents

- **Grant Deed: #20181075964**
 - Dated: Oct 17, 2018 / Recorded: Oct 23, 2018
- **Deed of Trust: #20181075965**
- **Easement Agreement: #20181075966**

■ Valuation

- \$800,000 as of October 23, 2018
- 0.26 acres of land / 0 SF of building area
- CC-4 zoning
- Assessor Records
 - Current assessed valuation based on transfer value
- 2019 Base Value: **\$800,000 = \$3.11 MM / acre**

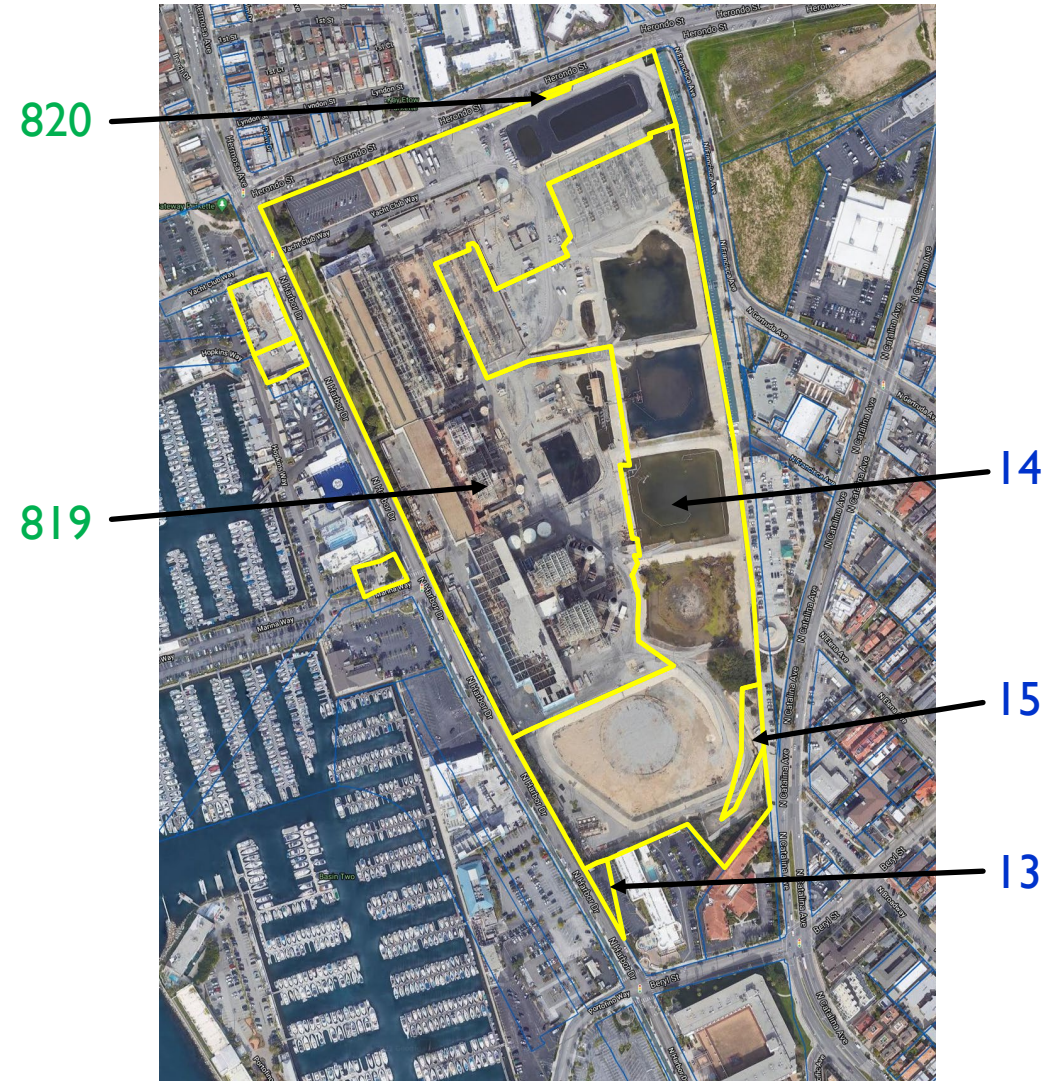
3. PRIMARY AES SITE – RECORDED TRANSACTION

- **Transfer Tax**
 - “Computed on the consideration or value less liens or encumbrances remaining at time of sale”
 - Transfer Tax on Grant Deed - \$92,400
 - Implied value - \$28.0 MM
- **Documents**
 - **Grant Deed: #20200359849**
 - Dated: Oct 27, 2019 / Recorded: Mar 27, 2020
 - **Environmental Performance Deed of Trust: #20200359852**
 - Dated: Mar 27, 2020 / Recorded: Mar 27, 2020
 - **Open Space Covenant and Option Offer Agreement: #20200359854**
 - Dated: Mar 26, 2020 / Recorded: Mar 27, 2020
- **Final Closing Assignment & Assumption Agreement: #20200359850 (&51)**
 - Dated: Mar 27, 2020 / Recorded: Mar 27, 2020
- **Performance Deed of Trust: #20200359853**
 - Dated: Mar 27, 2020 / Recorded: Mar 27, 2020
 - Certain references therein including:
 - Obligation to “timely pay the Deferred Purchase Price”
 - Obligation “to assume the Assumed Obligations”
 - Obligations “upon the Ground Lease Termination Date”
 - Obligation to “maintain the Performance Assurance”
 - Obligations “with respect to the pursuit of the Entitlements”

3. PRIMARY AES SITE – AS ASSESSED

■ Valuation

- \$28.0 MM (net of encumbrances) as of Mar 27, 2019
- +/- 49.2 acres of land / “0” SF of building area
- P-GP (7503-013-014, 15, 819 & 820)
- C-3A (7503-013-013)
- Assessor Records
 - Primary powerplant site granted an exemption (7503-013-819 & 820)
 - Current assessed valuation for balance of parcels not based on transfer value as recorded
 - Balance of site 2020 Base Value: **\$66.63 MM = \$2.99 MM / Acre** (7503-013, 014, 015)



TRANSACTION NOTES PER AES Q1 2020 10-Q & 2020 ANNUAL REPORT

- Buyer assumed obligations related to litigation against the California Coastal Commission regarding wetlands on the property
- Deferred sale proceeds and lease back
 - “In March 2020, the Company completed the sale and leaseback of land held by AES Redondo Beach, a gas-fired generating facility in California. A portion of the sale proceeds were **deferred** over a future period. It is expected that the noncurrent receivables will be collected by **December 2021**.”
 - “AES Redondo Beach will **lease back** land from the purchaser for the remainder of the generation facility’s useful life.”
- Implied transaction value
 - “The land’s carrying value was \$24 million, resulting in a pre-tax gain on sale of \$41 million.”
 - Implies a +/- \$65 MM transaction

SUMMARY OF TRANSACTIONS

1. Former SEA Lab property (Oct 2018) - \$8.2 MM
2. Parking Lot property (Oct 2018) - \$0.8 MM
3. Primary AES Site (Dated Oct 2019 recorded Mar 2020) - \$28.0 MM
 - Recorded documents contain references to October 5, 2018 Purchase and Sale Agreement
 - References in recorded documents to additional payments due, and additional buyer obligations, and substantiated by AES filings
 - Assessor base 2020 valuation of \$66.63 MM for +/- 22.31 acres of overall +/- 49.20 acre site
 - Portion of primary AES Property that appears to remain exempt from property taxes - may be pursuant to lease back structure

THANK YOU

This page is part of your document - DO NOT DISCARD



20200359854



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

03/27/20 AT 08:00AM

Pages:
0038

FEES: 148.00

TAXES: 0.00

OTHER: 0.00

PAID: 148.00



LEADSHEET



202003270170064

00018068321



010633600

SEQ:
06

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E08_200326_7410361

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan, Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Ave., 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Open Space Covenant and Option Offer Agreement

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

New Commune DTLA, LLC
9744 Wilshire Boulevard, Suite 203
Beverly Hills CA 90212
Attention: Leo Pustilnikov

MAIL TAX STATEMENTS TO:

Same as above

APNs# 7503-013-014, -015, -819, -820.

OPEN SPACE COVENANT AND OPTION OFFER AGREEMENT

This OPEN SPACE COVENANT AND OPTION OFFER AGREEMENT (this "Covenant and Agreement"), made effective as of this 26th day of March, 2020 by and between the Grantor parties signatory hereto, having their office c/o Leo Pustilnikov 9744 Wilshire Blvd, Suite 203, Beverly Hills, CA 90212 (collectively, the "Grantor"), and AES Redondo Beach, L.L.C., a Delaware limited liability company ("Grantee") (Grantor and Grantee are each referred to singularly as a "Party" and collectively as the "Parties").

The following are facts relevant to the execution of this Covenant and Agreement:

A. The Grantor acquired from the Grantee in fee (the "Sale Transaction") a parcel of land in Redondo Beach, California containing 51 acres, more or less, as further described in the legal description attached hereto as Exhibit A ("Facility Site").

B. Currently on the Facility Site is an operating power generation facility ("Facility") owned and operated by Grantee that is scheduled to cease operations on December 31, 2020 ("Facility Shutdown Date") pursuant to the California State Water Resources Control Board ("Water Board") Once-Through Cooling Policy ("OTC Policy").

C. The California Public Utilities Commission, in Decision 19-11-016, the Decision Requiring Electric System Reliability Procurement for 2021-2023 pursuant to Rulemaking 16-02-007, has recommended extending the compliance deadline for a number of power generation facilities in California that are subject to the OTC Policy, including the Facility.

D. The Parties desire that the Facility remain a power generation facility and that the Water Board postpone the Facility Shutdown Date, for an additional three (3) year period (such three (3) year period or portion thereof, the "Extension") during which Grantee may continue to operate, through December 31, 2023.

E. The Parties contemplated entering into this Covenant and Agreement in connection with the Sale Transaction. This Covenant and Agreement is part of a public benefits package the

Grantor is willing to provide for the benefit of the City of Redondo Beach, California (the "City of Redondo Beach") should the Facility obtain required governmental approvals for the Extension and such approvals are final and non-appealable ("Approved Extension").

F. If an Approved Extension is obtained, Grantor will covenant to restrict a portion of the Facility Site to use as public open space (as determined pursuant to Section 4 hereof, "Public Open Space Area"), subject to the terms and conditions hereof.

G. If an Approved Extension through December 31, 2023 is obtained, Grantor will covenant to offer an option to the City of Redondo Beach to purchase a portion of the Property (as determined pursuant to Section 5 hereof), subject to the terms and conditions hereof.

NOW THEREFORE, in consideration of the above and for valuable consideration, including the mutual covenants, terms, conditions and restrictions contained within this Covenant and Agreement, Grantor hereby covenants and imposes, in, on, over, and across the Facility Site, the following covenants, terms, conditions and restrictions:

1. PUBLIC OPEN SPACE. Grantor hereby covenants that the use of the Public Open Space Area shall be confined to public open space, which shall include public parking, parks, plazas, lawns, landscaped areas, decorative plantings, roof decks, balconies, pedestrian ways, areas subject to easements to the City of Redondo Beach, active and passive recreational areas including playgrounds and swimming pools, and other areas designated for scenic, recreational and similar purposes open to the public, and pedestrian ingress and egress to and from the buildings and other improvements that may be constructed from time to time on Grantor's adjacent property. Streets, driveways, service roads, loading areas, and areas normally inaccessible to pedestrian circulation beneath pedestrian bridges and decks shall not be counted in determining required open space.

2. USE OF OPEN SPACE. On and after the date upon which the specific location and use of the Public Open Space Area has been determined in accordance with Section 4 (but in no event prior to the date which is ninety (90) days following the final day of the Approved Extension), the Public Open Space Area shall be open and available to the surrounding community and lessees of, and visitors to, the future developments on the Facility Site, during the period commencing one hour prior to sunrise and ending one hour after sunset, provided that Grantor may (i) after fifteen (15) days' public notice, adopt reasonable rules and regulations for the purposes of safety and security to persons and property, with respect to the use and operation of the Public Open Space Area. No such rules and regulations shall be valid if they impede the ability of residents, lessees and visitors to the open space for reasonable amounts of time on a regular basis other than for relocation or improvement of the Public Open Space Area within the Facility Site.

3. AMOUNT OF PUBLIC OPEN SPACE.

a. If the Approved Extension is through at least December 31, 2021, then Grantor covenants to dedicate at least four (4) acres of the Facility Site for Public Open Space Area; and

b. If the Approved Extension is through at least December 31, 2022, then Grantor covenants to dedicate an additional eight (8) acres of the Facility Site for Public Open Space Area (for a total of twelve (12) acres).

c. Subject to reduction as set forth in Section 5.i., if the Approved Extension is through at least December 31, 2023, then Grantor covenants to dedicate up to an additional thirteen (13) acres of the Facility Site for Public Open Space Area (for a total of up to twenty-five (25) acres).

4. ACCESS TO AND LOCATION OF PUBLIC OPEN SPACE AREA. The specific location and use of the Public Open Space Area shall be determined by Grantor in a manner that is intended to maximize the use and enjoyment of the Public Open Space Area by the public as well as the value of the balance of the Facility Site, which determination shall be subject to obtaining the applicable entitlements and any other required governmental approvals; provided, that the location of the first Five (5) acres of the Public Open Space Area shall be comprised of that portion of the Facility Site that the California Coastal Commission has alleged are wetlands (the "Wetlands Property"), to the extent that such property has not been transferred in fee to the City of Redondo Beach as contemplated by Section 5. Grantor may from time to time relocate, modernize and otherwise alter the location and use of the Public Open Space Area as reasonably determined by Grantor and in compliance with all applicable laws (including any applicable entitlements) so long as the ultimate size remains at the minimum sizes prescribed in Section 3 above. Grantor shall determine the specific location and use of the Public Open Space Area by no later than the date upon which Grantor obtains entitlements for the development of the remainder of the Facility Site. Once the Grantor has determined a specific location and use of the Public Open Space Area, Grantor shall enter into a supplement to this Covenant and Agreement with the City of Redondo Beach to memorialize the specific location and uses of the Public Open Space Area (including that such locations and uses may be modified from time to time as set forth in this Section 4), which supplement shall be recorded in the Official Records of Los Angeles County, California.

5. OPTION. If an Approved Extension through December 31, 2023 is obtained, Grantor hereby irrevocably offers (the "Offer") to the City of Redondo Beach the option to purchase a portion of the Property as follows:

a. The City of Redondo Beach shall have an option (the "Option") to purchase all or a portion of the fifteen (15) acres of the Property depicted on Exhibit B attached hereto (the "City Option Lands") from Grantor. If the City of Redondo Beach elects to purchase less than all of the City Option Lands, then the specific portion of the City Option Lands to be sold (the "Designated City Option Lands") shall be mutually agreed upon by Grantor and the City of Redondo Beach in a manner that is intended to maximize the use and enjoyment of the City Option Lands by the public as well as the value of the balance of the Facility Site; provided, that the location of the first Five (5) acres of the Designated City Option Lands shall be comprised of the Wetlands Property.

b. The purchase price for the City Option Lands shall be Two Million Dollars (\$2,000,000) per acre, adjusted on a pro rata basis for any partial acre.

c. The Offer must be accepted in writing by the City of Redondo Beach on or before July 31, 2020 ("Offer Acceptance Expiration Date"), with such acceptance further evidenced by the concurrent payment of One Hundred Dollars (\$100) by the City of Redondo Beach to Grantor. If the City of Redondo Beach fails to accept the offer on or prior to the Offer Acceptance Expiration Date, then the Offer shall automatically terminate and be of no further force or effect.

d. If the City of Redondo Beach accepts the Offer in accordance with the foregoing, the City of Redondo Beach and Grantor shall negotiate in good faith to enter into a definitive option agreement ("Option Agreement") containing the terms of this Section 5 as well as other terms and conditions that are customary for agreements of this type no later than one hundred eighty (180) days from the date that the City accepts the Offer, as such date may be extended by the mutual agreement of the City of Redondo Beach and Grantor.

e. The City of Redondo Beach may exercise the Option by providing written notice to Grantor on or before December 31, 2023 ("Option Termination Date") and indicating the proposed Designated City Option Lands. If the City of Redondo Beach fails to exercise the Option on or prior to the Option Termination Date, then the Option shall automatically terminate and be of no further force or effect.

f. If the City of Redondo Beach timely exercises the Option, Grantor and the City of Redondo Beach shall be obligated to close on the Designated City Option Lands within ninety (90) days after the Option Termination Date (the "Option Outside Closing Date"). On the date of such closing, the Designated City Option Lands shall be transferred by Grantor to the City of Redondo Beach free and clear of all encumbrances, other than any such encumbrances on title as of the date of Grantor's acquisition of the Designated City Option Lands, and the City of Redondo Beach shall pay the purchase price therefor. In connection with any such transfer, Grantee agrees that it shall release any liens that it may have on the Designated City Option Lands.

g. The following conditions and covenants will also apply to the Option and form part of the Option Agreement:

i. If the Designated City Option Lands are not remediated as of the time of the closing pursuant to the Option Agreement or if any structures related to the generation of electricity located upon the City Option Land have not been removed as of the time of the closing pursuant to the Option Agreement, then one-half of the purchase price paid by the City of Redondo Beach will be held in escrow by the Chicago Title Insurance Company (or in such other escrow account as may be mutually agreed by the parties) until such time as remediation is complete on the Designated City Option Lands and all structures related to the generation of electricity located upon the City Option Land have been removed, to be governed by an escrow agreement incorporating the foregoing condition and in form and substance otherwise reasonably satisfactory to the parties.

ii. The City of Redondo Beach shall assist Grantor in the regulatory and legal approvals process related to the dewatering of the Wetlands Property, to enable testing and remediation activities thereupon.

iii. The City of Redondo Beach shall coordinate with Grantor and the California Coastal Commission on the suitable location for the wetlands and restoration related thereto, provided always that the outer boundary of the buffer of the wetlands (A) shall not be within one hundred (100') feet of the balance of the Facility Site that is not being transferred to the City of Redondo Beach, and (B) shall exist wholly within the boundaries of the Designated City Option Lands.

iv. The Grantor shall transfer the parcel of land described in Exhibit C hereto (the "Sports Parcel") to the City of Redondo Beach, in exchange for which the City of Redondo Beach shall transfer the parcel of land described in Exhibit D hereto (the "SeaLab Adjacent Parcel") to the Grantor.

h. On and after the closing of the sale, the City of Redondo Beach shall covenant that the Designated City Option Lands shall be confined to public open space, which shall include public parking, parks, plazas, lawns, landscaped areas, decorative plantings, roof decks, balconies, pedestrian ways, active and passive recreational areas including playgrounds and swimming pools, and other areas designated for scenic, recreational and similar purposes open to the public, and pedestrian ingress and egress to and from the buildings and other improvements that may be constructed from time to time on Grantor's adjacent property. In addition, the City of Redondo Beach shall covenant that the Designated City Option Lands shall be open and available to the surrounding community and lessees of, and visitors to, the future developments on the Facility Site, during the period commencing one hour prior to sunrise and ending one hour after sunset, provided that the City of Redondo Beach may after fifteen (15) days' public notice, adopt reasonable rules and regulations for the purposes of safety and security to persons and property, with respect to the use and operation of the Designated City Option Lands. No such rules and regulations shall be valid if they impede the ability of residents, lessees and visitors to the open space for reasonable amounts of time on a regular basis other than for relocation or improvement of the Designated City Option Lands within the Facility Site. Moreover, the City of Redondo Beach and Grantor shall agree to work together in good faith to coordinate the uses of the Designated City Option Lands with any development work and uses of the balance of the Facility Site.

i. Notwithstanding anything to the contrary herein, the number of acres included within the Public Open Space Area shall be reduced by the number of acres included within the Designated City Option Lands. By way of example, if the Designated City Option Lands equal all fifteen (15) acres of the City Option Lands, then the Public Open Space Area shall be reduced from twenty-five (25) acres to ten (10) acres. For the avoidance of doubt, if an Approved Extension through December 31, 2023 is obtained and the City of Redondo Beach elects not to accept the Offer or exercise the Option, then the Public Open Space Area shall be twenty-five (25) acres.

j. Notwithstanding anything above, any easements for internal streets, medians or sidewalks used for the internal circulation and access of the City Option Lands and the Facility Site will be equally contributed from the City Option Lands and the Facility Site. Furthermore, upon development of new internal circulation throughout the Facility Site, the City of Redondo Beach will release any road and street easements it currently has burdening the Facility Site so long as the lost parking is replaced on the Facility Site.

6. TERM. This Covenant and Agreement shall run with the Facility Site in perpetuity in accordance with Section 1468 of the California Civil Code; provided, that this Covenant and Agreement shall terminate automatically without the requirement of the execution of recordation of any further instrument of termination if the Approval Extension is not granted.

7. MAINTENANCE. The Grantor covenants and agrees to maintain, or cause to be maintained, the Public Open Space Area and all improvements thereon (including, without limitation, any landscaping) in an attractive, good, clean and sanitary condition, free of debris from the time it is first available to the public and except for times it is being remodeled, improved or relocated.

8. DISPUTES AND REMEDIES. If a Party (the "Non-Breaching Party", which for the purposes of this Section 8 shall include the City of Redondo Beach) determines that there is a violation of the terms of this Covenant and Agreement to which the other Party is subject, the Non-Breaching Party shall give written notice of such breach (the "Notice of Breach") to the Party in violation of such terms of this Covenant and Agreement (the "Breaching Party"). The Notice of Breach shall include a demand for corrective action sufficient to cure the violation and, where the violation involves injury to the Public Open Space Area resulting from any use, activity, omission or improvement inconsistent with the purposes or other terms of this Covenant and Agreement, to restore the portion of the Public Open Space Area so injured.

a. Remedies.

i. Notice and Cure. If the Breaching Party fails to cure the violation within thirty (30) days after receipt of a Notice of Breach to such Party, or under circumstances where the violation cannot be cured within the thirty (30) day period, or the Breaching Party fails to continue diligently to cure such violation until finally cured, the Non-Breaching Party may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Covenant and Agreement, to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Covenant and Agreement, including damages for the loss of scenic open space, aesthetic, or environmental values, and to require the restoration of the Public Open Space Area to the condition that existed prior to injury. Any Party, at its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Public Open Space Area.

ii. In General. The Non-Breaching Party's rights under this Section apply and shall be in addition to all remedies now or here after existing at law or in equity. In the event of either actual or threatened violations of the terms of this Covenant and Agreement, the Non-Breaching Party's remedies at law for any violation of the terms of this Covenant and Agreement are inadequate and the Non-Breaching Party shall be entitled to the injunctive relief described in this Section, both prohibitive and mandatory, in addition to such other relief to which the Non-Breaching Party may be entitled, including specific performance of the terms of this Covenant and Agreement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies.

b. Discretion. Enforcement of the terms of this Covenant and Agreement shall be at the discretion of the Non-Breaching Party, and any forbearance by the Non-Breaching Party to exercise its rights under this Covenant and Agreement in the event of any breach of any term of this Covenant and Agreement by the Breaching Party shall not be deemed or construed to be a waiver by the Non-Breaching Party of such term or of any subsequent breach of the same or any other term of this Covenant and Agreement or of any of the Non-Breaching Party's rights under this Covenant and Agreement. No delay or omission by the Non-Breaching Party in the exercise of any right or remedy upon any breach by the Breaching Party shall impair such right or remedy or be construed as a waiver. The Non-Breaching Party's permission to carry out, or failure to object to, any proposed use or activity shall not constitute consent to any subsequent use or activity of the same or any different nature.

9. ACTS BEYOND A PARTY'S CONTROL. The terms of this Covenant and Agreement are not intended and shall not be deemed to require or obligate any Party, or impose on any Party, the responsibility to prevent, stop, restore, correct or otherwise remediate any injury or damage caused by the following: (i) third parties (excluding third parties who are invitees of the Party) using the Public Open Space Area in a manner prohibited by the terms of this Covenant and Agreement, (ii) events beyond any single Party's control including, without limitation, government action, fire, flood, storm and naturally occurring earth movement, or (iii) injury to or change in the Public Open Space Area resulting from prudent action taken by any Party to prevent, abate or mitigate significant injury to the Public Open Space Area under emergency conditions.

10. ESTOPPEL CERTIFICATES. As reasonably requested by Grantor, Grantee shall within thirty (30) days after receipt of such request execute and deliver to Grantor any document, including an estoppel certificate, which certifies Grantor's compliance with any obligation of Grantor contained in this Covenant and Agreement and otherwise evidences the status of the Covenant and Agreement as may be reasonably requested by Grantor.

11. NOTICES. Unless otherwise specified in this Covenant and Agreement, any notice, demand, request, consent, approval, or communication that any Party desires or is required to give to the other shall be in writing and either served personally or sent by overnight delivery addressed as follows:

To Grantor: New Commune DTLA, LLC
9744 Wilshire Boulevard, Suite 203
Beverly Hills CA 90212

Attn: Leo Pustilnikov
E-mail: leo@slhinvestments.com

To Grantee: AES Redondo Beach, L.L.C.
690 N. Studebaker Road
Long Beach, CA 90803
Attn: Eric Pendergraft
E-mail: eric.pendergraft@aes.com

or to such other address as such Party from time to time shall designate by written notice to the other.

12. **RECORDATION.** This instrument shall be recorded by Grantee in the Official Records of Los Angeles County, California.

13. **CESSATION OF FACILITY OPERATIONS.** If an Approved Extension is obtained, Grantee agrees that it shall not continue to operate the Facility for energy generation beyond December 31, 2023 without the prior written consent of Grantor and the City of Redondo Beach.

14. **GENERAL PROVISIONS.**

a. Controlling Law. The interpretation and performance of this Covenant and Agreement shall be governed by the laws of the State of California.

b. Liberal Construction. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Covenant and Agreement that would render the provision valid shall be favored over any interpretation that would render it invalid. This instrument shall be construed in accordance with its fair meaning and it shall not be construed against any Party on the basis that that party prepared this instrument.

c. Severability. If any provision of this Covenant and Agreement, or the application to any person or circumstance, is found to be invalid, the remainder of the provisions of this Covenant and Agreement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected so long as the purposes of this Covenant and Agreement can still be carried out.

d. Third Party Rights. The City of Redondo Beach shall be the covenantee and an express third party beneficiary of this Covenant and Agreement. The City of Redondo Beach has a property interest in the real property described in Exhibit E hereto and which is adjacent to the Facility Site and owns other property within the City of Redondo Beach which, in each case, shall be benefitted hereby. This Covenant and Agreement shall constitute an irrevocable offer to the City of Redondo Beach and cannot be revoked without the prior written consent of the City of Redondo Beach. Grantor acknowledges and agrees that this Covenant and Agreement is intended to induce actions by the City of Redondo Beach and the City of Redondo Beach may take actions in reliance upon this Covenant and Agreement. This Covenant and Agreement may not be amended without the express written consent of the City of Redondo Beach. The City of Redondo Beach shall have the right to enforce the provisions of this Covenant and Agreement, including with the remedy of specific performance. Otherwise, this instrument is made and entered into for the sole benefit and protection of Grantor and Grantee and their respective successors and assigns. No person or entity other than the City of Redondo Beach, the Parties, and the respective successors and assigns of the Parties, shall have any right of action under this Covenant and Agreement or any right to enforce the terms and provisions hereof.

e. No Forfeiture. Nothing contained within this Covenant and Agreement is intended to result in a forfeiture or reversion of Grantor's fee title in any respect. Grantor specifically reserves the right to convey fee title to the Facility Site subject to this Covenant and Agreement.

f. Successors. The covenants, terms, conditions, and restrictions of this Covenant and Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns, and shall continue as a servitude running with the Facility Site. The terms "Grantor" and "Grantee," wherever used in this Covenant and Agreement and any pronouns used in their place, shall mean and include, the named "Grantor" and "Grantee" and the respective personal representatives, heirs, devisees, and assigns of such named Grantor or Grantee, and the respective successors of such Grantor and Grantee.

g. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

h. Counterparts. The Parties may execute this instrument in two or more counterparts; each counterpart shall be deemed an original instrument. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

i. Exhibits and Recitals. All Exhibits referred to in this Covenant and Agreement are attached and incorporated by this reference. All recitals in this Covenant and Agreement are accurate and shall constitute an integral part of this Covenant and Agreement, and this Covenant and Agreement shall be construed in light of those recitals.

j. Warranty of Authority. Each person executing this Covenant and Agreement on behalf of a Party represents that such person has the requisite authority to bind the Party on whose behalf he or she is signing this Covenant and Agreement and that all requisite approvals of such Party have been obtained.

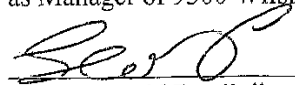
[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Covenant and Agreement as of the day and year first above stated.

[Signature pages follow.]

9300 WILSHIRE LLC,
a Delaware limited liability company

By: SLH Fund, LLC
a California limited liability company
as Manager of 9300 Wilshire, LLC

By: 
Name: Leonid Pustilnikov
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

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)

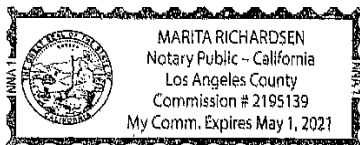
County of Los Angeles)

On March 26, 2020 before me, Marita Richardson, a notary public
Date Here Insert Name and Title of the Officer
personally appeared Leonid Pustilnikov
Name(s) of Signer(s)

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

Marita Richardson
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

1112 INVESTMENT COMPANY, LLC,
a California limited liability company

By: 

Name: Ely Dromy

Title: Trustee of the 1995 Dromy Family
Trust

By: 

Name: Judy Dromy

Title: Trustee of the 1995 Dromy Family
Trust

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California

County of Los Angeles

On March 26, 2020 before me, Marita Richardsen, a notary public

Date

Here Insert Name and Title of the Officer

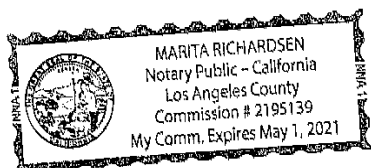
personally appeared Ely Dromy & Judy Dromy

Name(s) of Signer(s)

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

Signature of Notary Public

Place Notary Seal Above

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☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

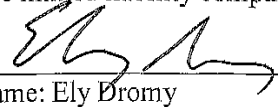
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

9300 WILSHIRE FEE LLC,
a Delaware limited liability company

By:



Name: Ely Dromy

Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California

County of Los Angeles

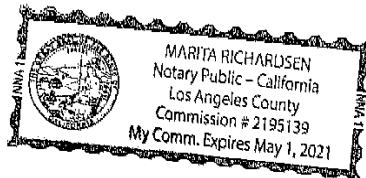
On March 26, 2020 before me, Marita Richardson, a notary public
Date Here Insert Name and Title of the Officer

personally appeared Ely Dromy
Name(s) of Signer(s)

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 Marita Richardson
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

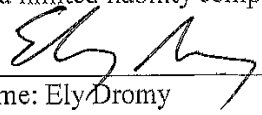
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

E.D. FLORES, LLC,
a California limited liability company

By:


Name: Ely Dromy
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California)

County of Los Angeles)

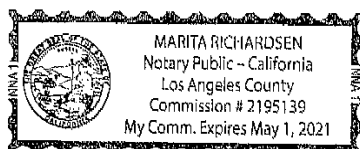
On March 26, 2020 before me, Marita Richardson a notary public
Date Here Insert Name and Title of the Officer

personally appeared Ely Bromley
Name(s) of Signer(s)

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 Marita Richardson
Signature of Notary Public

Place Notary Seal Above

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☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

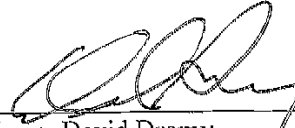
☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

By:


Name: David Dromy
AS AN INDIVIDUAL

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California)

County of Los Angeles)

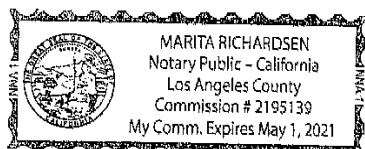
On March 26, 2020 before me, Marita Richardson, a notary public
Date Here Insert Name and Title of the Officer

personally appeared David Promy
Name(s) of Signer(s)

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 Marita Richardson
Signature of Notary Public

Place Notary Seal Above

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☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

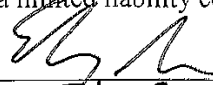
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

OUTDOOR BILLBOARD COMPANY, LLC,
a California limited liability company

By:


Name: Ely Dromi
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

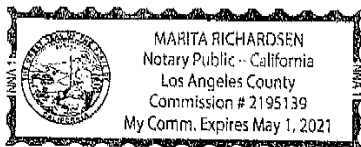
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Los Angeles)
 On March 26, 2020 before me, Marita Richardson, a notary public,
 Date Here Insert Name and Title of the Officer
 personally appeared Ely Dromy
 Name(s) of Signer(s)

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 Marita Richardson
 Signature of Notary Public

Place Notary Seal Above

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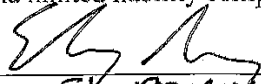
Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

1650 VETERAN, LLC,
a California limited liability company

By:


Name: EK Promet
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

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State of California

County of Los AngelesOn March 26, 2020 before me, Marita Richardsen, a notary public

Date

Here Insert Name and Title of the Officer

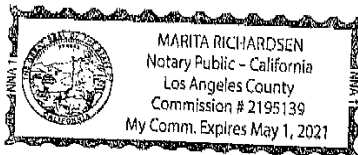
personally appeared Ely Dromy

Name(s) of Signer(s)

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

Signature of Notary Public

Place Notary Seal Above

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Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

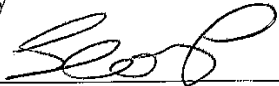
Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

BH KARKA, LLC, a California limited liability
company

By: 
Name: Leonid Pustilnikov
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California)

County of Los Angeles)

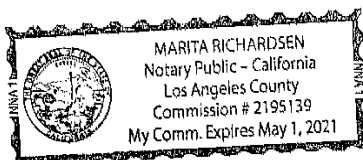
On March 26, 2020 before me, Marita Richardson, a notary public
Date Here Insert Name and Title of the Officer

personally appeared Leonid Pustilnikov
Name(s) of Signer(s)

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 Marita Richardson
Signature of Notary Public

Place Notary Seal Above

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☐ Other: _____

Signer Is Representing: _____

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☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

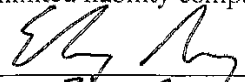
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

5TH STREET INVESTMENT COMPANY, LLC, a
California limited liability company

By:


Name: Ely Morky
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California

County of Los Angeles

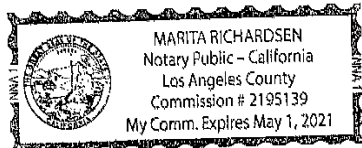
On March 26, 2020 before me, Marita Richardsen, a notary public
Date Here Insert Name and Title of the Officer

personally appeared Ely Dromy
Name(s) of Signer(s)

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 Marita Richardsen
Signature of Notary Public

Place Notary Seal Above

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☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

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☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

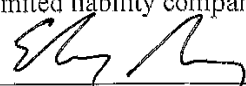
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

505 INVESTMENT COMPANY, LLC, a
California limited liability company

By:


Name: Ely Dromey
Title: Manager

ACKNOWLEDGMENT

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State of California

County of Los Angeles

On March 26, 2020 before me, Marita Richardson, a notary public
(insert name and title of the officer)

personally appeared Ely Priddy
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.

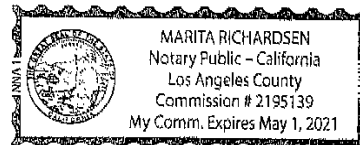
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

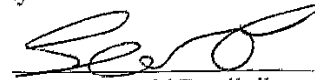
Marita Richardson

(Seal)



SLH FUND, LLC, a California limited liability
company

By:

A handwritten signature in black ink, appearing to read 'Leonid Pustilnikov', written over a horizontal line.

Name: Leonid Pustilnikov

Title: Manager

ACKNOWLEDGMENT

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State of California

County of Los Angeles

On March 26, 2020 before me, Marita Richardsen, a notary public
(insert name and title of the officer)

personally appeared Leonid Rustimikov,
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.

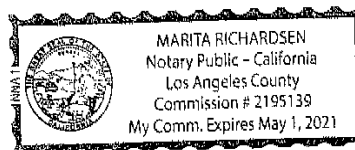
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Marita Richardsen

(Seal)



PEAK ALCOTT, LLC,
a California limited liability company

By: _____

Name: Ely Dromy

Title: Trustee of the 1995 Dromy Family
Trust

By: _____

Name: Judy Dromy

Title: Trustee of the 1995 Dromy Family
Trust

ACKNOWLEDGMENT

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

State of California

County of Los Angeles

On March 26, 2020 before me, Marita Richardson, a notary public
(insert name and title of the officer)

personally appeared Ely Dromy & Judy Dromy
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.

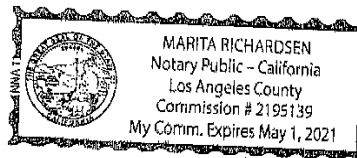
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Marita Rich


(Seal)



GRANTEE:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By:

A handwritten signature in black ink, appearing to read "Eric Pendergraft", written over a horizontal line.

Name: Eric Pendergraft

Title: Manager

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 Orange

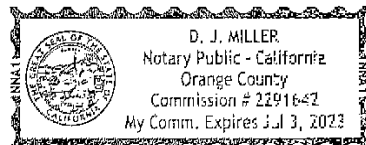
On March 26, 2020, before me, D.J. Miller, a Notary Public, personally appeared Eric Pendergraft, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

D.J. Miller
Signature of the Notary Public

(Seal)



This page is part of your document - DO NOT DISCARD



20181075962



Pages:
0020

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

10/23/18 AT 08:00AM

FEES: 121.00

TAXES: 0.00

OTHER: 0.00

PAID: 121.00



LEADSHEET



201810230230036

00015865786



009417516

SEQ:
02

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Avenue 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Deed of Trust

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, California 90071
Attn: Paul Williams, Esquire

228807-2

THIS SPACE ABOVE FOR RECORDER'S USE

ADDITIONAL PROPERTY DEED OF TRUST

THIS ADDITIONAL PROPERTY DEED OF TRUST (this "Deed of Trust") is made as of October 17, 2018, between NEW COMMUNE DTLA, LLC, a California limited liability company ("Trustor"), STEWART TITLE OF CALIFORNIA, INC., a California corporation ("Trustee"), and AES REDONDO BEACH, L.L.C., a Delaware limited liability company ("Beneficiary").

Background:

A. Trustor owns fee simple title to that certain real property located in Redondo Beach, California, as more fully described on Exhibit A attached hereto and made a part hereof (the "Land").

B. Trustor, as Purchaser, and Beneficiary, as Seller, have entered into that certain Purchase and Sale Agreement dated as of October 5, 2018 (as the same may be amended, modified, supplemented or restated from time to time, the "Agreement"), pursuant to which, among other things, as of the date of this Deed of Trust, Beneficiary has transferred fee title to Trustor (the "Sale Transaction"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

C. As partial consideration for the Sale Transaction, Trustor agreed to make certain future payments and perform certain obligations with respect to the Land, including the Secured Obligations (as defined below).

D. This Deed of Trust secures the Secured Obligations. Trustor and Beneficiary intend this Deed of Trust to remain on title to the Property (as defined below) pursuant to and in accordance with the terms and conditions of the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing performance of the Secured Obligations, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired: (a) all buildings, fixtures and improvements located on the Land (collectively, "Improvements"), and any and all rights, easements, licenses and privileges presently thereon, thereunder, or appertaining thereto, including, without limitation, all mineral rights, and rights to oil, natural gas, asphaltum and other hydrocarbons (collectively, with the Land, the "Real Property"); (b) all existing and future leases, subleases, licenses, and other agreements

Said document signed in counterparts

relating to the use or occupancy of all or any portion of the Land or Improvements (collectively, "Leases"), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "Rents"); (c) any and all licenses, authorizations, permits and approvals issued by the appropriate governmental authorities in connection with the ownership and operation of the Real Property along with Trustor's interest in all plans, specifications and surveys concerning the Real Property in Trustor's possession or control; and (d) any and all warranties and guarantees issued in connection with the Real Property. All of the above-referenced interests of Trustor in the Land and in the items listed in clauses (a) through (d) above are made subject to the security interest herein described and are collectively referred to herein as the "Property."

2. Obligations Secured. This Deed of Trust is given for the purpose of securing performance of the following (collectively, the "Secured Obligations");

2.1 Trustor's obligations under the Agreement to assume the Assumed Obligations applicable to the Property;

2.2 Trustor's obligations with respect to obtaining consents and approvals and providing notifications pursuant to Section 10.7 of the Agreement;

2.3 Trustor's obligations to provide to Seller access to all Facility Records and to preserve such Facility Records pursuant to Section 10.8 of the Agreement;

2.4 Trustor's obligations with respect to the removal of the Seller Marks pursuant to Section 10.9 of the Agreement;

2.5 Trustor's obligations to indemnify and release Seller and Seller Parties pursuant to Article 13 of the Agreement; and

2.6 All of Trustor's other obligations, as applicable to the Property, to be paid and/or performed after the Initial Closing Date, including, without limitation, Trustor's obligations (a) pursuant to Sections 10.1(d), 10.6, 10.10, 10.11 and 10.13 of the Agreement and (b) to consummate the Final Closing (including payment of the Final Closing Payment) upon the terms and conditions set forth in the Agreement.

3. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time, covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Property. Trustor authorizes the Trustee and/or Beneficiary to file or record financing statements and continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Property in such form and in such offices as they reasonably determine to be necessary or appropriate to perfect or maintain the perfection of the security interests under this Deed of Trust. Trustor authorizes the Trustee and/or Beneficiary to describe the Property in the same manner as described herein or to use the collateral description "all personal property" or "all assets," in each case

“whether now owned or hereafter acquired and wherever located,” or such other description as the Trustee and/or Beneficiary, in their sole judgment, determine is necessary or advisable, in any such financing statements.

4. Trustor’s Covenants. Trustor shall observe and perform all of Trustor’s covenants and agreements set forth in the Agreement.

5. Additional Covenants. It is mutually agreed:

5.1 Waiver. That by accepting payment of any sum or performance of any obligation secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment or performance when due of all other sums or obligations so secured or to declare default for failure so to pay or to perform.

5.2 Full Reconveyance. That upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been fulfilled or that the Final Closing Date has occurred, and upon surrender of this Deed of Trust to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as “the person or persons legally entitled thereto.”

5.3 Rents, Issues and Profits. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Deed of Trust, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5.4 Rights of Beneficiary. Upon a default, Beneficiary may at any time without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, and without releasing Trustor from any obligation (except as otherwise expressly provided in the Agreement), (a) enter upon and take possession of the Property or any part thereof; (b) make additions, alterations, repairs and improvements to the Property that Beneficiary may consider necessary or appropriate to keep the Property in good condition and repair; (c) appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary; (d) pay, purchase, contest or compromise any lien or encumbrance or alleged lien or encumbrance whether superior or junior to this Deed of Trust; (e) otherwise protect the Property and (f) in exercising such powers, pay necessary expenses (including, without limitation, expenses of counsel or other necessary or desirable consultants).

5.5 Acceleration. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any obligation secured hereby (which default remains uncured for five (5) days of written notice from Beneficiary specifying particularly such Trustor default in the case of any

of Trustor's payment obligations or obligations to provide Performance Assurance, or (b) within thirty (30) days of receipt of written notice from Beneficiary specifying particularly such Trustor default in all other cases), Beneficiary may declare all sums and obligations secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust and all documents evidencing matters secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment, FIRST, of the expenses of such sale, together with the reasonable expenses of this Deed of Trust, including Trustee's fees, cost of evidence of title in connection with sale and revenue stamps for documentary transfer tax on Trustee's deed; SECOND, payment of all monies which have been or which shall be advanced, paid or expended by Beneficiary for amounts not then repaid or as otherwise may be required in order to complete performance of the Secured Obligations, together with the interest thereon as provided in this Deed of Trust; THIRD, payment of all other sums secured hereby then remaining unpaid; and LAST the balance or surplus, if any, of such proceeds of sale to the person or persons legally entitled thereto, upon satisfactory proof of such right.

5.6 Substitution of Trustee. Beneficiary, or any successor in interest of Beneficiary under this Deed of Trust, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

5.7 Binding Effect. This Deed of Trust applies to and inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall include Beneficiary's successor in interest under the Agreement. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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

5.9 Trustor's Request for Notice of Default. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at its address specified herein for giving Notices.

6. Notices. All notices, consents, waivers, demands, requests or other instruments or communications provided for under this Deed of Trust or by law to be served on or to be given to either Trustor or Beneficiary shall be in writing and shall be given in accordance with the terms and conditions set forth in Section 15.10 of the Agreement.

7. Counterparts. This Deed of Trust may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

[signatures appear on following page]

IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Deed of Trust as of the date first written above.

TRUSTOR:

NEW COMMUNE DTLA, LLC, a California limited liability company

DOWNTOWN SEARS, LLC
a California limited liability company
as Manager of New Commune DTLA, LLC

By:


Name: *Ely Drmy*
Title: *Member*

BENEFICIARY:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By:

Name:
Title:

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

CERTIFICATE OF ACKNOWLEDGMENT

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

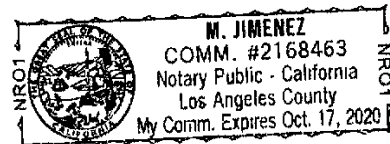
STATE OF California)

COUNTY OF Los Angeles)

On 10-19-18, 2018, before me, M. Jimenez, Notary Public, personally appeared Ely Dromy 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]

IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Deed of Trust as of the date first written above.

TRUSTOR:


NEW COMMUNE DTLA, LLC, a California limited liability company

DOWNTOWN SEARS, LLC
a California limited liability company
as Manager of New Commune DTLA, LLC

By: _____
Name:
Title:

BENEFICIARY:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By: 
Name: Eric Pendergraft
Title: Manager

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

CERTIFICATE OF ACKNOWLEDGMENT


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

STATE OF California)
)
COUNTY OF Los Angeles)

On October 17, 2018, before me, Margaret McKinney, Notary Public, personally appeared Eric Pendergraft 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]



CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF _____)

)

COUNTY OF _____)

On _____, 2018, before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

Legal Description

Real property in the City of Redondo Beach, County of Los Angeles, State of California, described as follows:

PARCEL 3:

LOTS 74 THROUGH 78 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING FROM LOT 76 ABOVE, ALL WATER WHICH MAY BE DEVELOPED ON SAID LOT IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS EXCEPTED IN DEED RECORDED OCTOBER 11, 1946 IN BOOK 23806, PAGE 324 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOTS 77 AND 78, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910, IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOTS 74, 75 AND 76, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF

CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET OUT IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-821)

PARCEL 4:

LOTS 84 THROUGH 88 OF TRACT NO. 1326, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 18, PAGE 67 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-821)

PARCEL 5:

A PARCEL OF LAND, SHOWN AS AN ALLEY, 12.00 FEET WIDE, ON THE MAP OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS IN THE

OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH ADJOINS LOTS 74 THROUGH 78 OF SAID OCEAN BEACH SUBDIVISION TRACT ON THE EAST; AND ALSO SHOWN ON THE MAP OF TRACT NO. 1326, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 18, PAGE 67 OF MAPS, ADJOINING LOTS 84 THROUGH 88, ON THE WEST, WHICH WAS VACATED BY ORDINANCE NO. 1107 AND RESOLUTION NO. 1544, BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF WHICH RECORDED MARCH 1, 1947 AS INSTRUMENT NO. 958 IN BOOK 24285, PAGE 267 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS RESERVED BY EDISON SECURITIES COMPANY IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOTS 77 AND 78.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET FORTH IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOTS 74, 75, 76 AND 84 THROUGH 88.

(APN: PORTION OF 7503-013-821)

PARCEL 6:

LOT 89 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SHOWN ON SAID MAP, ADJOINING SAID LOT 89 ON THE EAST; VACATED BY ORDINANCE NO. 233 IN THE CITY OF REDONDO BEACH AND ORDINANCE NO. 635 IN THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID ORDINANCE NO. 635 RECORDED AUGUST 30, 1924 AS INSTRUMENT NO. 441 IN BOOK 3176, PAGE 310 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 17, 1952 AS INSTRUMENT NO. 2573, IN BOOK 40545, PAGE 272 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

PARCEL 8:

LOTS 72 AND 90 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE AS SHOWN ON SAID MAP, VACATED BY ORDINANCE NO. 233 IN SAID CITY OF REDONDO BEACH, AND ORDINANCE NO. 635 IN THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID ORDINANCE NO. 635, RECORDED AUGUST 30, 1924 AS INSTRUMENT NO. 441 IN BOOK 3176, PAGE 310 OF OFFICIAL RECORDS, ADJOINING SAID LOT 90 ON THE NORTHEAST.

EXCEPTING THEREFROM, THE SOUTHERLY 20.00 FEET OF LOT 72 AND THE SOUTHERLY 20.00 FEET OF LOT 90, BOTH IN THE OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID LOS ANGELES COUNTY, AS CONVEYED TO THE CITY OF REDONDO BEACH, IN DEED RECORDED JANUARY 12, 1970 AS INSTRUMENT NO. 1961 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, ETC. FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PART THEREOF, TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 29, 1952 AS INSTRUMENT NO. 1609 IN BOOK 40606, PAGE 311 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

PARCEL 9:

THAT PORTION OF TENTH STREET, FORMERLY NINTH STREET, AS SAME IS SHOWN AND DESIGNATED AS 9TH STREET ON A MAP OF TRACT NO. 1326 ON FILE IN BOOK 18, PAGE 67 OF MAPS, AND AS SHOWN ON THE MAP OF OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH,

IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, WHICH EXTENDS FROM THE WESTERLY LINE OF HERMOSA AVENUE, WESTERLY TO THE EASTERLY LINE OF THE STRAND.

TOGETHER WITH THAT PORTION OF THAT CERTAIN PUBLIC ALLEY WHICH LIES WESTERLY OF AND ADJOINS THE WESTERLY LINE OF LOT 89 OF OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND WHICH EXTENDS FROM THE SOUTHERLY LINE OF SAID ABOVE MENTIONED TENTH STREET, SOUTHERLY TO A LINE WHICH IS PARALLEL WITH AND 50.00 FEET NORTHERLY, MEASURED AT RIGHT ANGELES, FROM THE SOUTHERLY LINE AND ITS WESTERLY PROLONGATION OF LOT 90 OF SAID OCEAN BEACH SUBDIVISION, AS VACATED BY ORDINANCE NO. 1360, RESOLUTION NO. 2401, A CERTIFIED COPY OF WHICH RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027, PAGE 34 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 17, 1952 AS INSTRUMENT NO. 2573 IN BOOK 40545, PAGE 272 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOT 89.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND ONE HUNDRED (100) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING

AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF ONE HUNDRED (100) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED IN DEED RECORDED MARCH 19, 1953 AS INSTRUMENT NO. 2743 IN BOOK 41257, PAGE 62 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 73 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET OUT IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 88 OF SAID TRACT NO. 1326, AND ADJACENT TO LOT 74 OF SAID OCEAN BEACH SUBDIVISION.

(APN: PORTION OF 7503-013-822)

PARCEL 13:

LOT 73 OF OCEAN BEACH SUBDIVISION IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND ONE HUNDRED (100) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF ONE HUNDRED (100) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED IN DEED RECORDED MARCH 19, 1953 AS INSTRUMENT NO. 2743 IN BOOK 41257, PAGE 62 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

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20181075963



Pages:
0048

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

10/23/18 AT 08:00AM

FEES: 178.00

TAXES: 0.00

OTHER: 0.00

PCOR SURCHARGE \$20.00

PAID: 178.00



LEADSHEET



201810230230036

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SEQ:
03

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E15-228807-2

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Avenue 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Easement Agreement

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

RECORDING REQUESTED BY:
STEWART TITLE OF CALIFORNIA

AND WHEN RECORDED MAIL TO:

MORGAN, LEWIS & BOCKIUS, LLP
300 SOUTH GRAND AVE., 22ND FLOOR
LOS ANGELES, CA 90071-3132

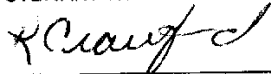
ORDER NO: 228807-2

APN :

TRA :

DTT : \$0.00 - THIS IS A CONVEYANCE OF AN EASEMENT AND THE CONSIDERATION AND VALUE IS LESS THAN
\$100.00 - R & T 11911

STEWART TITLE OF CALIFORNIA, INC.



BY: K. CRAWFORD - TITLE OFFICER

EASEMENT AGREEMENT
TITLE OF DOCUMENT

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 ADDITIONAL RECORDING FEE APPLIES)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Morgan, Lewis & Bockius LLP
300 South Grand Avenue, 22nd Floor
Los Angeles, CA 90071-3132
Attention: Paul M. Williams, Esq.

2288072

(Space Above For Recorder's Use)

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (this "**Agreement**") is made and dated as of October ____, 2018 (the "**Effective Date**"), by and between New Commune DTLA, LLC, a California limited liability company ("**Grantor**"), and AES Redondo Beach, L.L.C., a Delaware limited liability company ("**Grantee**"). Grantee and Grantor may be referred to herein individually as a "**Party**" and collectively as the "**Parties**".

RECITALS:

A. Grantor owns or will own that certain real property located in the City of Redondo Beach, County of Los Angeles, State of California, more particularly described in **Exhibit A** attached hereto (the "**Grantor Parcel**").

B. Grantee is the owner of certain real property located immediately contiguous and adjacent to the Grantor Parcel, more particularly described in **Exhibit B** attached hereto (the "**Grantee Parcel**").

C. Grantor and Grantee have entered into that certain Purchase and Sale Agreement dated as of October 5, 2018 (the "**Purchase Agreement**"), pursuant to which Grantee is selling to Grantor the Grantee Parcel and the Grantor Parcel in two separate Closings (as defined in the Purchase Agreement). As a condition to the close of escrow as to the Grantor Parcel, upon such close of escrow, this Agreement shall be executed by Grantor and Grantee and recorded in the Official Records of Los Angeles County, California.

D. Grantee has requested, and Grantor has agreed to grant, a non-exclusive easement to Grantee on, over, under and across the Grantor Parcel, as more particularly described and/or depicted on **Exhibit C** attached hereto (the "**Easement Area**") to access and use any equipment (including but not limited to discharge pipes) located on the Grantor Parcel necessary to operate the Facility (as defined in the Purchase Agreement). The easement within the Easement Area shall be for the purposes, and on the terms, provisions, covenants and conditions set forth in this Agreement.

Said document signed in counterparts

A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. The foregoing Recitals are hereby incorporated in this Agreement by reference.
2. Grantor hereby grants to Grantee, its successors and assigns, a non-exclusive easement appurtenant for the benefit of the Grantee Parcel on, over, under and across the Easement Area for: (a) installing, operating and maintaining (including replacement and repair) any above- or underground- utilities, fixtures, equipment and improvements located on the Grantor Parcel necessary to operate the Facility, including, but not limited to, discharge pipes (collectively, the “Equipment”), and (b) ingress and egress and access purposes, including as more particularly described and/or depicted on Exhibit C attached hereto (the “Easement”). For the purposes of installing, operating and maintaining the Equipment, Grantee shall have the right of ingress to and egress over, under and across the Easement Area and the portions of the Grantor Parcel immediately adjacent thereto, to the extent reasonably necessary, to access the Easement Area.
3. Grantor shall not unreasonably interfere with Grantee’s use of the Easement Area for the purposes described in this Agreement. Subject to the immediately preceding sentence, Grantor reserves the right to make any and all improvements, in its reasonable discretion, to the Easement Area; it being understood, however that (i) in no event shall any use or activities by Grantor require, or result in, the de-activation or suspension of the operation of the Facility, and (ii) Grantee shall have the right to remove any structures or obstructions placed in the Easement Area, if Grantee reasonably determines that the safe or normal construction, maintenance or operation of the Facilities would be affected thereby.
4. The term of this Agreement (the “Term”) shall commence on the Effective Date and expire on the later of: (a) the close of escrow on the sale of the Grantee Parcel to Grantor pursuant to the Purchase Agreement, and (b) if the Option (as defined in the Purchase Agreement) is exercised by Grantee, the expiration of the Ground Lease (as defined in the Purchase Agreement).
5. During the Term, all Equipment which are or have been installed by Grantee in the Easement Area shall be and remain the personal property of Grantee and its successors and assigns, and shall not be deemed by Grantor as affixed to the Grantor Parcel. Grantee shall have the right to remove the Equipment from the Easement Area at any time until the expiration of the Term. Upon the expiration of the Term, Grantee shall have no obligation to remove any of the Equipment, and the Parties’ obligations with respect to the Equipment shall be governed by the Purchase Agreement (including the Ground Lease referred to therein). Grantor acknowledges and agrees that it does not and shall not have any ownership interest in or to any part of the Equipment, except as otherwise provided in this Section 5.
6. The Easement shall run until the expiration of the Term. The Easement is an appurtenance to the Grantee Parcel and may not be transferred, assigned or encumbered except as

an appurtenance to the Grantee Parcel. For the purposes of the Easement, the Grantee Parcel shall constitute the dominant estate and the burdened Grantor Parcel shall constitute the servient estate.

7. Nothing contained in this Agreement shall be construed as creating any rights for or on behalf of the general public or as dedicating for public use any portion of the Easement Area, the Grantee Parcel or the Grantor Parcel. Furthermore, the Parties agree that no governmental agency, person or entity other than the Parties themselves will have the right to enforce any of the terms or provisions of this Agreement, it being intended that there be no third-party beneficiaries of this Agreement.

8. Grantee, at Grantee's sole cost and expense, shall repair, restore and replace any damage to the Grantor Parcel caused by the use of the Easement granted herein. In the event of such damage, Grantee shall promptly repair, reconstruct, restore or replace such damaged or destroyed portion of the Grantor Parcel and/or the Easement Area to substantially the same condition such area was in immediately prior to the occurrence of such damage or destruction. Grantee shall complete such repair, restoration or replacement work as soon as reasonably practicable following written notice by Grantor of such damage requiring repair, restoration or replacement.

9. Grantee shall not permit any liens to be placed on the Grantor Parcel arising from work performed for or materials furnished to Grantee and if any such lien is placed on the Grantor Parcel, Grantee promptly shall either cause such lien to be removed or else cause a payment bond to be issued for the principal value of any such lien.

10. The Parties further intend that, should any Party undertake, or cause to be undertaken, any activity in violation of this Agreement, or refuse after reasonable notice from the other Party to stop any activity in violation of this Agreement, then the other Party will have the right to obtain injunctive relief or writs from courts of competent jurisdiction in the County of Los Angeles, State of California, to stop any prohibited activity. The Parties will have the right to seek temporary restraining orders, preliminary injunctions, and similar provisional, equitable relief in a court of competent jurisdiction, provided that the Party seeking such relief has: (i) determined in good faith that the exigencies of the breach or threatened breach require such immediate relief; and (ii) given the other Party notice and an opportunity to cure such breach or threatened breach.

11. All notices, demands or other communications of any type given, or required to be given, pursuant to this Agreement shall be in writing and delivered in person with receipt requested therefor, sent by postage prepaid certified mail with a return receipt requested, or sent by a recognized overnight service for next business day delivery to the party to whom the notice is directed at the addresses that follow:

To Grantor:

New Commune DTLA, LLC
9300 Wilshire Suite 420
Beverly Hills CA 90212
Email: leo@slhinvestments.com

To Grantee:

AES Redondo Beach, L.L.C.
690 N. Studebaker Road
Long Beach, CA 90803
Attn: Eric Pendergraft
E-mail: eric.pendergraft@aes.com

Notice and demands will be deemed effective upon receipt or refusal thereof. The person and place to which notices are to be given may be changed by written notice to the other party(ies) in accordance with this Section 11.

12. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE EASEMENT AREA OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. GRANTEE REPRESENTS THAT IT HAS HAD THE OPPORTUNITY TO CONDUCT ANY AND ALL INSPECTIONS OF THE EASEMENT AREA TO ITS FULL AND COMPLETE SATISFACTION. GRANTEE ACKNOWLEDGES THAT IT IS FULLY CAPABLE OF EVALUATING THE EASEMENT AREAS' SUITABILITY FOR GRANTEE'S INTENDED USE. THE EASEMENT ARE BEING GRANTED HEREUNDER AND GRANTEE AGREES TO ACCEPT THE EASEMENT AREA "AS IS," "WHERE IS" AND "WITH ALL FAULTS" AND SUBJECT TO ANY CONDITION WHICH MAY EXIST, WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND, INCLUDING, BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO TITLE, CONDITION, OR FITNESS FOR ANY PURPOSE.

13. This Agreement covers all the agreements between the Parties with respect to the subject matter hereof and, other than as expressly set forth in this Agreement, no representations or statements, oral or written, have been made which modify, add to, or change the terms of this Agreement.

14. Failure to enforce any term, covenant, condition, restriction or other obligation herein contained shall not be deemed a waiver of such term, covenant, condition, restriction or other obligation on any future breach of the same or any other term, provision, covenant, condition, restriction or other obligation contained herein.

15. This Agreement will be governed by the laws of the State of California without regard to any conflicts of laws or choice of law provisions thereof. In the case of any action or proceeding brought to enforce the terms and provisions of this Agreement, the unsuccessful Party in any such action or proceeding will, on the entry of a final, non-appealable judgment, pay for all costs, expenses and reasonable attorneys' fees actually incurred by the prevailing Party in enforcing the covenants and agreements of this Agreement, including on appeal or enforcing a judgment.

16. If any term of this Agreement is, at any time or to any extent, invalid, illegal or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid, illegal or unenforceable,

will not be affected, and each term, covenant, condition and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law, unless to do so would deprive a Party of the benefit of this Agreement.

17. This Agreement may be executed in two or more counterparts, and each such counterpart, when taken together with all other counterparts, shall be deemed one and the same original instrument.

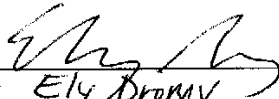
[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement on the date and year first above written.

“GRANTOR”

NEW COMMUNE DTLA, LLC,
a California limited liability company

DOWNTOWN SEARS, LLC,
a California limited liability company,
as Manager of New Commune DTLA, LLC,
a California limited liability company

By: 
Name: Ely Dromy
Title: member

“GRANTEE”

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

[ACKNOWLEDGEMENTS ON FOLLOWING TWO PAGES]

GRANTOR ACKNOWLEDGEMENT

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)

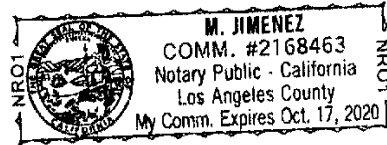
On 10-19-18 before me, M. Jimenez, Notary Public,
(here insert name and title of the officer)

personally appeared Ely Dromy, 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)



IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement on the date and year first above written.

“GRANTOR”


NEW COMMUNE DTLA, LLC,
a California limited liability company

DOWNTOWN SEARS, LLC,
a California limited liability company,
as Manager of New Commune DTLA, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

“GRANTEE”

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By:  _____
Name: Eric Pendergraft
Title: Manager

[ACKNOWLEDGEMENTS ON FOLLOWING TWO PAGES]

GRANTEE ACKNOWLEDGEMENT

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 October 17, 2018 before me, Margaret McKinney, Notary Public
(here insert name and title of the officer)
personally appeared Eric Pendergraft, 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 Margaret McKinney (Seal)



GRANTOR ACKNOWLEDGEMENT

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 _____)
County of _____)

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

GRANTOR PARCEL

FEE PARCELS

PARCEL 3:

LOTS 74 THROUGH 78 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING FROM LOT 76 ABOVE, ALL WATER WHICH MAY BE DEVELOPED ON SAID LOT IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS EXCEPTED IN DEED RECORDED OCTOBER 11, 1946 IN BOOK 23806, PAGE 324 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOTS 77 AND 78, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910, IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOTS 74, 75 AND 76, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET

BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET OUT IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-821)

PARCEL 4:

LOTS 84 THROUGH 88 OF TRACT NO. 1326, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 18, PAGE 67 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-821)

PARCEL 5:

A PARCEL OF LAND, SHOWN AS AN ALLEY, 12.00 FEET WIDE, ON THE MAP OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH ADJOINS LOTS 74 THROUGH 78 OF SAID OCEAN BEACH SUBDIVISION TRACT ON THE EAST; AND ALSO SHOWN ON THE MAP OF TRACT NO. 1326, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 18, PAGE 67 OF MAPS, ADJOINING LOTS 84 THROUGH 88, ON THE WEST, WHICH WAS VACATED BY ORDINANCE NO. 1107 AND RESOLUTION NO. 1544, BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF WHICH RECORDED MARCH 1, 1947 AS INSTRUMENT NO. 958 IN BOOK 24285, PAGE 267 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS RESERVED BY EDISON SECURITIES COMPANY IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOTS 77 AND 78.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN

CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET FORTH IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOTS 74, 75, 76 AND 84 THROUGH 88.

(APN: PORTION OF 7503-013-821)

PARCEL 6:

LOT 89 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SHOWN ON SAID MAP, ADJOINING SAID LOT 89 ON THE EAST; VACATED BY ORDINANCE NO. 233 IN THE CITY OF REDONDO BEACH AND ORDINANCE NO. 635 IN THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID ORDINANCE NO. 635 RECORDED AUGUST 30, 1924 AS INSTRUMENT NO. 441 IN BOOK 3176, PAGE 310 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS

**RESERVED BY EDISON SECURITIES COMPANY, IN DEED
RECORDED DECEMBER 17, 1952 AS INSTRUMENT NO. 2573, IN
BOOK 40545, PAGE 272 OF OFFICIAL RECORDS.**

(APN: PORTION OF 7503-013-822)

PARCEL 8:

**LOTS 72 AND 90 OF THE OCEAN BEACH SUBDIVISION, IN THE
CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2,
PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER
OF SAID COUNTY.**

**TOGETHER WITH THAT PORTION OF HERMOSA AVENUE, NOW
KNOWN AS HARBOR DRIVE AS SHOWN ON SAID MAP, VACATED
BY ORDINANCE NO. 233 IN SAID CITY OF REDONDO BEACH, AND
ORDINANCE NO. 635 IN THE CITY OF REDONDO BEACH, A
CERTIFIED COPY OF SAID ORDINANCE NO. 635, RECORDED
AUGUST 30, 1924 AS INSTRUMENT NO. 441 IN BOOK 3176, PAGE 310
OF OFFICIAL RECORDS, ADJOINING SAID LOT 90 ON THE
NORTHEAST.**

**EXCEPTING THEREFROM, THE SOUTHERLY 20.00 FEET OF LOT
72 AND THE SOUTHERLY 20.00 FEET OF LOT 90, BOTH IN THE
OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2,
PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER
OF SAID LOS ANGELES COUNTY, AS CONVEYED TO THE CITY OF
REDONDO BEACH, IN DEED RECORDED JANUARY 12, 1970 AS
INSTRUMENT NO. 1961 OF OFFICIAL RECORDS.**

**ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM
AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND
UNDER THE LAND, TOGETHER WITH THE RIGHT TO USE THAT
PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE
PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF
SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR,
DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, ETC. FROM
SAID LAND BY MEANS OF WELLS DRILLED INTO SAID
SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON
OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED
THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS
AND ASSIGNS SHALL HAVE NO RIGHT TO ENTER UPON THE
SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PART**

THEREOF, TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 29, 1952 AS INSTRUMENT NO. 1609 IN BOOK 40606, PAGE 311 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

PARCEL 9:

THAT PORTION OF TENTH STREET, FORMERLY NINTH STREET, AS SAME IS SHOWN AND DESIGNATED AS 9TH STREET ON A MAP OF TRACT NO. 1326 ON FILE IN BOOK 18, PAGE 67 OF MAPS, AND AS SHOWN ON THE MAP OF OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, WHICH EXTENDS FROM THE WESTERLY LINE OF HERMOSA AVENUE, WESTERLY TO THE EASTERLY LINE OF THE STRAND.

TOGETHER WITH THAT PORTION OF THAT CERTAIN PUBLIC ALLEY WHICH LIES WESTERLY OF AND ADJOINS THE WESTERLY LINE OF LOT 89 OF OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND WHICH EXTENDS FROM THE SOUTHERLY LINE OF SAID ABOVE MENTIONED TENTH STREET, SOUTHERLY TO A LINE WHICH IS PARALLEL WITH AND 50.00 FEET NORTHERLY, MEASURED AT RIGHT ANGELES, FROM THE SOUTHERLY LINE AND ITS WESTERLY PROLONGATION OF LOT 90 OF SAID OCEAN BEACH SUBDIVISION, AS VACATED BY ORDINANCE NO. 1360, RESOLUTION NO. 2401, A CERTIFIED COPY OF WHICH RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027, PAGE 34 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND

BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 17, 1952 AS INSTRUMENT NO. 2573 IN BOOK 40545, PAGE 272 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOT 89.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND ONE HUNDRED (100) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF ONE HUNDRED (100) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED IN DEED RECORDED MARCH 19, 1953 AS INSTRUMENT NO. 2743 IN BOOK 41257, PAGE 62 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 73 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY

UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET OUT IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 88 OF SAID TRACT NO. 1326, AND ADJACENT TO LOT 74 OF SAID OCEAN BEACH SUBDIVISION.

(APN: PORTION OF 7503-013-822)

PARCEL 13:

LOT 73 OF OCEAN BEACH SUBDIVISION IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND ONE HUNDRED (100) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF ONE HUNDRED (100) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED IN DEED RECORDED MARCH 19, 1953 AS INSTRUMENT NO. 2743 IN BOOK 41257, PAGE 62 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

(End of Legal Description)

EXHIBIT B

GRANTEE PARCEL

Real property in the City of Redondo Beach, County of Los Angeles, State of California, described as follows:

FEE PARCELS

PARCEL 1:

PARCEL A:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NONTANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST, 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST, 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30

DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE SOUTH 29 DEGREES 45' 52" EAST 436.55 FEET; THENCE NORTH 67 DEGREES 11' 23" EAST 326.56 FEET; THENCE SOUTH 25 DEGREES 51' 24" EAST 170.00 FEET; THENCE NORTH 37 DEGREES 06' 28" EAST 276.06 FEET; THENCE NORTH 04 DEGREES 49' 32" WEST 633.11 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.58 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04 DEGREES 39' 00", AN ARC DISTANCE OF 462.57 FEET; THENCE NORTH 09 DEGREES 28' 32" WEST 747.90 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.78 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 18' 00", AN ARC DISTANCE OF 29.84 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 2834.79 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 36' 00", AN ARC DISTANCE OF 29.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1879.86 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 44' 38", AN ARC DISTANCE OF 24.40 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04 DEGREES 50' 26", AN ARC DISTANCE OF 118.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075 PAGE 291, OFFICIAL RECORDS.

ALSO, EXCEPTING THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN; ALL MINERAL AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING WITHOUT LIMITING THE GENERALITY OF

THE FOREGOING, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER, OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LANDS; AND ALSO EXCEPTING AND RESERVING UNTO GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS OR ASSIGNS FOREVER, THE RIGHT TO DRILL WELLS AND BORE HOLES IN, UNDER AND THROUGH THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF EXPLORING FOR AND/OR PRODUCING OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM OTHER LANDS BY MEANS OF WELLS OR BORE HOLES HAVING THEIR SURFACE LOCATIONS ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF THE LAND HEREBY CONVEYED, OR TO USE THE LAND HEREBY CONVEYED OR ANY PORTION THEREOF TO SAID DEPTH OF 500 FEET FOR ANY PURPOSE WHATSOEVER; AS RESERVED BY HENRY F. ZASLOW AND MARILYN ZASLOW, HUSBAND AND WIFE, IN DEED RECORDED JUNE 4, 1958 AS INSTRUMENT NO. 3580, IN BOOK D-117 PAGE 387, OFFICIAL RECORDS.

ALSO, EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650, OFFICIAL RECORDS.

(APN: 7503-013-014 AND -015)

PARCEL B:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE NORTH 29 DEGREES 45' 52" WEST 106.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1915.00 FEET; THENCE

NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 05 DEGREES 07' 53", AN ARC DISTANCE OF 171.51 FEET; THENCE NORTH 24 DEGREES 37' 58" WEST 1504.57 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 889.17 FEET; THENCE SOUTH 21 DEGREES 18' 24" EAST 45.00 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 75.26 FEET; THENCE NORTH 07 DEGREES 36' 36" EAST 51.39 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 190.18 FEET TO A POINT ON A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 995.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 30' 36", AN ARC DISTANCE OF 60.95 FEET TO THE POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 22' 36" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09 DEGREES 39' 49", AN ARC DISTANCE OF 236.58 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL WATER WHICH MAY BE DEVELOPED THEREON IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS RESERVED BY REDONDO IMPROVEMENT COMPANY IN DEED RECORDED JANUARY 21, 1949 AS INSTRUMENT NO. 526 IN BOOK 29219, PAGE 225 OF OFFICIAL RECORDS

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUB-SURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND/OR OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, OR FOR ANY OTHER PURPOSES WHATSOEVER, AS RESERVED BY EDISON SECURITIES

COMPANY, A CORPORATION IN DEED RECORDED JANUARY 20, 1950 AS INSTRUMENT NO. 1252 IN BOOK 32030, PAGE 47 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, A BODY CORPORATE AND POLITIC, IN DEED RECORDED AUGUST 8, 1972 AS INSTRUMENT NO. 2293, IN BOOK D-5559, PAGE 809 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL IMPROVEMENTS WHICH CONSTITUTE "EXCLUDED ASSETS" UNDER THE ASSET SALE AGREEMENT, INCLUDING WITHOUT LIMITATION THOSE IMPROVEMENTS LOCATED ON THE LAND WHICH ARE SHOWN AS TO BE OWNED BY SOUTHERN CALIFORNIA EDISON COMPANY ON SCHEDULES 2.2(A), 2.2(B) OR 2.2(C) TO THE ASSET SALE AGREEMENT OR THE DRAWINGS ATTACHED THERETO, AS SET OUT IN EXHIBIT "D" TO THAT CERTAIN GRANT DEED RECORDED MAY 18, 1998 AS INSTRUMENT NO. 98-829453 OF OFFICIAL RECORDS.

(APN: 7503-013-819 AND -820)

LEASEHOLD PARCELS

PARCEL 14:

THOSE CERTAIN TIDE AND SUBMERGED LANDS AND ADJACENT UPLANDS AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT;

FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR, ALTERATION, ENLARGEMENT, IMPROVEMENT AND/OR REPLACEMENT F TWO OR MORE WATER CONDUITS AND APPURTENANCES, INCLUDING MANHOLE STRUCTURES FOR THE PURPOSE OF AFFORDING ACCESS TO SAID CONDUITS, AND INCLUDING NECESSARY OFF-SHORE STRUCTURES AND PROTECTIVE WORKS FOR THE PURPOSE OF CONVEYING AND DISCHARGING CIRCULATING COOLING WATER BETWEEN THE PACIFIC OCEAN AND THE REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT; AS PROVIDED AND SET FORTH IN THE LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909436 OF OFFICIAL RECORDS.

LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, WHICH LIES PARTLY ABOVE AND PARTLY BELOW THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN AND IS BOUNDED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE STRAND, A PUBLIC STREET, WITH THE SOUTHEASTERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH; THENCE NORTH 39 DEGREES 32' WEST, 570 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE NORTHWESTERLY LINE OF EIGHTH STREET IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST, ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST, 1,901.53 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST, 600 FEET; THENCE NORTH 18 DEGREES 08' 53" EAST, 1,771.38 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF SIXTH STREET; THENCE NORTH 52 DEGREES 16' EAST, ALONG SAID LAST MENTIONED PROLONGATION, 89.13 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THE USE OF THE SURFACE AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE STRAND, A PUBLIC STREET, WITH THE SOUTHEASTERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH; THENCE NORTH 39 DEGREES 32' WEST 570.00 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND, WITH THE NORTHWESTERLY LINE OF EIGHTH STREET IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300.00 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST 1641.15 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 18 DEGREES 08' 53" WEST 260.38 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST 387.02 FEET; THENCE NORTH 37 DEGREES 55' 12" WEST 466.46 FEET TO SAID TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, THOSE PORTIONS OF TIDE AND SUBMERGED LANDS AND ADJACENT UPLANDS AND WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY CORNER OF LOT 53 OF THE OCEAN BEACH SUBDIVISION AS PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT OF BEGINNING ALSO BEING THE INTERSECTION OF THE SOUTHEASTERLY LINE OF THE STREET NOW KNOWN AS SIXTH STREET AND THE NORTHEASTERLY LINE OF THE STRAND, FORMERLY A PUBLIC STREET; THENCE ALONG SAID NORTHEASTERLY LINE OF THE STRAND NORTH 39 DEGREES 32' WEST 570.00 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE NORTHWESTERLY LINE OF THE STREET NOW KNOWN AS EIGHTH STREET, IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST, ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300.00 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST, 1641.15 FEET; THENCE SOUTH 37 DEGREES 55' 12" EAST 466.46 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST 212.98 FEET; THENCE NORTH 18 DEGREES 08' 53" EAST 1771.38 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF SIXTH STREET; THENCE NORTH 52 DEGREES 16' EAST, ALONG SAID LAST MENTIONED PROLONGATION, 89.13 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, FROM SAID LAST ABOVE MENTIONED EXCEPTION, THAT PORTION THEREOF WHICH IS TO BE RETAINED BY SAID LESSEE DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY CORNER OF LOT 58 OF SAID OCEAN BEACH SUBDIVISION AS PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER, SAID LAST MENTIONED POINT OF BEGINNING ALSO BEING THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE SOUTHEASTERLY LINE OF THE STREET NOW KNOWN AS SEVENTH STREET IN SAID CITY OF REDONDO BEACH; THENCE ALONG SAID NORTHEASTERLY LINE OF SAID STRAND, NORTH 39 DEGREES 32' WEST, 28.01 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 52 DEGREES 15' 50" WEST, 69.11 FEET; THENCE SOUTH 17 DEGREES 33' 19" WEST, 1669.09 FEET; THENCE SOUTH 12 DEGREES 23' 56" EAST 249.54 FEET; THENCE SOUTH 52 DEGREES 04' 48" WEST, 70.00 FEET; THENCE NORTH 37 DEGREES 55' 12" WEST, 223.70 FEET; THENCE NORTH 53 DEGREES 00' 00" EAST 48.52 FEET; THENCE NORTH 17 DEGREES 33' 19" EAST, 1796.73 FEET; THENCE NORTH 52 DEGREES 15' 50" EAST, 90.97 FEET, MORE OR LESS, TO SAID NORTHEASTERLY LINE OF THE STRAND; THENCE ALONG SAID NORTHEASTERLY LINE OF THE STRAND; SOUTH 39 DEGREES 32' EAST, 70.03 FEET, MORE OR LESS, TO SAID TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LAND HEREBY LEASED, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LANDS WHICH UNDERLIES A PLANE PARALLEL TO AND TWO HUNDRED (200) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LANDS BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LANDS FROM DRILL SITES LOCATED ON OTHER LAND.

PARCEL 15:

THE FOLLOWING DESCRIBED TIDE AND SUBMERGED LANDS, ADJACENT UPLANDS AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT;

FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR, ALTERATION, ENLARGEMENT, IMPROVEMENT AND/OR REPLACEMENT OF TWO WATER CONDUITS AND APPURTENANCES, MANHOLE STRUCTURES, OFF-SHORE STRUCTURES AND PROTECTIVE WORKS, FOR THE CONVEYANCE AND DISCHARGE OF CIRCULATING COOLING WATER BETWEEN THE PACIFIC OCEAN TO THE LESSEES' REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT, AS PROVIDED AND SET FORTH IN THE LEASE DATED DECEMBER 28, 1964 RECORDED MARCH 25, 1965 AS INSTRUMENT NO. 4396, IN BOOK M1812, PAGE 282 OF OFFICIAL RECORDS; AND AS AMENDED BY MODIFICATION OF LEASE DATED AS OF NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-

1909437 OF OFFICIAL RECORDS; AND AS PROVIDED AND SET FORTH IN LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909434 OF OFFICIAL RECORDS, WHICH SAID LAST MENTIONED LEASE BY ITS TERMS COMMENCES ON JANUARY 28, 2031; LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

PARCEL A:

THAT PORTION OF THE REAL PROPERTY IN THE RANCHO SAN PEDRO LYING WITHIN THE LAND DESCRIBED IN THE DEED FROM CATHERINE T. ELLIS TO THE CITY OF REDONDO BEACH DATED DECEMBER 9, 1960 AND RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750 IN BOOK D, 1080, PAGE 240 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE REAL PROPERTY DESCRIBED IN SAID DEED RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750 IN BOOK D1080 PAGE 240, OF SAID OFFICIAL RECORDS, SAID POINT ALSO BEING IN THE NORTHEASTERLY LINE OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SAID HERMOSA AVENUE IS SHOWN 70 FEET WIDE ON THE MAP OF OCEAN BEACH SUBDIVISION RECORDED IN BOOK 2 PAGE 35, OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF AID COUNTY; THENCE ALONG THE NORTHEASTERLY LINE OF SAID HARBOR DRIVE (HERMOSA AVENUE), SOUTH 29 DEGREES 48' 06" EAST, 214.76 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 2869.68 FEET AND A CENTRAL ANGLE OF 00 DEGREES 29' 21"; THENCE SOUTHEASTERLY, ALONG THE ARC OF SAID CURVE, 24.50 FEET; THENCE NORTH 12 DEGREES 02' 38" WEST, 241.91 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF THE REAL PROPERTY DESCRIBED IN SAID DEED RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750, IN BOOK D1080 PAGE 240 OF SAID OFFICIAL RECORDS; THENCE SOUTH 67 DEGREES 04' 04" WEST, ALONG SAID NORTHWESTERLY LINE, 74.20 FEET TO THE POINT OF BEGINNING.

(APN: 7503-013-013)

PARCEL B:

THOSE PORTIONS OF THE TOWNSITE OF REDONDO BEACH, AS PER MAP RECORDED IN BOOK 39 PAGES 1 TO 17, INCLUSIVE, OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND OF "OCEAN BEACH SUBDIVISION" AS PER MAP RECORDED IN BOOK 2 PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, INCLUDING THE PORTIONS THEREOF SHOWN AND DESIGNATED ON SAID MAPS AS "SURF WAY" AND "STRAND", DESCRIBED AS A WHOLE, AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A SPIKE AND TIN SET IN THE CENTERLINE OF SAID HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SAID AVENUE IS SHOWN 70 FEET WIDE ON SAID MAP OF OCEAN BEACH SUBDIVISION RECORDED IN BOOK 2 PAGE 35, OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER, SAID POINT BEARS NORTH 37 DEGREES 32' 36" WEST, 179.28 FEET FROM A BRASS CAP MONUMENT MARKED H-5, AS SAID MONUMENT IS SHOWN ON RECORD OF SURVEY MAP, SHOWING "SURVEY OF A CONTROL LINE ESTABLISHED FOR THE CITY OF REDONDO BEACH", FILED IN BOOK 78, PAGE 100, OF RECORDS OF SURVEY IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 24 DEGREES 25' 04" WEST, 45.27 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY LINE OF SAID HARBOR DRIVE, 70 FEET WIDE; THENCE NORTH 26 DEGREES 12' 51" WEST, 45.27 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH 24 DEGREES 25' 04" WEST, 1678 FEET; THENCE SOUTH 65 DEGREES 34' 56" EAST, 70.00 FEET; THENCE NORTH 24 DEGREES 25' 04" EAST, 1622 FEET, MORE OR LESS TO A POINT IN THE SOUTHWESTERLY LINE OF SAID HARBOR DRIVE; THENCE NORTH 26 DEGREES 12' 51" WEST, 90.34 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

EXCEPTING THEREFROM, PORTIONS OF THE SURFACE INCLUDING BUT NOT LIMITED TO BUILDINGS, PARKING AND LANDSCAPING AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LANDS HEREBY LEASED, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LANDS WHICH UNDERLIES A PLANE PARALLEL TO AND TWO HUNDRED (200) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LANDS FROM DRILL SITES LOCATED ON OTHER LAND.

PARCEL 16:

THE FOLLOWING DESCRIBED TIDE AND SUBMERGED LANDS AND ADJACENT UPLAND AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT; FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR OR REPLACEMENT OF ONE OR MORE WATER INTAKE CONDUITS AND APPURTENANCES, INCLUDING NECESSARY OFF-SHORE STRUCTURES FOR THE PURPOSE OF CARRYING AND DISCHARGING CIRCULATING COOLING WATER, BETWEEN THE PACIFIC OCEAN AND THE REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT, AS PROVIDED

AND SET FORTH IN LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909435 OF OFFICIAL RECORDS.

LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

PARCEL A:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET, IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921 AND RECORDED JUNE 30, 1922 IN BOOK 1127, PAGE 326 OF OFFICIAL RECORDS OF SAID COUNTY OF LOS ANGELES.

PARCEL B:

THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS, IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, WESTERLY TO THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, AND FROM THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET, IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA.

PARCEL C:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH LYING WITHIN THE STRAND, FORMERLY A PUBLIC STREET, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, SAID POINT BEING SOUTH 20 DEGREES 45' 50" EAST 334.04 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION OF SAID WESTERLY BOUNDARY LINE WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 65 DEGREES 20' 44" EAST 40.12 FEET TO THE EASTERLY BOUNDARY LINE OF THE STRAND; THENCE SOUTHERLY ALONG SAID EASTERLY BOUNDARY LINE OF THE STRAND 94.89 FEET; THENCE SOUTH 65 DEGREES 20' 44" WEST 33.51 FEET TO A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, SAID POINT BEING 94.21 FEET DISTANT FROM THE TRUE POINT OF BEGINNING; THENCE ALONG SAID WESTERLY BOUNDARY OF THE STRAND NORTH 20 DEGREES 45' 50" WEST 94.21 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, THE USE OF THE SURFACE, AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, THAT PORTION OF THE DEMISED PREMISES LYING BETWEEN THE STRAND AND THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, AND EXTENDING FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, WHICH PORTIONS ARE DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY COMPANY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921, AND RECORDED JUNE 30, 1922 IN BOOK 1127, PAGE 326 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY OF LOS ANGELES.

AND THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, WESTERLY TO THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH AND FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE OF CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA, AS PARTIALLY CANCELLED IN MODIFICATION OF SAID LEASE, DATED FEBRUARY 27, 1948.

ALSO EXCEPTING THEREFROM, THAT CERTAIN PORTION OF THE DEMISED PREMISES LYING BETWEEN THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH AND THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET, AND EXTENDING FROM THE WESTERLY LINE OF THE STRAND, WESTERLY TO A LINE WHICH IS PARALLEL WITH AND THREE HUNDRED (300) FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THE STRAND; WHICH PORTIONS ARE DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SOUTHERLY, TO THE WESTERLY

PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY COMPANY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921, AND RECORDED JUNE 30, 1922, IN BOOK 1127, PAGE 326, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

AND THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN WESTERLY TO A LINE WHICH IS PARALLEL WITH AND 300 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THE STRAND, A PUBLIC STREET, AND FROM THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE OF CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA, AS PARTIALLY CANCELLED IN MODIFICATION OF SAID LEASE DATED JUNE 1, 1954.

ALSO EXCEPTING THEREFROM, THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, A PUBLIC STREET, WHICH POINT IS SOUTH 20 DEGREES 45' 50" EAST, 444.78 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION THEREOF WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE SOUTH 71 DEGREES 00' 56" WEST, 982.53 FEET; THENCE SOUTH 65 DEGREES 19' 26" WEST, 432.99 FEET; THENCE SOUTH 58 DEGREES 57' 41" WEST, 594.24 FEET; THENCE SOUTH 22 DEGREES 55' 56" EAST, 50 FEET MORE OR LESS, TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET AS VACATED BY RESOLUTION NO. 2401, ADOPTED JUNE 8, 1952, BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID RESOLUTION BEING RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027 PAGE 34, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 67 DEGREES 04' 04" EAST, 2000 FEET, MORE OR LESS, ALONG SAID WESTERLY PROLONGATION TO SAID WESTERLY BOUNDARY LINE OF THE STRAND; THENCE NORTHWESTERLY ALONG SAID WESTERLY BOUNDARY LINE TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, THAT PORTION PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH DESCRIBED, AS A WHOLE, AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, FORMERLY A PUBLIC STREET, WHICH POINT IS SOUTH 20 DEGREES 45' 50" EAST

334.04 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION THEREOF WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE SOUTH 65 DEGREES 20' 44" WEST 112.45 FEET; THENCE SOUTH 79 DEGREES 05' 48" WEST 351.27 FEET; THENCE SOUTH 65 DEGREES 20' 44" WEST 1251.36 FEET; THENCE NORTH 86 DEGREES 49' 58" WEST 189.67 FEET; THENCE NORTH 63 DEGREES 22' 21" WEST 114.12 FEET; THENCE SOUTH 26 DEGREES 37' 39" WEST 70.00 FEET; THENCE SOUTH 63 DEGREES 22' 21" EAST 261.17 FEET; THENCE NORTH 65 DEGREES 20' 44" EAST 1373.30 FEET; THENCE NORTH 79 DEGREES 05' 48" EAST 452.24 FEET; THENCE NORTH 65 DEGREES 20' 44" EAST 16.42 FEET TO SAID WESTERLY BOUNDARY LINE; THENCE ALONG SAID WESTERLY BOUNDARY LINE SOUTH 20 DEGREES 45' 50" EAST 16.52 FEET, MORE OR LESS, TO A POINT IN SAID WESTERLY BOUNDARY LINE THAT IS NORTH 20 DEGREES 45' 50" WEST 79.39 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, AS VACATED BY RESOLUTION NO. 2401 ADOPTED JUNE 8, 1952 BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID RESOLUTION BEING RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027, PAGE 34 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 71 DEGREES 00' 56" WEST 982.53 FEET; THENCE SOUTH 65 DEGREES 19' 26" WEST, 432.99 FEET; THENCE SOUTH 58 DEGREES 57' 41" WEST 594.24 FEET; THENCE SOUTH 22 DEGREES 55' 56" EAST 50.00 FEET; MORE OR LESS, TO SAID WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET; THENCE SOUTH 67 DEGREES 04' 04" WEST, ALONG SAID PROLONGATION, TO THE WESTERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE NORTHERLY ALONG SAID LAST MENTIONED WESTERLY BOUNDARY LINE TO THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE NORTH 68 DEGREES 43' 31" EAST, ALONG SAID NORTHERLY BOUNDARY LINE TO ITS INTERSECTION WITH A LINE THAT IS PARALLEL WITH AND 300 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM SAID WESTERLY LINE OF THE STRAND; THENCE SOUTHERLY ALONG SAID PARALLEL LINE, TO ITS INTERSECTION WITH THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET; THENCE EASTERLY, ALONG SAID LAST MENTIONED WESTERLY PROLONGATION, TO SAID WESTERLY LINE OF THE STRAND; THENCE SOUTHERLY, ALONG SAID LAST MENTIONED WESTERLY LINE, TO THE POINT OF BEGINNING.

EASEMENT PARCEL

PARCEL 17:

AN EASEMENT FOR ACCESS ROAD PURPOSES, AS SET OUT IN AN ACCESS ROAD EASEMENT, RECORDED FEBRUARY 9, 1977 AS INSTRUMENT NO. 77-144416 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS:

FOUR STRIPS OF LAND EACH 12.00 FEET WIDE LYING WITHIN THE UPLANDS AND WATER FRONTAGE LANDS ADJACENT TO THE TIDE AND SUBMERGED LANDS OF SAID CITY OF REDONDO BEACH IN SAID COUNTY AND STATE, THE CENTERLINE OF SAID STRIPS OF LAND BEING DESCRIBED AS FOLLOWS:

STRIP ONE:

BEGINNING AT THE INTERSECTION OF THE CENTERLINES OF HARBOR DRIVE AND YACHT CLUB WAY, AS SAID INTERSECTION IS SHOWN ON OFFICIAL MAP RECORDED IN BOOK 4 PAGES 81 TO 83 INCLUSIVE OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 66 DEGREES 57' 21" WEST, ALONG SAID CENTERLINE OF YACHT CLUB WAY, 337.74 FEET; THENCE SOUTH 21 DEGREES 57' 06" EAST, 25.00 FEET, TO A POINT IN THE SOUTHEASTERLY LINE OF SAID YACHT CLUB WAY, SAID LAST MENTIONED POINT BEING THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 21 DEGREES 57' 06" EAST, 73.19 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE CONTINUING SOUTH 21 DEGREES 57' 06" EAST, 40.50 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 35.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89 DEGREES 21' 04", AN ARC DISTANCE OF 54.58 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 127.46 FEET A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 21 DEGREES 18' 10" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 35 DEGREES 18' 53" AN ARC DISTANCE OF 78.56 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B", A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 14 DEGREES 00' 44" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 30 DEGREES 37' 54" AN ARC DISTANCE OF 68.14 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "C", A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 44 DEGREES 38' 38" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 20 DEGREES 43' 58" AN ARC DISTANCE OF 46.12 FEET; THENCE TANGENT TO SAID REVERSE CURVE SOUTH 24 DEGREES 37' 24" EAST 1.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 35.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 71 DEGREES 27' 09" AN ARC DISTANCE OF 43.65 FEET TO A POINT IN THE SOUTHWESTERLY (END) LINE OF 10TH STREET AS SAID STREET IS SHOWN ON SAID OFFICIAL MAP, SAID POINT BEING NORTH 24 DEGREES 37' 24" WEST, 11.93 FEET MEASURED ALONG SAID SOUTHWESTERLY (END) LINE FROM THE CENTERLINE OF SAID 10TH STREET AS SHOWN ON SAID OFFICIAL MAP.

THE SIDELINES OF SAID STRIP ONE SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE NORTHERLY IN SAID SOUTHEASTERLY LINE OF YACHT CLUB WAY AND EASTERLY IN SAID SOUTHWESTERLY (END) LINE OF 10TH STREET.

STRIP TWO:

BEGINNING AT POINT "A" HEREINBEFORE DESCRIBED, SAID POINT "A" BEING THE BEGINNING OF A CURVE THAT IS TANGENT TO THE HEREINBEFORE DESCRIBED COURSE HAVING A BEARING AND LENGTH OF "SOUTH 21 DEGREES 57' 06" EAST, 73.19 FEET", AND CONCAVE TO THE NORTH, HAVING A RADIUS OF 35.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90 DEGREES 00' 00" AN ARC DISTANCE OF 54.98 FEET; THENCE TANGENT TO SAID CURVE, NORTH 68 DEGREES 02' 54" EAST, A DISTANCE OF 21.40 FEET.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIP ONE HEREINBEFORE DESCRIBED.

STRIP THREE:

BEGINNING AT POINT "B" HEREINBEFORE DESCRIBED, SAID POINT "B" BEING THE BEGINNING OF A CURVE THAT IS REVERSE TO THAT CERTAIN SEGMENT OF THE REVERSE CURVE DESCRIBED IN STRIP ONE ABOVE AS HAVING A RADIUS OF 127.46 FEET, A CENTRAL ANGLE OF 35 DEGREES 18' 53" AND AN ARC LENGTH OF 78.56 FEET; THENCE EASTERLY ALONG THE INSTANT REVERSE CURVE, BEING CONCAVE TO THE NORTH AND HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 34 DEGREES 27' 34", AN ARC DISTANCE OF 30.07 FEET; THENCE NORTH 69 DEGREES 33' 10" EAST, TANGENT TO SAID CURVE, A DISTANCE OF 42.40 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "D"; THENCE CONTINUING NORTH 69 DEGREES 33' 10" EAST, 3.56 FEET TO A POINT IN THE WESTERLY LINE OF "EDISON COMPANY YARD" AS SHOWN ON OFFICIAL MAP RECORDED IN BOOK 4, PAGES 81 TO 83 INCLUSIVE OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIP ONE HEREINBEFORE DESCRIBED.

STRIP FOUR:

BEGINNING AT POINT "C" HEREINBEFORE DESCRIBED, SAID POINT "C" BEING THE BEGINNING OF A CURVE THAT IS REVERSE TO THAT CERTAIN SEGMENT OF THE REVERSE CURVE DESCRIBED IN STRIP ONE ABOVE AS HAVING A RADIUS OF 127.46 FEET, A CENTRAL ANGLE OF 20 DEGREES 43' 58" AND AN ARC LENGTH OF 46.12 FEET; THENCE NORTHERLY ALONG THE INSTANT REVERSE CURVE, BEING CONCAVE TO THE EAST, HAVING A RADIUS OF 30.00 FEET THROUGH A CENTRAL ANGLE OF 114 DEGREES 54' 32" AN ARC DISTANCE OF 60.17 FEET TO POINT "D" HEREINABOVE DESCRIBED IN STRIP THREE ABOVE.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIPS ONE AND THREE HEREINBEFORE DESCRIBED.

(APN: PORTIONS OF 7503-003-900 AND -901)

(End of Legal Description)

EXHIBIT C

EASEMENT AREA

FEE PARCELS

PARCEL 3:

LOTS 74 THROUGH 78 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING FROM LOT 76 ABOVE, ALL WATER WHICH MAY BE DEVELOPED ON SAID LOT IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS EXCEPTED IN DEED RECORDED OCTOBER 11, 1946 IN BOOK 23806, PAGE 324 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOTS 77 AND 78, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910, IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOTS 74, 75 AND 76, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES,

STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET OUT IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-821)

PARCEL 4:

LOTS 84 THROUGH 88 OF TRACT NO. 1326, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 18, PAGE 67 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-821)

PARCEL 5:

A PARCEL OF LAND, SHOWN AS AN ALLEY, 12.00 FEET WIDE, ON THE MAP OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF

MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH ADJOINS LOTS 74 THROUGH 78 OF SAID OCEAN BEACH SUBDIVISION TRACT ON THE EAST; AND ALSO SHOWN ON THE MAP OF TRACT NO. 1326, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 18, PAGE 67 OF MAPS, ADJOINING LOTS 84 THROUGH 88, ON THE WEST, WHICH WAS VACATED BY ORDINANCE NO. 1107 AND RESOLUTION NO. 1544, BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF WHICH RECORDED MARCH 1, 1947 AS INSTRUMENT NO. 958 IN BOOK 24285, PAGE 267 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS RESERVED BY EDISON SECURITIES COMPANY IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOTS 77 AND 78.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET FORTH IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF

OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOTS 74, 75, 76 AND 84 THROUGH 88.

(APN: PORTION OF 7503-013-821)

PARCEL 6:

LOT 89 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SHOWN ON SAID MAP, ADJOINING SAID LOT 89 ON THE EAST; VACATED BY ORDINANCE NO. 233 IN THE CITY OF REDONDO BEACH AND ORDINANCE NO. 635 IN THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID ORDINANCE NO. 635 RECORDED AUGUST 30, 1924 AS INSTRUMENT NO. 441 IN BOOK 3176, PAGE 310 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 17, 1952 AS INSTRUMENT NO. 2573, IN BOOK 40545, PAGE 272 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

PARCEL 8:

LOTS 72 AND 90 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF

MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE AS SHOWN ON SAID MAP, VACATED BY ORDINANCE NO. 233 IN SAID CITY OF REDONDO BEACH, AND ORDINANCE NO. 635 IN THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID ORDINANCE NO. 635, RECORDED AUGUST 30, 1924 AS INSTRUMENT NO. 441 IN BOOK 3176, PAGE 310 OF OFFICIAL RECORDS, ADJOINING SAID LOT 90 ON THE NORTHEAST.

EXCEPTING THEREFROM, THE SOUTHERLY 20.00 FEET OF LOT 72 AND THE SOUTHERLY 20.00 FEET OF LOT 90, BOTH IN THE OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID LOS ANGELES COUNTY, AS CONVEYED TO THE CITY OF REDONDO BEACH, IN DEED RECORDED JANUARY 12, 1970 AS INSTRUMENT NO. 1961 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, ETC. FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PART THEREOF, TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 29, 1952 AS INSTRUMENT NO. 1609 IN BOOK 40606, PAGE 311 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

PARCEL 9:

THAT PORTION OF TENTH STREET, FORMERLY NINTH STREET, AS SAME IS SHOWN AND DESIGNATED AS 9TH STREET ON A MAP OF

TRACT NO. 1326 ON FILE IN BOOK 18, PAGE 67 OF MAPS, AND AS SHOWN ON THE MAP OF OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, WHICH EXTENDS FROM THE WESTERLY LINE OF HERMOSA AVENUE, WESTERLY TO THE EASTERLY LINE OF THE STRAND.

TOGETHER WITH THAT PORTION OF THAT CERTAIN PUBLIC ALLEY WHICH LIES WESTERLY OF AND ADJOINS THE WESTERLY LINE OF LOT 89 OF OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND WHICH EXTENDS FROM THE SOUTHERLY LINE OF SAID ABOVE MENTIONED TENTH STREET, SOUTHERLY TO A LINE WHICH IS PARALLEL WITH AND 50.00 FEET NORTHERLY, MEASURED AT RIGHT ANGELES, FROM THE SOUTHERLY LINE AND ITS WESTERLY PROLONGATION OF LOT 90 OF SAID OCEAN BEACH SUBDIVISION, AS VACATED BY ORDINANCE NO. 1360, RESOLUTION NO. 2401, A CERTIFIED COPY OF WHICH RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027, PAGE 34 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 17, 1952 AS INSTRUMENT NO. 2573 IN BOOK 40545, PAGE 272 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOT 89.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER

SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND ONE HUNDRED (100) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF ONE HUNDRED (100) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED IN DEED RECORDED MARCH 19, 1953 AS INSTRUMENT NO. 2743 IN BOOK 41257, PAGE 62 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 73 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET OUT IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 88 OF SAID TRACT NO. 1326, AND ADJACENT TO LOT 74 OF SAID OCEAN BEACH SUBDIVISION.

(APN: PORTION OF 7503-013-822)

PARCEL 13:

LOT 73 OF OCEAN BEACH SUBDIVISION IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

**EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND ONE HUNDRED (100) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF ONE HUNDRED (100) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED IN DEED RECORDED MARCH 19, 1953 AS INSTRUMENT NO. 2743 IN BOOK 41257, PAGE 62 OF OFFICIAL RECORDS.
(APN: PORTION OF 7503-013-822)**

(End of Legal Description)

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20181075964



Pages:
0011

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

10/23/18 AT 08:00AM

FEES: 69.00

TAXES: 2,640.00

OTHER: 0.00

PCOR SURCHARGE \$20.00

PAID: 2,709.00



LEADSHEET



201810230230036

00015865788



009417516

SEQ:
04

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E15-228807-2

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME 1112 Investment Co., LLC

STREET ADDRESS 9300 Wilshire, Ste. 420

CITY, STATE & ZIP CODE Beverly Hills, CA 90212

SPACE ABOVE FOR RECORDER'S USE ONLY

Grant Deed

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

1112 Investment Company, LLC
9300 Wilshire Suite 420
Beverly Hills, CA 90212

Attention: Leonid Pustilnikov

MAIL TAX STATEMENTS TO:

Same as above

228807-2

APN# 7503-003-803

TRA: 08056

City #59

THE UNDERSIGNED GRANTOR(s) DECLARE(s):

DOCUMENTARY TRANSFER TAX is

\$ 880.00 County \$ 1,760.00 - City

☒ computed on full value of property conveyed, or

☐ computed on full value less value of liens or
encumbrances remaining at time of sale,

☐ Unincorporated area: ☒ City of Redondo Beach

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
AES REDONDO BEACH, L.L.C., a Delaware limited liability company ("**Grantor**") hereby **GRANTS**
and conveys to **1112 INVESTMENT COMPANY, LLC**, a California limited liability company, the real
property in city of Redondo Beach, California, in the County of Los Angeles, State of California, described
on Exhibit A attached hereto and incorporated by reference herein (the "**Property**").

SUBJECT TO:

1. General and special real property taxes and assessments and supplemental assessments, if
any, for the current fiscal year.

2. All other covenants, conditions, restrictions, reservations, rights, rights-of-way, dedications, offers of dedication and easements of record as of the date hereof.

[Remainder of page intentionally left blank; signatures on following page.]

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the 17 day of October, 2018.

GRANTOR:

A handwritten signature in black ink, appearing to read "Eric Pendergraft", is written over a horizontal line.

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

by: Eric Pendergraft

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF Los Angeles

)
) ss.
)

On October 17, 2018, before me, Margaret McKinney, Notary Public, personally appeared Eric Pendergraft who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that ~~he/she~~ executed the same in his/~~her~~ authorized capacity, and that by his/~~her~~ signature on the instrument the person, or the entity upon behalf of which the person 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

LEGAL DESCRIPTION OF THE PROPERTY

FEE PARCELS

PARCEL 7:

LOTS 59 AND 60 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3225, IN BOOK 40536, PAGE 237 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 10:

LOT 102 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDRO-CARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OF TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3226, IN BOOK 40536, PAGE 291 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 11:

LOT 103 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2 PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON

THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3224, IN BOOK 40536, PAGE 241 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 12:

THAT PORTION OF THAT CERTAIN ALLEY, SHOWN AS SURF WAY (12.00 FEET WIDE) AS SHOWN ON MAP OF THE OCEAN BEACH SUBDIVISION, CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, RECORDS OF LOS ANGELES COUNTY, EXTENDING BETWEEN THE NORTH LINE OF 7TH STREET (FORMERLY 6TH STREET, 50 FT. WIDE) ALSO KNOWN AS MARINA WAY, AND A LINE PARALLEL WITH AND 85.00 FEET NORTHERLY OF SAID NORTH LINE OF 7TH STREET, AS VACATED BY RESOLUTION NO. 3963, A CERTIFIED COPY OF WHICH RECORDED AUGUST 1, 1963 AS INSTRUMENT NO. 6810 IN BOOK D2129, PAGE 19 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3225, IN BOOK 40536, PAGE 237 OF OFFICIAL

RECORDS, ADJACENT TO LOTS 59 AND 60 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3224, IN BOOK 40536, PAGE 241 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 103 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDRO-CARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FORM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OF TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3226, IN BOOK 40536, PAGE 291 OF OFFICIAL

**RECORDS, AS TO THAT PORTION ADJACENT TO LOT 102 OF SAID
OCEAN BEACH SUBDIVISION.**

(End of Legal Description)

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20181075965



Pages:
0016

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

10/23/18 AT 08:00AM

FEES: 109.00

TAXES: 0.00

OTHER: 0.00

PAID: 109.00



LEADSHEET



201810230230036

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009417516

SEQ:
05

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E15-228807-2

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Avenue 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Deed of Trust

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, California 90071
Attn: Paul Williams, Esquire

THIS SPACE ABOVE FOR RECORDER'S USE

ADDITIONAL PROPERTY DEED OF TRUST

THIS ADDITIONAL PROPERTY DEED OF TRUST (this "Deed of Trust") is made as of October 17, 2018, between 1112 INVESTMENT COMPANY, LLC, a California limited liability company ("Trustor"), STEWART TITLE OF CALIFORNIA, INC., a California corporation ("Trustee"), and AES REDONDO BEACH, L.L.C., a Delaware limited liability company ("Beneficiary").

Background:

A. Trustor owns fee simple title to that certain real property located in Redondo Beach, California, as more fully described on Exhibit A attached hereto and made a part hereof (the "Land").

B. Trustor, as Purchaser, and Beneficiary, as Seller, have entered into that certain Purchase and Sale Agreement dated as of October 5, 2018 (as the same may be amended, modified, supplemented or restated from time to time, the "Agreement"), pursuant to which, among other things, as of the date of this Deed of Trust, Beneficiary has transferred fee title to Trustor (the "Sale Transaction"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

C. As partial consideration for the Sale Transaction, Trustor agreed to make certain future payments and perform certain obligations with respect to the Land, including the Secured Obligations (as defined below).

D. This Deed of Trust secures the Secured Obligations. Trustor and Beneficiary intend this Deed of Trust to remain on title to the Property (as defined below) pursuant to and in accordance with the terms and conditions of the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing performance of the Secured Obligations, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired: (a) all buildings, fixtures and improvements located on the Land (collectively, "Improvements"), and any and all rights, easements, licenses and privileges presently thereon, thereunder, or appertaining thereto, including, without limitation, all mineral rights, and rights to oil, natural gas, asphaltum and other hydrocarbons (collectively, with the Land, the "Real Property"); (b) all existing and future leases, subleases, licenses, and other agreements

Said document signed in counterparts

relating to the use or occupancy of all or any portion of the Land or Improvements (collectively, "Leases"), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "Rents"); (c) any and all licenses, authorizations, permits and approvals issued by the appropriate governmental authorities in connection with the ownership and operation of the Real Property along with Trustor's interest in all plans, specifications and surveys concerning the Real Property in Trustor's possession or control; and (d) any and all warranties and guarantees issued in connection with the Real Property. All of the above-referenced interests of Trustor in the Land and in the items listed in clauses (a) through (d) above are made subject to the security interest herein described and are collectively referred to herein as the "Property."

2. Obligations Secured. This Deed of Trust is given for the purpose of securing performance of the following (collectively, the "Secured Obligations");

2.1 Trustor's obligations under the Agreement to assume the Assumed Obligations applicable to the Property;

2.2 Trustor's obligations with respect to obtaining consents and approvals and providing notifications pursuant to Section 10.7 of the Agreement;

2.3 Trustor's obligations to provide to Seller access to all Facility Records and to preserve such Facility Records pursuant to Section 10.8 of the Agreement;

2.4 Trustor's obligations with respect to the removal of the Seller Marks pursuant to Section 10.9 of the Agreement;

2.5 Trustor's obligations to indemnify and release Seller and Seller Parties pursuant to Article 13 of the Agreement; and

2.6 All of Trustor's other obligations, as applicable to the Property, to be paid and/or performed after the Initial Closing Date, including, without limitation, Trustor's obligations (a) pursuant to Sections 10.1(d), 10.6, 10.10, 10.11 and 10.13 of the Agreement and (b) to consummate the Final Closing (including payment of the Final Closing Payment) upon the terms and conditions set forth in the Agreement.

3. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time, covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Property. Trustor authorizes the Trustee and/or Beneficiary to file or record financing statements and continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Property in such form and in such offices as they reasonably determine to be necessary or appropriate to perfect or maintain the perfection of the security interests under this Deed of Trust. Trustor authorizes the Trustee and/or Beneficiary to describe the Property in the same manner as described herein or to use the collateral description "all personal property" or "all assets," in each case

“whether now owned or hereafter acquired and wherever located,” or such other description as the Trustee and/or Beneficiary, in their sole judgment, determine is necessary or advisable, in any such financing statements.

4. Trustor’s Covenants. Trustor shall observe and perform all of Trustor’s covenants and agreements set forth in the Agreement.

5. Additional Covenants. It is mutually agreed:

5.1 Waiver. That by accepting payment of any sum or performance of any obligation secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment or performance when due of all other sums or obligations so secured or to declare default for failure so to pay or to perform.

5.2 Full Reconveyance. That upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been fulfilled or that the Final Closing Date has occurred, and upon surrender of this Deed of Trust to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as “the person or persons legally entitled thereto.”

5.3 Rents, Issues and Profits. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Deed of Trust, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5.4 Rights of Beneficiary. Upon a default, Beneficiary may at any time without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, and without releasing Trustor from any obligation (except as otherwise expressly provided in the Agreement), (a) enter upon and take possession of the Property or any part thereof; (b) make additions, alterations, repairs and improvements to the Property that Beneficiary may consider necessary or appropriate to keep the Property in good condition and repair; (c) appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary; (d) pay, purchase, contest or compromise any lien or encumbrance or alleged lien or encumbrance whether superior or junior to this Deed of Trust; (e) otherwise protect the Property and (f) in exercising such powers, pay necessary expenses (including, without limitation, expenses of counsel or other necessary or desirable consultants).

5.5 Acceleration. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any obligation secured hereby (which default remains uncured for five (5) days of written notice from Beneficiary specifying particularly such Trustor default in the case of any

of Trustor's payment obligations or obligations to provide Performance Assurance, or (b) within thirty (30) days of receipt of written notice from Beneficiary specifying particularly such Trustor default in all other cases), Beneficiary may declare all sums and obligations secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust and all documents evidencing matters secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment, FIRST, of the expenses of such sale, together with the reasonable expenses of this Deed of Trust, including Trustee's fees, cost of evidence of title in connection with sale and revenue stamps for documentary transfer tax on Trustee's deed; SECOND, payment of all monies which have been or which shall be advanced, paid or expended by Beneficiary for amounts not then repaid or as otherwise may be required in order to complete performance of the Secured Obligations, together with the interest thereon as provided in this Deed of Trust; THIRD, payment of all other sums secured hereby then remaining unpaid; and LAST the balance or surplus, if any, of such proceeds of sale to the person or persons legally entitled thereto, upon satisfactory proof of such right.

5.6 Substitution of Trustee. Beneficiary, or any successor in interest of Beneficiary under this Deed of Trust, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

5.7 Binding Effect. This Deed of Trust applies to and inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall include Beneficiary's successor in interest under the Agreement. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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

5.9 Trustor's Request for Notice of Default. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at its address specified herein for giving Notices.

6. Notices. All notices, consents, waivers, demands, requests or other instruments or communications provided for under this Deed of Trust or by law to be served on or to be given to either Trustor or Beneficiary shall be in writing and shall be given in accordance with the terms and conditions set forth in Section 15.10 of the Agreement.

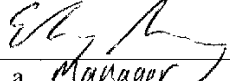
7. Counterparts. This Deed of Trust may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

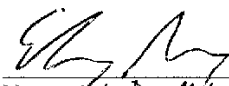
[signatures appear on following page]

IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Deed of Trust as of the date first written above.

TRUSTOR:

1112 INVESTMENT COMPANY, LLC, a California
limited liability company


a Manager
as _____ of 1112 Investment Company, LLC

By: 
Name: E. J. Drorny
Title: Managing Member

BENEFICIARY:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

CERTIFICATE OF ACKNOWLEDGMENT

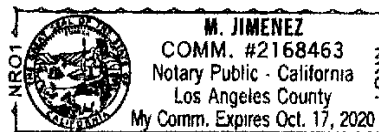
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)
)
COUNTY OF Los Angeles)

On Oct. 18, 2018, before me, M. Jimenez, Notary Public,
personally appeared Ely Dromy 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 [Signature] [SEAL.]

IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Deed of Trust as of the date first written above.

TRUSTOR:

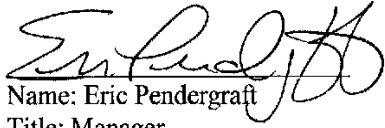
1112 INVESTMENT COMPANY, LLC, a California
limited liability company

a _____
as _____ of 1112 Investment Company, LLC

By: _____
Name:
Title:

BENEFICIARY:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By: 
Name: Eric Pendergraft
Title: Manager

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF California)

COUNTY OF Los Angeles)

On October 17, 2018, before me, Margaret McKinney, Notary Public, personally appeared Eric Pendergraft 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 *[Handwritten Signature]* [SEAL]



CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF _____)

)

COUNTY OF _____)

On _____, 2018, before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

Legal Description

Real property in the City of Redondo Beach, County of Los Angeles, State of California, described as follows:

PARCEL 7:

LOTS 59 AND 60 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3225, IN BOOK 40536, PAGE 237 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 10:

LOT 102 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDRO-CARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF

PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3226, IN BOOK 40536, PAGE 291 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 11:

LOT 103 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2 PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3224, IN BOOK 40536, PAGE 241 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 12:

THAT PORTION OF THAT CERTAIN ALLEY, SHOWN AS SURF WAY (12.00 FEET WIDE) AS SHOWN ON MAP OF THE OCEAN BEACH SUBDIVISION, CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, RECORDS OF LOS ANGELES COUNTY, EXTENDING BETWEEN THE NORTH LINE OF 7TH STREET (FORMERLY 6TH STREET, 50 FT. WIDE) ALSO KNOWN AS MARINA WAY, AND A LINE PARALLEL WITH AND 85.00 FEET NORTHERLY OF SAID NORTH LINE OF 7TH STREET, AS VACATED BY RESOLUTION NO. 3963, A CERTIFIED COPY OF WHICH RECORDED AUGUST 1, 1963 AS INSTRUMENT NO. 6810 IN BOOK D2129, PAGE 19 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3225, IN BOOK 40536, PAGE 237 OF OFFICIAL RECORDS, ADJACENT TO LOTS 59 AND 60 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY

PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3224, IN BOOK 40536, PAGE 241 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 103 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDRO-CARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3226, IN BOOK 40536, PAGE 291 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 102 OF SAID OCEAN BEACH SUBDIVISION.

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Pages:
0039

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

10/23/18 AT 08:00AM

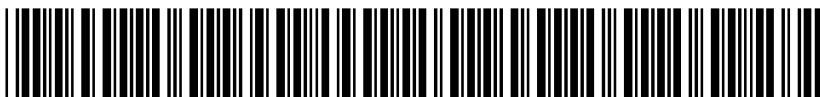
FEES: 151.00

TAXES: 0.00

OTHER: 0.00

PCOR SURCHARGE \$20.00

PAID: 151.00



LEADSHEET



201810230230036

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SEQ:
06

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E15-228807-2

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Avenue 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Easement Agreement

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

RECORDING REQUESTED BY:
STEWART TITLE OF CALIFORNIA

AND WHEN RECORDED MAIL TO:

MORGAN, LEWIS & BOCKIUS, LLP
300 SOUTH GRAND AVE., 22ND FLOOR
LOS ANGELES, CA 90071-3132

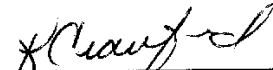
ORDER NO: 228807-2

APN :

TRA :

DTT : \$0.00 - THIS IS A CONVEYANCE OF AN EASEMENT AND THE CONSIDERATION AND VALUE IS LESS THAN
\$100.00 - R & T 11911

STEWART TITLE OF CALIFORNIA, INC.



BY K. CRAWFORD - TITLE OFFICER

EASEMENT AGREEMENT
TITLE OF DOCUMENT

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 ADDITIONAL RECORDING FEE APPLIES)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Morgan, Lewis & Bockius LLP
300 South Grand Avenue, 22nd Floor
Los Angeles, CA 90071-3132
Attention: Paul M. Williams, Esq.

4 228807-2

(Space Above For Recorder's Use)

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (this "**Agreement**") is made and dated as of October 17, 2018 (the "**Effective Date**"), by and between 1112 Investment Company, LLC, a California limited liability company ("**Grantor**"), and AES Redondo Beach, L.L.C., a Delaware limited liability company ("**Grantee**"). Grantee and Grantor may be referred to herein individually as a "**Party**" and collectively as the "**Parties**".

RECITALS:

A. Grantor owns or will own that certain real property located in the City of Redondo Beach, County of Los Angeles, State of California, more particularly described in **Exhibit A** attached hereto (the "**Grantor Parcel**").

B. Grantee is the owner of certain real property located immediately contiguous and adjacent to the Grantor Parcel, more particularly described in **Exhibit B** attached hereto (the "**Grantee Parcel**").

C. Grantor and Grantee have entered into that certain Purchase and Sale Agreement dated as of October 5, 2018 (the "**Purchase Agreement**"), pursuant to which Grantee is selling to Grantor the Grantee Parcel and the Grantor Parcel in two separate Closings (as defined in the Purchase Agreement). As a condition to the close of escrow as to the Grantor Parcel, upon such close of escrow, this Agreement shall be executed by Grantor and Grantee and recorded in the Official Records of Los Angeles County, California.

D. Grantee has requested, and Grantor has agreed to grant, a non-exclusive easement to Grantee on, over, under and across the Grantor Parcel, as more particularly described and/or depicted on **Exhibit C** attached hereto (the "**Easement Area**") to access and use any equipment (including but not limited to discharge pipes) located on the Grantor Parcel necessary to operate the Facility (as defined in the Purchase Agreement). The easement within the Easement Area shall be for the purposes, and on the terms, provisions, covenants and conditions set forth in this Agreement.

Said document signed in counterparts

A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. The foregoing Recitals are hereby incorporated in this Agreement by reference.
2. Grantor hereby grants to Grantee, its successors and assigns, a non-exclusive easement appurtenant for the benefit of the Grantee Parcel on, over, under and across the Easement Area for: (a) installing, operating and maintaining (including replacement and repair) any above- or underground- utilities, fixtures, equipment and improvements located on the Grantor Parcel necessary to operate the Facility, including, but not limited to, discharge pipes (collectively, the "Equipment"), and (b) ingress and egress and access purposes, including as more particularly described and/or depicted on Exhibit C attached hereto (the "Easement"). For the purposes of installing, operating and maintaining the Equipment, Grantee shall have the right of ingress to and egress over, under and across the Easement Area and the portions of the Grantor Parcel immediately adjacent thereto, to the extent reasonably necessary, to access the Easement Area.
3. Grantor shall not unreasonably interfere with Grantee's use of the Easement Area for the purposes described in this Agreement. Subject to the immediately preceding sentence, Grantor reserves the right to make any and all improvements, in its reasonable discretion, to the Easement Area; it being understood, however that (i) in no event shall any use or activities by Grantor require, or result in, the de-activation or suspension of the operation of the Facility, and (ii) Grantee shall have the right to remove any structures or obstructions placed in the Easement Area, if Grantee reasonably determines that the safe or normal construction, maintenance or operation of the Facilities would be affected thereby.
4. The term of this Agreement (the "Term") shall commence on the Effective Date and expire on the later of: (a) the close of escrow on the sale of the Grantee Parcel to Grantor pursuant to the Purchase Agreement, and (b) if the Option (as defined in the Purchase Agreement) is exercised by Grantee, the expiration of the Ground Lease (as defined in the Purchase Agreement).
5. During the Term, all Equipment which are or have been installed by Grantee in the Easement Area shall be and remain the personal property of Grantee and its successors and assigns, and shall not be deemed by Grantor as affixed to the Grantor Parcel. Grantee shall have the right to remove the Equipment from the Easement Area at any time until the expiration of the Term. Upon the expiration of the Term, Grantee shall have no obligation to remove any of the Equipment, and the Parties' obligations with respect to the Equipment shall be governed by the Purchase Agreement (including the Ground Lease referred to therein). Grantor acknowledges and agrees that it does not and shall not have any ownership interest in or to any part of the Equipment, except as otherwise provided in this Section 5.
6. The Easement shall run until the expiration of the Term. The Easement is an appurtenance to the Grantee Parcel and may not be transferred, assigned or encumbered except as

an appurtenance to the Grantee Parcel. For the purposes of the Easement, the Grantee Parcel shall constitute the dominant estate and the burdened Grantor Parcel shall constitute the servient estate.

7. Nothing contained in this Agreement shall be construed as creating any rights for or on behalf of the general public or as dedicating for public use any portion of the Easement Area, the Grantee Parcel or the Grantor Parcel. Furthermore, the Parties agree that no governmental agency, person or entity other than the Parties themselves will have the right to enforce any of the terms or provisions of this Agreement, it being intended that there be no third-party beneficiaries of this Agreement.

8. Grantee, at Grantee's sole cost and expense, shall repair, restore and replace any damage to the Grantor Parcel caused by the use of the Easement granted herein. In the event of such damage, Grantee shall promptly repair, reconstruct, restore or replace such damaged or destroyed portion of the Grantor Parcel and/or the Easement Area to substantially the same condition such area was in immediately prior to the occurrence of such damage or destruction. Grantee shall complete such repair, restoration or replacement work as soon as reasonably practicable following written notice by Grantor of such damage requiring repair, restoration or replacement.

9. Grantee shall not permit any liens to be placed on the Grantor Parcel arising from work performed for or materials furnished to Grantee and if any such lien is placed on the Grantor Parcel, Grantee promptly shall either cause such lien to be removed or else cause a payment bond to be issued for the principal value of any such lien.

10. The Parties further intend that, should any Party undertake, or cause to be undertaken, any activity in violation of this Agreement, or refuse after reasonable notice from the other Party to stop any activity in violation of this Agreement, then the other Party will have the right to obtain injunctive relief or writs from courts of competent jurisdiction in the County of Los Angeles, State of California, to stop any prohibited activity. The Parties will have the right to seek temporary restraining orders, preliminary injunctions, and similar provisional, equitable relief in a court of competent jurisdiction, provided that the Party seeking such relief has: (i) determined in good faith that the exigencies of the breach or threatened breach require such immediate relief; and (ii) given the other Party notice and an opportunity to cure such breach or threatened breach.

11. All notices, demands or other communications of any type given, or required to be given, pursuant to this Agreement shall be in writing and delivered in person with receipt requested therefor, sent by postage prepaid certified mail with a return receipt requested, or sent by a recognized overnight service for next business day delivery to the party to whom the notice is directed at the addresses that follow:

To Grantor:

1112 Investment Company, LLC
9300 Wilshire Suite 420
Beverly Hills CA 90212
Email: leo@slhinvestments.com

To Grantee:

AES Redondo Beach, L.L.C.
690 N. Studebaker Road
Long Beach, CA 90803
Attn: Eric Pendergraft
E-mail: eric.pendergraft@aes.com

Notice and demands will be deemed effective upon receipt or refusal thereof. The person and place to which notices are to be given may be changed by written notice to the other party(ies) in accordance with this Section 11.

12. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE EASEMENT AREA OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. GRANTEE REPRESENTS THAT IT HAS HAD THE OPPORTUNITY TO CONDUCT ANY AND ALL INSPECTIONS OF THE EASEMENT AREA TO ITS FULL AND COMPLETE SATISFACTION. GRANTEE ACKNOWLEDGES THAT IT IS FULLY CAPABLE OF EVALUATING THE EASEMENT AREAS' SUITABILITY FOR GRANTEE'S INTENDED USE. THE EASEMENT ARE BEING GRANTED HEREUNDER AND GRANTEE AGREES TO ACCEPT THE EASEMENT AREA "AS IS," "WHERE IS" AND "WITH ALL FAULTS" AND SUBJECT TO ANY CONDITION WHICH MAY EXIST, WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND, INCLUDING, BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO TITLE, CONDITION, OR FITNESS FOR ANY PURPOSE.

13. This Agreement covers all the agreements between the Parties with respect to the subject matter hereof and, other than as expressly set forth in this Agreement, no representations or statements, oral or written, have been made which modify, add to, or change the terms of this Agreement.

14. Failure to enforce any term, covenant, condition, restriction or other obligation herein contained shall not be deemed a waiver of such term, covenant, condition, restriction or other obligation on any future breach of the same or any other term, provision, covenant, condition, restriction or other obligation contained herein.

15. This Agreement will be governed by the laws of the State of California without regard to any conflicts of laws or choice of law provisions thereof. In the case of any action or proceeding brought to enforce the terms and provisions of this Agreement, the unsuccessful Party in any such action or proceeding will, on the entry of a final, non-appealable judgment, pay for all costs, expenses and reasonable attorneys' fees actually incurred by the prevailing Party in enforcing the covenants and agreements of this Agreement, including on appeal or enforcing a judgment.

16. If any term of this Agreement is, at any time or to any extent, invalid, illegal or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid, illegal or unenforceable,

will not be affected, and each term, covenant, condition and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law, unless to do so would deprive a Party of the benefit of this Agreement.

17. This Agreement may be executed in two or more counterparts, and each such counterpart, when taken together with all other counterparts, shall be deemed one and the same original instrument.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement on the date and year first above written.

“GRANTOR”

1112 INVESTMENT COMPANY, LLC,
a California limited liability company

Ely Dromy,
a member,
as _____ of 1112 Investment Company, LLC,
a California limited liability company

By: Ely Dromy
Name: Ely Dromy
Title: managing member

“GRANTEE”

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

[ACKNOWLEDGEMENTS ON FOLLOWING TWO PAGES]

GRANTOR ACKNOWLEDGEMENT

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)

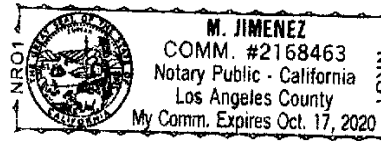
On 10-18-18 before me, M. Jimenez, Notary Public
(here insert name and title of the officer)

personally appeared Ely Dromy, 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 [Signature] (Seal)



IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement on the date and year first above written.

“GRANTOR”


1112 INVESTMENT COMPANY, LLC,
a California limited liability company

_____,
a _____,
as _____ of 1112 Investment Company, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

“GRANTEE”

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By: 
Name: Eric Pendergraft
Title: Manager

[ACKNOWLEDGEMENTS ON FOLLOWING TWO PAGES]

GRANTEE ACKNOWLEDGEMENT


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 October 17, 2018 before me, Margaret McKinney, Notary Public,
(here insert name and title of the officer)
personally appeared Eric Pendergraft, 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)



GRANTOR ACKNOWLEDGEMENT

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 _____)
County of _____)

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

GRANTOR PARCEL

FEE PARCELS

PARCEL 7:

LOTS 59 AND 60 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3225, IN BOOK 40536, PAGE 237 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 10:

LOT 102 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDRO-CARBON SUBSTANCES IN AND

UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3226, IN BOOK 40536, PAGE 291 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 11:

LOT 103 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2 PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS

INSTRUMENT NO. 3224, IN BOOK 40536, PAGE 241 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 12:

THAT PORTION OF THAT CERTAIN ALLEY, SHOWN AS SURF WAY (12.00 FEET WIDE) AS SHOWN ON MAP OF THE OCEAN BEACH SUBDIVISION, CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, RECORDS OF LOS ANGELES COUNTY, EXTENDING BETWEEN THE NORTH LINE OF 7TH STREET (FORMERLY 6TH STREET, 50 FT. WIDE) ALSO KNOWN AS MARINA WAY, AND A LINE PARALLEL WITH AND 85.00 FEET NORTHERLY OF SAID NORTH LINE OF 7TH STREET, AS VACATED BY RESOLUTION NO. 3963, A CERTIFIED COPY OF WHICH RECORDED AUGUST 1, 1963 AS INSTRUMENT NO. 6810 IN BOOK D2129, PAGE 19 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3225, IN BOOK 40536, PAGE 237 OF OFFICIAL RECORDS, ADJACENT TO LOTS 59 AND 60 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE

THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3224, IN BOOK 40536, PAGE 241 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 103 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDRO-CARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FORM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OF TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3226, IN BOOK 40536, PAGE 291 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 102 OF SAID OCEAN BEACH SUBDIVISION.

(End of Legal Description)

EXHIBIT B

GRANTEE PARCEL

Real property in the City of Redondo Beach, County of Los Angeles, State of California, described as follows:

FEE PARCELS

PARCEL 1:

PARCEL A:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NONTANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST, 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST, 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30

DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE SOUTH 29 DEGREES 45' 52" EAST 436.55 FEET; THENCE NORTH 67 DEGREES 11' 23" EAST 326.56 FEET; THENCE SOUTH 25 DEGREES 51' 24" EAST 170.00 FEET; THENCE NORTH 37 DEGREES 06' 28" EAST 276.06 FEET; THENCE NORTH 04 DEGREES 49' 32" WEST 633.11 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.58 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04 DEGREES 39' 00", AN ARC DISTANCE OF 462.57 FEET; THENCE NORTH 09 DEGREES 28' 32" WEST 747.90 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.78 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 18' 00", AN ARC DISTANCE OF 29.84 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 2834.79 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 36' 00", AN ARC DISTANCE OF 29.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1879.86 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 44' 38", AN ARC DISTANCE OF 24.40 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04 DEGREES 50' 26", AN ARC DISTANCE OF 118.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075 PAGE 291, OFFICIAL RECORDS.

ALSO, EXCEPTING THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN; ALL MINERAL AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING WITHOUT LIMITING THE GENERALITY OF

THE FOREGOING, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER, OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LANDS; AND ALSO EXCEPTING AND RESERVING UNTO GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS OR ASSIGNS FOREVER, THE RIGHT TO DRILL WELLS AND BORE HOLES IN, UNDER AND THROUGH THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF EXPLORING FOR AND/OR PRODUCING OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM OTHER LANDS BY MEANS OF WELLS OR BORE HOLES HAVING THEIR SURFACE LOCATIONS ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF THE LAND HEREBY CONVEYED, OR TO USE THE LAND HEREBY CONVEYED OR ANY PORTION THEREOF TO SAID DEPTH OF 500 FEET FOR ANY PURPOSE WHATSOEVER; AS RESERVED BY HENRY F. ZASLOW AND MARILYN ZASLOW, HUSBAND AND WIFE, IN DEED RECORDED JUNE 4, 1958 AS INSTRUMENT NO. 3580, IN BOOK D-117 PAGE 387, OFFICIAL RECORDS.

ALSO, EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650, OFFICIAL RECORDS.

(APN: 7503-013-014 AND -015)

PARCEL B:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE NORTH 29 DEGREES 45' 52" WEST 106.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1915.00 FEET; THENCE

NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 05 DEGREES 07' 53", AN ARC DISTANCE OF 171.51 FEET; THENCE NORTH 24 DEGREES 37' 58" WEST 1504.57 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 889.17 FEET; THENCE SOUTH 21 DEGREES 18' 24" EAST 45.00 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 75.26 FEET; THENCE NORTH 07 DEGREES 36' 36" EAST 51.39 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 190.18 FEET TO A POINT ON A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 995.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 30' 36", AN ARC DISTANCE OF 60.95 FEET TO THE POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 22' 36" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09 DEGREES 39' 49", AN ARC DISTANCE OF 236.58 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL WATER WHICH MAY BE DEVELOPED THEREON IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS RESERVED BY REDONDO IMPROVEMENT COMPANY IN DEED RECORDED JANUARY 21, 1949 AS INSTRUMENT NO. 526 IN BOOK 29219, PAGE 225 OF OFFICIAL RECORDS

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUB-SURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND/OR OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, OR FOR ANY OTHER PURPOSES WHATSOEVER, AS RESERVED BY EDISON SECURITIES

COMPANY, A CORPORATION IN DEED RECORDED JANUARY 20, 1950 AS INSTRUMENT NO. 1252 IN BOOK 32030, PAGE 47 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, A BODY CORPORATE AND POLITIC, IN DEED RECORDED AUGUST 8, 1972 AS INSTRUMENT NO. 2293, IN BOOK D-5559, PAGE 809 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL IMPROVEMENTS WHICH CONSTITUTE "EXCLUDED ASSETS" UNDER THE ASSET SALE AGREEMENT, INCLUDING WITHOUT LIMITATION THOSE IMPROVEMENTS LOCATED ON THE LAND WHICH ARE SHOWN AS TO BE OWNED BY SOUTHERN CALIFORNIA EDISON COMPANY ON SCHEDULES 2.2(A), 2.2(B) OR 2.2(C) TO THE ASSET SALE AGREEMENT OR THE DRAWINGS ATTACHED THERETO, AS SET OUT IN EXHIBIT "D" TO THAT CERTAIN GRANT DEED RECORDED MAY 18, 1998 AS INSTRUMENT NO. 98-829453 OF OFFICIAL RECORDS.

(APN: 7503-013-819 AND -820)

LEASEHOLD PARCELS

PARCEL 14:

THOSE CERTAIN TIDE AND SUBMERGED LANDS AND ADJACENT UPLANDS AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT;

FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR, ALTERATION, ENLARGEMENT, IMPROVEMENT AND/OR REPLACEMENT F TWO OR MORE WATER CONDUITS AND APPURTENANCES, INCLUDING MANHOLE STRUCTURES FOR THE PURPOSE OF AFFORDING ACCESS TO SAID CONDUITS, AND INCLUDING NECESSARY OFF-SHORE STRUCTURES AND PROTECTIVE WORKS FOR THE PURPOSE OF CONVEYING AND DISCHARGING CIRCULATING COOLING WATER BETWEEN THE PACIFIC OCEAN AND THE REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT; AS PROVIDED AND SET FORTH IN THE LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909436 OF OFFICIAL RECORDS.

LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, WHICH LIES PARTLY ABOVE AND PARTLY BELOW THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN AND IS BOUNDED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE STRAND, A PUBLIC STREET, WITH THE SOUTHEASTERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH; THENCE NORTH 39 DEGREES 32' WEST, 570 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE NORTHWESTERLY LINE OF EIGHTH STREET IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST, ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST, 1,901.53 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST, 600 FEET; THENCE NORTH 18 DEGREES 08' 53" EAST, 1,771.38 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF SIXTH STREET; THENCE NORTH 52 DEGREES 16' EAST, ALONG SAID LAST MENTIONED PROLONGATION, 89.13 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THE USE OF THE SURFACE AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE STRAND, A PUBLIC STREET, WITH THE SOUTHEASTERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH; THENCE NORTH 39 DEGREES 32' WEST 570.00 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND, WITH THE NORTHWESTERLY LINE OF EIGHTH STREET IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300.00 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST 1641.15 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 18 DEGREES 08' 53" WEST 260.38 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST 387.02 FEET; THENCE NORTH 37 DEGREES 55' 12" WEST 466.46 FEET TO SAID TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, THOSE PORTIONS OF TIDE AND SUBMERGED LANDS AND ADJACENT UPLANDS AND WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY CORNER OF LOT 53 OF THE OCEAN BEACH SUBDIVISION AS PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT OF BEGINNING ALSO BEING THE INTERSECTION OF THE SOUTHEASTERLY LINE OF THE STREET NOW KNOWN AS SIXTH STREET AND THE NORTHEASTERLY LINE OF THE STRAND, FORMERLY A PUBLIC STREET; THENCE ALONG SAID NORTHEASTERLY LINE OF THE STRAND NORTH 39 DEGREES 32' WEST 570.00 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE NORTHWESTERLY LINE OF THE STREET NOW KNOWN AS EIGHTH STREET, IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST, ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300.00 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST, 1641.15 FEET; THENCE SOUTH 37 DEGREES 55' 12" EAST 466.46 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST 212.98 FEET; THENCE NORTH 18 DEGREES 08' 53" EAST 1771.38 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF SIXTH STREET; THENCE NORTH 52 DEGREES 16' EAST, ALONG SAID LAST MENTIONED PROLONGATION, 89.13 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, FROM SAID LAST ABOVE MENTIONED EXCEPTION, THAT PORTION THEREOF WHICH IS TO BE RETAINED BY SAID LESSEE DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY CORNER OF LOT 58 OF SAID OCEAN BEACH SUBDIVISION AS PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER, SAID LAST MENTIONED POINT OF BEGINNING ALSO BEING THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE SOUTHEASTERLY LINE OF THE STREET NOW KNOWN AS SEVENTH STREET IN SAID CITY OF REDONDO BEACH; THENCE ALONG SAID NORTHEASTERLY LINE OF SAID STRAND, NORTH 39 DEGREES 32' WEST, 28.01 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 52 DEGREES 15' 50" WEST, 69.11 FEET; THENCE SOUTH 17 DEGREES 33' 19" WEST, 1669.09 FEET; THENCE SOUTH 12 DEGREES 23' 56" EAST 249.54 FEET; THENCE SOUTH 52 DEGREES 04' 48" WEST, 70.00 FEET; THENCE NORTH 37 DEGREES 55' 12" WEST, 223.70 FEET; THENCE NORTH 53 DEGREES 00' 00" EAST 48.52 FEET; THENCE NORTH 17 DEGREES 33' 19" EAST, 1796.73 FEET; THENCE NORTH 52 DEGREES 15' 50" EAST, 90.97 FEET, MORE OR LESS, TO SAID NORTHEASTERLY LINE OF THE STRAND; THENCE ALONG SAID NORTHEASTERLY LINE OF THE STRAND; SOUTH 39 DEGREES 32' EAST, 70.03 FEET, MORE OR LESS, TO SAID TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LAND HEREBY LEASED, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LANDS WHICH UNDERLIES A PLANE PARALLEL TO AND TWO HUNDRED (200) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LANDS BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LANDS FROM DRILL SITES LOCATED ON OTHER LAND.

PARCEL 15:

THE FOLLOWING DESCRIBED TIDE AND SUBMERGED LANDS, ADJACENT UPLANDS AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT;

FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR, ALTERATION, ENLARGEMENT, IMPROVEMENT AND/OR REPLACEMENT OF TWO WATER CONDUITS AND APPURTENANCES, MANHOLE STRUCTURES, OFF-SHORE STRUCTURES AND PROTECTIVE WORKS, FOR THE CONVEYANCE AND DISCHARGE OF CIRCULATING COOLING WATER BETWEEN THE PACIFIC OCEAN TO THE LESSEES' REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT, AS PROVIDED AND SET FORTH IN THE LEASE DATED DECEMBER 28, 1964 RECORDED MARCH 25, 1965 AS INSTRUMENT NO. 4396, IN BOOK M1812, PAGE 282 OF OFFICIAL RECORDS; AND AS AMENDED BY MODIFICATION OF LEASE DATED AS OF NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-

1909437 OF OFFICIAL RECORDS; AND AS PROVIDED AND SET FORTH IN LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909434 OF OFFICIAL RECORDS, WHICH SAID LAST MENTIONED LEASE BY ITS TERMS COMMENCES ON JANUARY 28, 2031; LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

PARCEL A:

THAT PORTION OF THE REAL PROPERTY IN THE RANCHO SAN PEDRO LYING WITHIN THE LAND DESCRIBED IN THE DEED FROM CATHERINE T. ELLIS TO THE CITY OF REDONDO BEACH DATED DECEMBER 9, 1960 AND RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750 IN BOOK D, 1080, PAGE 240 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE REAL PROPERTY DESCRIBED IN SAID DEED RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750 IN BOOK D1080 PAGE 240, OF SAID OFFICIAL RECORDS, SAID POINT ALSO BEING IN THE NORTHEASTERLY LINE OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SAID HERMOSA AVENUE IS SHOWN 70 FEET WIDE ON THE MAP OF OCEAN BEACH SUBDIVISION RECORDED IN BOOK 2 PAGE 35, OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF AID COUNTY; THENCE ALONG THE NORTHEASTERLY LINE OF SAID HARBOR DRIVE (HERMOSA AVENUE), SOUTH 29 DEGREES 48' 06" EAST, 214.76 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 2869.68 FEET AND A CENTRAL ANGLE OF 00 DEGREES 29' 21"; THENCE SOUTHEASTERLY, ALONG THE ARC OF SAID CURVE, 24.50 FEET; THENCE NORTH 12 DEGREES 02' 38" WEST, 241.91 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF THE REAL PROPERTY DESCRIBED IN SAID DEED RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750, IN BOOK D1080 PAGE 240 OF SAID OFFICIAL RECORDS; THENCE SOUTH 67 DEGREES 04' 04" WEST, ALONG SAID NORTHWESTERLY LINE, 74.20 FEET TO THE POINT OF BEGINNING.

(APN: 7503-013-013)

PARCEL B:

THOSE PORTIONS OF THE TOWNSITE OF REDONDO BEACH, AS PER MAP RECORDED IN BOOK 39 PAGES 1 TO 17, INCLUSIVE, OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND OF "OCEAN BEACH SUBDIVISION" AS PER MAP RECORDED IN BOOK 2 PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, INCLUDING THE PORTIONS THEREOF SHOWN AND DESIGNATED ON SAID MAPS AS "SURF WAY" AND "STRAND", DESCRIBED AS A WHOLE, AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A SPIKE AND TIN SET IN THE CENTERLINE OF SAID HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SAID AVENUE IS SHOWN 70 FEET WIDE ON SAID MAP OF OCEAN BEACH SUBDIVISION RECORDED IN BOOK 2 PAGE 35, OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER, SAID POINT BEARS NORTH 37 DEGREES 32' 36" WEST, 179.28 FEET FROM A BRASS CAP MONUMENT MARKED H-5, AS SAID MONUMENT IS SHOWN ON RECORD OF SURVEY MAP, SHOWING "SURVEY OF A CONTROL LINE ESTABLISHED FOR THE CITY OF REDONDO BEACH", FILED IN BOOK 78, PAGE 100, OF RECORDS OF SURVEY IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 24 DEGREES 25' 04" WEST, 45.27 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY LINE OF SAID HARBOR DRIVE, 70 FEET WIDE; THENCE NORTH 26 DEGREES 12' 51" WEST, 45.27 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH 24 DEGREES 25' 04" WEST, 1678 FEET; THENCE SOUTH 65 DEGREES 34' 56" EAST, 70.00 FEET; THENCE NORTH 24 DEGREES 25' 04" EAST, 1622 FEET, MORE OR LESS TO A POINT IN THE SOUTHWESTERLY LINE OF SAID HARBOR DRIVE; THENCE NORTH 26 DEGREES 12' 51" WEST, 90.34 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

EXCEPTING THEREFROM, PORTIONS OF THE SURFACE INCLUDING BUT NOT LIMITED TO BUILDINGS, PARKING AND LANDSCAPING AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LANDS HEREBY LEASED, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LANDS WHICH UNDERLIES A PLANE PARALLEL TO AND TWO HUNDRED (200) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LANDS FROM DRILL SITES LOCATED ON OTHER LAND.

PARCEL 16:

THE FOLLOWING DESCRIBED TIDE AND SUBMERGED LANDS AND ADJACENT UPLAND AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT; FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR OR REPLACEMENT OF ONE OR MORE WATER INTAKE CONDUITS AND APPURTENANCES, INCLUDING NECESSARY OFF-SHORE STRUCTURES FOR THE PURPOSE OF CARRYING AND DISCHARGING CIRCULATING COOLING WATER, BETWEEN THE PACIFIC OCEAN AND THE REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT, AS PROVIDED

AND SET FORTH IN LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909435 OF OFFICIAL RECORDS.

LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

PARCEL A:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET, IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921 AND RECORDED JUNE 30, 1922 IN BOOK 1127, PAGE 326 OF OFFICIAL RECORDS OF SAID COUNTY OF LOS ANGELES.

PARCEL B:

THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS, IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, WESTERLY TO THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, AND FROM THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET, IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA.

PARCEL C:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH LYING WITHIN THE STRAND, FORMERLY A PUBLIC STREET, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, SAID POINT BEING SOUTH 20 DEGREES 45' 50" EAST 334.04 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION OF SAID WESTERLY BOUNDARY LINE WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 65 DEGREES 20' 44" EAST 40.12 FEET TO THE EASTERLY BOUNDARY LINE OF THE STRAND; THENCE SOUTHERLY ALONG SAID EASTERLY BOUNDARY LINE OF THE STRAND 94.89 FEET; THENCE SOUTH 65 DEGREES 20' 44" WEST 33.51 FEET TO A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, SAID POINT BEING 94.21 FEET DISTANT FROM THE TRUE POINT OF BEGINNING; THENCE ALONG SAID WESTERLY BOUNDARY OF THE STRAND NORTH 20 DEGREES 45' 50" WEST 94.21 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, THE USE OF THE SURFACE, AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, THAT PORTION OF THE DEMISED PREMISES LYING BETWEEN THE STRAND AND THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, AND EXTENDING FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, WHICH PORTIONS ARE DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY COMPANY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921, AND RECORDED JUNE 30, 1922 IN BOOK 1127, PAGE 326 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY OF LOS ANGELES.

AND THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, WESTERLY TO THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH AND FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE OF CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA, AS PARTIALLY CANCELLED IN MODIFICATION OF SAID LEASE, DATED FEBRUARY 27, 1948.

ALSO EXCEPTING THEREFROM, THAT CERTAIN PORTION OF THE DEMISED PREMISES LYING BETWEEN THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH AND THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET, AND EXTENDING FROM THE WESTERLY LINE OF THE STRAND, WESTERLY TO A LINE WHICH IS PARALLEL WITH AND THREE HUNDRED (300) FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THE STRAND; WHICH PORTIONS ARE DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SOUTHERLY, TO THE WESTERLY

PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY COMPANY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921, AND RECORDED JUNE 30, 1922, IN BOOK 1127, PAGE 326, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

AND THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN WESTERLY TO A LINE WHICH IS PARALLEL WITH AND 300 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THE STRAND, A PUBLIC STREET, AND FROM THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE OF CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA, AS PARTIALLY CANCELLED IN MODIFICATION OF SAID LEASE DATED JUNE 1, 1954.

ALSO EXCEPTING THEREFROM, THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, A PUBLIC STREET, WHICH POINT IS SOUTH 20 DEGREES 45' 50" EAST, 444.78 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION THEREOF WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE SOUTH 71 DEGREES 00' 56" WEST, 982.53 FEET; THENCE SOUTH 65 DEGREES 19' 26" WEST, 432.99 FEET; THENCE SOUTH 58 DEGREES 57' 41" WEST, 594.24 FEET; THENCE SOUTH 22 DEGREES 55' 56" EAST, 50 FEET MORE OR LESS, TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET AS VACATED BY RESOLUTION NO. 2401, ADOPTED JUNE 8, 1952, BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID RESOLUTION BEING RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027 PAGE 34, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 67 DEGREES 04' 04" EAST, 2000 FEET, MORE OR LESS, ALONG SAID WESTERLY PROLONGATION TO SAID WESTERLY BOUNDARY LINE OF THE STRAND; THENCE NORTHWESTERLY ALONG SAID WESTERLY BOUNDARY LINE TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, THAT PORTION PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH DESCRIBED, AS A WHOLE, AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, FORMERLY A PUBLIC STREET, WHICH POINT IS SOUTH 20 DEGREES 45' 50" EAST

334.04 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION THEREOF WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE SOUTH 65 DEGREES 20' 44" WEST 112.45 FEET; THENCE SOUTH 79 DEGREES 05' 48" WEST 351.27 FEET; THENCE SOUTH 65 DEGREES 20' 44" WEST 1251.36 FEET; THENCE NORTH 86 DEGREES 49' 58" WEST 189.67 FEET; THENCE NORTH 63 DEGREES 22' 21" WEST 114.12 FEET; THENCE SOUTH 26 DEGREES 37' 39" WEST 70.00 FEET; THENCE SOUTH 63 DEGREES 22' 21" EAST 261.17 FEET; THENCE NORTH 65 DEGREES 20' 44" EAST 1373.30 FEET; THENCE NORTH 79 DEGREES 05' 48" EAST 452.24 FEET; THENCE NORTH 65 DEGREES 20' 44" EAST 16.42 FEET TO SAID WESTERLY BOUNDARY LINE; THENCE ALONG SAID WESTERLY BOUNDARY LINE SOUTH 20 DEGREES 45' 50" EAST 16.52 FEET, MORE OR LESS, TO A POINT IN SAID WESTERLY BOUNDARY LINE THAT IS NORTH 20 DEGREES 45' 50" WEST 79.39 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, AS VACATED BY RESOLUTION NO. 2401 ADOPTED JUNE 8, 1952 BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID RESOLUTION BEING RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027, PAGE 34 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 71 DEGREES 00' 56" WEST 982.53 FEET; THENCE SOUTH 65 DEGREES 19' 26" WEST, 432.99 FEET; THENCE SOUTH 58 DEGREES 57' 41" WEST 594.24 FEET; THENCE SOUTH 22 DEGREES 55' 56" EAST 50.00 FEET; MORE OR LESS, TO SAID WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET; THENCE SOUTH 67 DEGREES 04' 04" WEST, ALONG SAID PROLONGATION, TO THE WESTERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE NORTHERLY ALONG SAID LAST MENTIONED WESTERLY BOUNDARY LINE TO THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE NORTH 68 DEGREES 43' 31" EAST, ALONG SAID NORTHERLY BOUNDARY LINE TO ITS INTERSECTION WITH A LINE THAT IS PARALLEL WITH AND 300 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM SAID WESTERLY LINE OF THE STRAND; THENCE SOUTHERLY ALONG SAID PARALLEL LINE, TO ITS INTERSECTION WITH THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET; THENCE EASTERLY, ALONG SAID LAST MENTIONED WESTERLY PROLONGATION, TO SAID WESTERLY LINE OF THE STRAND; THENCE SOUTHERLY, ALONG SAID LAST MENTIONED WESTERLY LINE, TO THE POINT OF BEGINNING.

EASEMENT PARCEL

PARCEL 17:

AN EASEMENT FOR ACCESS ROAD PURPOSES, AS SET OUT IN AN ACCESS ROAD EASEMENT, RECORDED FEBRUARY 9, 1977 AS INSTRUMENT NO. 77-144416 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS:

FOUR STRIPS OF LAND EACH 12.00 FEET WIDE LYING WITHIN THE UPLANDS AND WATER FRONTAGE LANDS ADJACENT TO THE TIDE AND SUBMERGED LANDS OF SAID CITY OF REDONDO BEACH IN SAID COUNTY AND STATE, THE CENTERLINE OF SAID STRIPS OF LAND BEING DESCRIBED AS FOLLOWS:

STRIP ONE:

BEGINNING AT THE INTERSECTION OF THE CENTERLINES OF HARBOR DRIVE AND YACHT CLUB WAY, AS SAID INTERSECTION IS SHOWN ON OFFICIAL MAP RECORDED IN BOOK 4 PAGES 81 TO 83 INCLUSIVE OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 66 DEGREES 57' 21" WEST, ALONG SAID CENTERLINE OF YACHT CLUB WAY, 337.74 FEET; THENCE SOUTH 21 DEGREES 57' 06" EAST, 25.00 FEET, TO A POINT IN THE SOUTHEASTERLY LINE OF SAID YACHT CLUB WAY, SAID LAST MENTIONED POINT BEING THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 21 DEGREES 57' 06" EAST, 73.19 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE CONTINUING SOUTH 21 DEGREES 57' 06" EAST, 40.50 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 35.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89 DEGREES 21' 04", AN ARC DISTANCE OF 54.58 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 127.46 FEET A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 21 DEGREES 18' 10" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 35 DEGREES 18' 53" AN ARC DISTANCE OF 78.56 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B", A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 14 DEGREES 00' 44" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 30 DEGREES 37' 54" AN ARC DISTANCE OF 68.14 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "C", A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 44 DEGREES 38' 38" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 20 DEGREES 43' 58" AN ARC DISTANCE OF 46.12 FEET; THENCE TANGENT TO SAID REVERSE CURVE SOUTH 24 DEGREES 37' 24" EAST 1.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 35.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 71 DEGREES 27' 09" AN ARC DISTANCE OF 43.65 FEET TO A POINT IN THE SOUTHWESTERLY (END) LINE OF 10TH STREET AS SAID STREET IS SHOWN ON SAID OFFICIAL MAP, SAID POINT BEING NORTH 24 DEGREES 37' 24" WEST, 11.93 FEET MEASURED ALONG SAID SOUTHWESTERLY (END) LINE FROM THE CENTERLINE OF SAID 10TH STREET AS SHOWN ON SAID OFFICIAL MAP.

THE SIDELINES OF SAID STRIP ONE SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE NORTHERLY IN SAID SOUTHEASTERLY LINE OF YACHT CLUB WAY AND EASTERLY IN SAID SOUTHWESTERLY (END) LINE OF 10TH STREET.

STRIP TWO:

BEGINNING AT POINT "A" HEREINBEFORE DESCRIBED, SAID POINT "A" BEING THE BEGINNING OF A CURVE THAT IS TANGENT TO THE HEREINBEFORE DESCRIBED COURSE HAVING A BEARING AND LENGTH OF "SOUTH 21 DEGREES 57' 06" EAST, 73.19 FEET", AND CONCAVE TO THE NORTH, HAVING A RADIUS OF 35.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90 DEGREES 00' 00" AN ARC DISTANCE OF 54.98 FEET; THENCE TANGENT TO SAID CURVE, NORTH 68 DEGREES 02' 54" EAST, A DISTANCE OF 21.40 FEET.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIP ONE HEREINBEFORE DESCRIBED.

STRIP THREE:

BEGINNING AT POINT "B" HEREINBEFORE DESCRIBED, SAID POINT "B" BEING THE BEGINNING OF A CURVE THAT IS REVERSE TO THAT CERTAIN SEGMENT OF THE REVERSE CURVE DESCRIBED IN STRIP ONE ABOVE AS HAVING A RADIUS OF 127.46 FEET, A CENTRAL ANGLE OF 35 DEGREES 18' 53" AND AN ARC LENGTH OF 78.56 FEET; THENCE EASTERLY ALONG THE INSTANT REVERSE CURVE, BEING CONCAVE TO THE NORTH AND HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 34 DEGREES 27' 34", AN ARC DISTANCE OF 30.07 FEET; THENCE NORTH 69 DEGREES 33' 10" EAST, TANGENT TO SAID CURVE, A DISTANCE OF 42.40 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "D"; THENCE CONTINUING NORTH 69 DEGREES 33' 10" EAST, 3.56 FEET TO A POINT IN THE WESTERLY LINE OF "EDISON COMPANY YARD" AS SHOWN ON OFFICIAL MAP RECORDED IN BOOK 4, PAGES 81 TO 83 INCLUSIVE OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIP ONE HEREINBEFORE DESCRIBED.

STRIP FOUR:

BEGINNING AT POINT "C" HEREINBEFORE DESCRIBED, SAID POINT "C" BEING THE BEGINNING OF A CURVE THAT IS REVERSE TO THAT CERTAIN SEGMENT OF THE REVERSE CURVE DESCRIBED IN STRIP ONE ABOVE AS HAVING A RADIUS OF 127.46 FEET, A CENTRAL ANGLE OF 20 DEGREES 43' 58" AND AN ARC LENGTH OF 46.12 FEET; THENCE NORTHERLY ALONG THE INSTANT REVERSE CURVE, BEING CONCAVE TO THE EAST, HAVING A RADIUS OF 30.00 FEET THROUGH A CENTRAL ANGLE OF 114 DEGREES 54' 32" AN ARC DISTANCE OF 60.17 FEET TO POINT "D" HEREINABOVE DESCRIBED IN STRIP THREE ABOVE.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIPS ONE AND THREE HEREINBEFORE DESCRIBED.

(APN: PORTIONS OF 7503-003-900 AND -901)

(End of Legal Description)

EXHIBIT C

EASEMENT AREA

FEE PARCELS

PARCEL 7:

LOTS 59 AND 60 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3225, IN BOOK 40536, PAGE 237 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 10:

LOT 102 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDRO-CARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY

OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3226, IN BOOK 40536, PAGE 291 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 11:

LOT 103 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2 PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3224, IN BOOK 40536, PAGE 241 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-003-803)

PARCEL 12:

THAT PORTION OF THAT CERTAIN ALLEY, SHOWN AS SURF WAY (12.00 FEET WIDE) AS SHOWN ON MAP OF THE OCEAN BEACH SUBDIVISION, CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, RECORDS OF LOS ANGELES COUNTY, EXTENDING BETWEEN THE NORTH LINE OF 7TH STREET (FORMERLY 6TH STREET, 50 FT. WIDE) ALSO KNOWN AS MARINA WAY, AND A LINE PARALLEL WITH AND 85.00 FEET NORTHERLY OF SAID NORTH LINE OF 7TH STREET, AS VACATED BY RESOLUTION NO. 3963, A CERTIFIED COPY OF WHICH RECORDED AUGUST 1, 1963 AS INSTRUMENT NO. 6810 IN BOOK D2129, PAGE 19 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3225, IN BOOK 40536, PAGE 237 OF OFFICIAL RECORDS, ADJACENT TO LOTS 59 AND 60 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING

EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3224, IN BOOK 40536, PAGE 241 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 103 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDRO-CARBON SUBSTANCES IN AND UNDER SAID LAND TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OF TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 16, 1952 AS INSTRUMENT NO. 3226, IN BOOK 40536, PAGE 291 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 102 OF SAID OCEAN BEACH SUBDIVISION.

(End of Legal Description)

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11611 San Vicente Boulevard, Suite 640
Los Angeles, CA 90049

**DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING
(First Priority)**

THIS DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust"), made as of February 6, 2020, is entered into by and among:

NEW COMMUNE DTLA LLC, a California limited liability company ("Trustor"), whose address is 9744 Wilshire Boulevard, Suite 203, Beverly Hills, California 90212, and

LONE OAK INDUSTRIES INC., a California corporation ("Trustee"), whose address is 11611 San Vicente Boulevard, Suite 640, Los Angeles, California 90049, and

LONE OAK FUND, LLC, a California limited liability company ("Beneficiary"), whose address is 11611 San Vicente Boulevard, Suite 640, Los Angeles, California 90049.

Trustor irrevocably grants, conveys and assigns to Trustee, IN TRUST FOR THE BENEFIT OF BENEFICIARY, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, all of Trustor's right, title and interest, whether now owned or hereafter acquired, in and to that certain real property hereinafter described (the "Land"), together with, all buildings and other improvements and fixtures now or hereafter located thereon (the "Improvements"), all development rights, mineral and oil rights, appurtenances, easements and rights relating thereto, and all additions and accretions to, and the proceeds of, any of the foregoing (all of the foregoing being collectively referred to as the "Property"):

PARCEL 1:

LOTS 74 THROUGH 78 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING FROM LOT 76 ABOVE, ALL WATER WHICH MAY BE DEVELOPED ON SAID LOT IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS EXCEPTED IN DEED RECORDED OCTOBER 11, 1946 IN BOOK 23806, PAGE 324 OF OFFICIAL RECORDS.

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ALSO EXCEPTING FROM LOTS 77 AND 78, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910, IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM LOTS 74, 75 AND 76, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT, COMPANY, ITS SUCCESSORS AND AS SIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET OUT IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-821)

PARCEL 2:

LOTS 84 THROUGH 88 OF TRACT NO. 1326, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 18, PAGE 67 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-821)

PARCEL 3:

A PARCEL OF LAND, SHOWN AS AN ALLEY, 12.00 FEET WIDE, ON THE MAP OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF

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MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH ADJOINS LOTS 74 THROUGH 78 OF SAID OCEAN BEACH SUBDIVISION TRACT ON THE EAST; AND ALSO SHOWN ON THE MAP OF TRACT NO. 1326, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 18, PAGE 67 OF MAPS, ADJOINING LOTS 84 THROUGH 88, ON THE WEST, WHICH WAS VACATED BY ORDINANCE NO. 1107 AND RESOLUTION NO. 1544, BY THE CITY OF REDONDO BEACH; A CERTIFIED COPY OF WHICH RECORDED MARCH 1, 1947 AS INSTRUMENT NO. 958 IN BOOK 24285, PAGE 267 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS RESERVES BY EDISON SECURITIES COMPANY IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOTS 77 AND 78.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND . OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET FORTH IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOTS 74, 75, 76 AND 84 THROUGH 88.

(APN: PORTION OF 7503-013-821)

PARCEL 4:

LOT 89 OF OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SHOWN ON SAID MAP, ADJOINING SAID LOT 39 ON THE EAST; VACATED BY ORDINANCE NO. 233 IN THE CITY OF REDONDO BEACH AND ORDINANCE NO. 635 IN THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID ORDINANCE NO. 635 RECORDED AUGUST 30, 1924 AS INSTRUMENT NO. 441 IN BOOK 3176, PAGE 310 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, AND OTHER MINERALS OR HYDROCARBON

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SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 17, 1952 AS INSTRUMENT NO. 2573, IN BOOK 40545, PAGE 272 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

PARCEL 5:

LOTS 72 AND 90 OF THE OCEAN BEACH SUBDIVISION, IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE AS SHOWN ON SAID MAP, VACATED BY ORDINANCE NO. 233 IN SAID CITY OF REDONDO BEACH, AND ORDINANCE NO. 635 IN THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID ORDINANCE NO. 635, RECORDED AUGUST 30, 1924 AS INSTRUMENT NO. 441 IN BOOK 3176, PAGE 310 OF OFFICIAL RECORDS, ADJOINING SAID LOT 90 ON THE NORTHEAST.

EXCEPTING THEREFROM, THE SOUTHERLY 20.00 FEET OF LOT 72 AND THE SOUTHERLY 20.00 FEET OF LOT 90, BOTH IN THE OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID LOS ANGELES COUNTY, AS CONVEYED TO THE CITY OF REDONDO BEACH, IN DEED RECORDED JANUARY 12, 1970 AS INSTRUMENT NO. 1961 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, ETC. FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PART THEREOF, TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 29, 1952 AS INSTRUMENT NO. 1609 IN BOOK 40606, PAGE 311 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

PARCEL 6:

THAT PORTION OF TENTH STREET, FORMERLY NINTH STREET, AS SAME IS SHOWN AND DESIGNATED AS 9TH STREET ON A MAP OF TRACT NO. 1326 ON FILE IN BOOK 18, PAGE 67 OF MAPS, AND AS SHOWN ON THE MAP OF OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, WHICH EXTENDS FROM THE WESTERLY LINE OF HERMOSA AVENUE, WESTERLY TO THE EASTERLY LINE OF THE STRAND.

TOGETHER WITH THAT PORTION OF THAT CERTAIN PUBLIC ALLEY WHICH LIES WESTERLY OF AND ADJOINS THE WESTERLY LINE OF LOT 89 OF OCEAN BEACH SUBDIVISION, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND WHICH EXTENDS FROM THE SOUTHERLY LINE OF SAID ABOVE MENTIONED TENTH STREET, SOUTHERLY TO A LINE WHICH IS PARALLEL WITH AND 50.00 FEET NORTHERLY, MEASURED AT RIGHT ANGELES, FROM THE SOUTHERLY LINE AND ITS WESTERLY PROLONGATION OF LOT 90 OF SAID OCEAN BEACH SUBDIVISION, AS VACATED BY ORDINANCE NO. 1360, RESOLUTION NO. 2401, A CERTIFIED COPY OF WHICH RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027, PAGE 34 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERALS OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS AND OTHER MINERALS OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF 100 FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, IN DEED RECORDED DECEMBER 17, 1952 AS INSTRUMENT NO. 2573 IN BOOK 40545, PAGE 272 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO SAID LOT 89.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND ONE HUNDRED (100) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF ONE HUNDRED (100) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED IN DEED RECORDED MARCH 19, 1953 AS INSTRUMENT NO. 2743 IN BOOK 41257, PAGE 62 OF OFFICIAL RECORDS, AS TO THAT PORTION ADJACENT TO LOT 73 OF SAID OCEAN BEACH SUBDIVISION.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS SET OUT IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS, AS

TO THAT PORTION ADJACENT TO LOT 88 OF SAID TRACT NO. 1326, AND ADJACENT TO LOT 74 OF SAID OCEAN BEACH SUBDIVISION.

(APN: PORTION OF 7503-013-822)

PARCEL 7:

LOT 73 OF OCEAN BEACH SUBDIVISION IN THE CITY OF REDONDO BEACH, AS PER MAP ON FILE IN BOOK 2, PAGE 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND ONE HUNDRED (100) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF ONE HUNDRED (100) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED IN DEED RECORDED MARCH 19, 1953 AS INSTRUMENT NO. 2743 IN BOOK 41257, PAGE 62 OF OFFICIAL RECORDS.

(APN: PORTION OF 7503-013-822)

For the purpose of securing the payment of the indebtedness under a loan (the "**Loan**") from Beneficiary to Trustor evidenced by a Promissory Note (the "**Note**") in the principal amount of FOUR MILLION and No/100 Dollars (\$4,000,000.00), including future advances thereunder, if any, together with the payment of all other sums becoming due and payable to Beneficiary under the documents and instruments evidencing or securing the Loan (together with this Deed of Trust, the "**Loan Documents**"), and the performance of all covenants and obligations of Trustor under the Loan Documents, payment of all other obligations owed by Trustor to Beneficiary that by their terms recite that they are secured by this Deed of Trust, and all modifications, extensions and renewals of any of the obligations secured hereby, however evidenced (collectively the "**Secured Obligations**"). The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all principal, interest, prepayment charges (if any), late charges, other charges, payments, and loan fees at any time accruing or assessed on any of the Secured Obligations.

All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. Any and all persons or entities who may have or acquire an interest in all or any part of the Property shall be deemed to have notice of the terms of the Secured Obligations.

ARTICLE 1. ASSIGNMENT OF LEASES AND RENTS

1.1 **Assignment.** Trustor hereby irrevocably assigns to Beneficiary all of Trustor's right, title and interest in, to and under: (a) all leases of the Property or any portion thereof, and all other agreements of any kind relating to the use or occupancy of the Property or any portion thereof, whether now existing or entered into after the date hereof ("**Leases**"); and (b) the rents, revenue, income, issues, deposits security deposits, letters of credit, lease bonds and other deposit substitutes or credit enhancements and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("**Payments**"). The term "Leases" shall also include all guarantees of and security for the lessees' performance thereunder, and

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all amendments, extensions, renewals or modifications thereto which are permitted hereunder. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Property.

1.2 **Grant of License.** Beneficiary confers upon Trustor a license ("**License**") to collect and retain the Payments as they become due and payable, until the occurrence of a Default (as hereinafter defined). Upon a Default, the License shall be automatically revoked and Beneficiary may collect and apply the Payments pursuant to Section 4.4 without notice and without taking possession of the Property. Trustor hereby irrevocably authorizes and directs the lessees under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases, and the lessees shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing hereunder. Trustor hereby relieves the lessees from any liability to Trustor by reason of relying upon and complying with any such notice or demand by Beneficiary.

1.3 **Effect of Assignment.** The foregoing irrevocable assignment shall not cause Beneficiary to be: (a) a mortgagee in possession; (b) responsible or liable for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Property by the lessees under any of the Leases or any other parties; for any dangerous or defective condition of the Property; or for any negligence in the management, upkeep, repair or control of the Property. Beneficiary shall not be liable to Trustor or any other person as a consequence of: (i) the exercise or failure to exercise by Beneficiary any of the rights, remedies or powers granted to Beneficiary hereunder; or (ii) the failure of Beneficiary to perform or discharge any obligation, duty or liability of Trustor arising under the Leases.

1.4 **Representations and Warranties.** Trustor represents and warrants that: (a) there are no Leases at the Property other than those set forth in writing and delivered to Beneficiary; (b) all existing Leases are in full force and effect and are enforceable in accordance with their respective terms, and no breach or default, or event which would constitute a breach or default after notice or the passage of time, or both, exists under any existing Leases on the part of any party; (c) no rent or other payment under any existing Lease has been paid by any lessee for more than one (1) month in advance; and (d) none of the lessor's interests under any of the Leases has been transferred or assigned.

1.5 **Leasing Covenants.** Trustor covenants and agrees at Trustor's sole cost and expense to: (a) perform the obligations of lessor contained in the Leases and enforce by all available remedies performance by the lessees of the obligations of the lessees contained in the Leases; (b) give Beneficiary prompt written notice of any default which occurs with respect to any of the Leases, whether the default be that of the lessee or of the lessor; (c) exercise Trustor's best efforts to keep all portions of the Property that are capable of being leased at all times at rentals not less than the fair market rental value; (d) deliver to Beneficiary fully executed, counterpart original(s) of each and every Lease if requested to do so; and (e) execute and record such additional assignments of any Lease or specific subordinations (or subordination, attornment and non-disturbance agreements executed by the lessor and lessee) of any Lease to the Deed of Trust, in form and substance acceptable to Beneficiary, as Beneficiary may request. Trustor shall not, without Beneficiary's prior written consent: (i) enter into any Leases after the date hereof with a term in excess of three years (including extensions); (ii) execute any other assignment relating to any of the Leases; (iii) discount any rent or other sums due under the Leases or collect the same in advance, other than to collect rentals one (1) month in advance of the time when it becomes due; (iv) terminate, modify or amend any of the terms of the Leases or in any manner release or discharge the lessees from any obligations thereunder; (v) consent to any assignment or subletting by any lessee. Any such attempted action in violation of the provisions of this Section 1.5 shall be null and void. Without in any way limiting the requirement of Beneficiary's consent hereunder, any sums received by Trustor in consideration of any termination (or the release or discharge of any lessee) modification or amendment of any Lease shall be applied to reduce the

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outstanding Secured Obligations and any such sums received by Trustor shall be held in trust by Trustor for such purpose.

1.6 **Estoppel Certificates.** Within thirty (30) days after written request by Beneficiary, Trustor shall deliver to Beneficiary, and to any party designated by Beneficiary, estoppel certificates executed by Trustor and by each of the lessees, in recordable form, certifying (if such be the case): (a) that the foregoing assignment and the Leases are in full force and effect; (b) the date of each lessee's most recent payment of rent; (c) that there are no defenses or offsets outstanding, or stating those claimed by Trustor or lessees under the foregoing assignment or the Leases, as the case may be; and (d) any other information reasonably requested by Beneficiary.

ARTICLE 2. SECURITY AGREEMENT AND FIXTURE FILING

2.1 **Security Interest.** Trustor hereby grants and assigns to Beneficiary a security interest, to secure payment and performance of all of the Secured Obligations, in all of the following described personal property, in which Trustor now or at any time hereafter has any interest (collectively, the "Collateral"):

All goods, building and other materials, supplies, inventory, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property and embedded software included therein and supporting information, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on the Land and the Improvements; together with all rents and security deposits derived from Land and Improvements; all accounts, cash receipts, deposit accounts, accounts receivable, contract rights, licenses, agreements, general intangibles, payment intangibles, software, chattel paper (whether electronic or tangible), instruments, documents, promissory notes, drafts, letters of credit, letter of credit rights, supporting obligations, insurance policies, insurance and condemnation awards and proceeds, proceeds of the sale of promissory notes, any other rights to the payment of money arising from or related to the ownership, management, leasing, operation, sale or disposition of the Land and the Improvements; all development rights and credits, and any and all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Land and the Improvements, or any of their affiliates; all water and water rights, wells and well rights, canals and canal rights, ditches and ditch rights, springs and spring rights, and reservoirs and reservoir rights appurtenant to or associated with the Land and the Improvements, whether decreed or undeclared, tributary, non-tributary or not non-tributary, surface or underground or appropriated or unappropriated, and all shares of stock in water, ditch, lateral and canal companies, well permits and all other evidences of any of such rights; all deposits or other security now or hereafter made with or given to utility companies by Trustor with respect to the Land and the Improvements; all advance payments of insurance premiums made by Trustor with respect to the Land and the Improvements; all plans, drawings and specifications relating to the Land and the Improvements; all loan funds held by Beneficiary, whether or not disbursed; all funds deposited with Beneficiary pursuant to any loan agreement; all reserves, deferred payments, deposits, security deposits, letters of credit, lease bonds and other deposit substitutes, credit enhancements, other like items, accounts, refunds, cost savings and payments of any kind related to the Land and the Improvements or any portion thereof; together with all replacements and proceeds of, and additions and accessions to, any of the foregoing; together with all books, records and files relating to any of the foregoing.

As to all of the above described personal property, which is or which hereafter becomes a "fixture" under applicable law, this Deed of Trust constitutes a fixture filing under the California Uniform Commercial Code, as amended or recodified from time to time ("UCC").

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2.2 **Representations and Warranties.** Trustor represents and warrants that: (a) Trustor has, or will have, good title to the Collateral; (b) Trustor has not previously assigned or encumbered the Collateral, and no financing statement covering any of the Collateral has been delivered to any other person or entity; (c) Trustor's principal place of business is located at the address shown in the heading of this Deed of Trust; and (d) Trustor's legal name is exactly as set forth on the first page of this Deed of Trust and all of Trustor's organizational documents or agreements delivered to Beneficiary are complete and accurate in every respect.

2.3 **Covenants.** Trustor agrees: (a) to execute and deliver such documents as Beneficiary deems necessary to create, perfect and continue the security interests contemplated hereby; (b) not to change its name, and as applicable, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered without giving Beneficiary prior written notice thereof; (c) to cooperate with Beneficiary in perfecting all security interests granted herein and in obtaining such agreements from third parties as Beneficiary deems necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of its rights hereunder; and (d) that Beneficiary is authorized to file financing statements in the name of Trustor to perfect Beneficiary's security interest in Collateral.

2.4 **Remedies.** This Deed of Trust constitutes a security agreement with respect to the Collateral in which Beneficiary is granted a security interest. Beneficiary has all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor agrees to execute and deliver on demand, and irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor to execute, deliver, and file, any security agreements, financing statements, continuation statements, or other instruments that Beneficiary may request to impose, perfect or continue the perfection of the lien or security interest created by this Deed of Trust. Upon the occurrence of a Default (as hereinafter defined), Beneficiary will have the right to sell at any public or private sales as permitted by applicable law any of the Collateral that is personal property. Beneficiary will also have any other rights and remedies, whether at law, in equity, or by statute that are available to secured creditors. Any disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any person or entity, including both Trustor and Beneficiary, will be eligible to purchase any part or all of the Collateral at any disposition.

2.5 **Expenses.** Expenses of retaking, holding and preparing for sale, selling, or the like will be borne by Trustor and will include Beneficiary's and Trustee's attorneys' fees and legal expenses. Trustor, on demand, will assemble the Collateral and make it available to Beneficiary at the Property, a place deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary will give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of the Collateral or of the time of or after which any private sale or any other intended disposition is to be made. If the notice is sent to Trustor in the manner provided for the mailing of notices in this Deed of Trust, it is deemed reasonable notice to Trustor.

ARTICLE 3. RIGHTS AND DUTIES OF THE PARTIES

3.1 **Title.** Trustor represents and warrants that, except as disclosed to Beneficiary in a writing which refers to this warranty, Trustor lawfully holds and possesses fee simple title to the Property without limitation on the right to encumber, and that this Deed of Trust is a first and prior lien on the Property.

3.2 **Taxes and Assessments.** Trustor shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Property or any interest therein (the "**Impositions**"). Trustor shall also pay prior to delinquency all Impositions imposed by reason of its interest in any Secured Obligation or in the Property, or by reason of any payment made to Beneficiary pursuant to any Secured Obligation; provided, however, Trustor shall have no obligation to pay taxes which may be imposed from time to time upon Beneficiary and which are measured by and imposed upon Beneficiary's net income.

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3.3 **Performance of Secured Obligations.** Trustor shall promptly pay and perform each Secured Obligation when due.

3.4 **Liens, Encumbrances and Charges.** Trustor shall immediately discharge any lien not approved by Beneficiary in writing that has or may attain priority over this Deed of Trust. Trustor shall pay when due all obligations secured by or which may become liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Property or Collateral, or any interest therein, whether senior or subordinate hereto.

3.5 **Damages, Insurance and Condemnation Proceeds.** The following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Trustor to Beneficiary and, at the request of Beneficiary, shall be paid directly to Beneficiary: (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Property or Collateral; (ii) all other claims and awards for damages to, or decrease in value of, all or any part of, or any interest in, the Property or Collateral; (iii) all proceeds of any insurance policies (whether or not expressly required by Beneficiary to be maintained by Trustor, including, but not limited to, earthquake insurance and terrorism insurance, if any) payable by reason of loss sustained to all or any part of the Property or Collateral; and (iv) all interest which may accrue on any of the foregoing. Subject to applicable law, and without regard to any requirement contained in Section 3.6(d), Beneficiary may at its discretion apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in such order and amounts as Beneficiary in its sole discretion may choose, and/or Beneficiary may release all or any part of the proceeds to Trustor upon any conditions Beneficiary may impose. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary. At its sole option, Beneficiary may permit insurance or condemnation proceeds held by Beneficiary to be used for repair or restoration but may condition such application upon reasonable conditions.

3.6 **Maintenance and Preservation of the Property.** Trustor covenants: (a) to insure the Property and Collateral against such risks as Beneficiary may require and, at Beneficiary's request, to provide evidence of such insurance to Beneficiary, and to comply with the requirements of any insurance companies providing such insurance; (b) to keep the Property and Collateral in good condition and repair; (c) not to remove or demolish the Property or Collateral or any part thereof, not to alter, restore or add to the Property or Collateral without Beneficiary's prior written consent; (d) not to initiate or acquiesce in any change in any zoning or other land classification which affects the Property without Beneficiary's prior written consent; (e) to complete or restore promptly and in good and workmanlike manner the Property and Collateral, or any part thereof which may be damaged or destroyed, without regard to whether Beneficiary elects to require that insurance proceeds be used to reduce the Secured Obligations as provided in Section 5.6; (f) to comply with all laws, ordinances, regulations and standards, and all covenants, conditions, restrictions and equitable servitudes of every kind and character which affect the Property or Collateral and pertain to acts committed or conditions existing thereon; (g) not to commit or permit waste of the Property or Collateral; and (h) to do all other acts which from the character or use of the Property or Collateral may be reasonably necessary to maintain and preserve its value.

3.7 **Defense and Notice of Losses, Claims and Actions.** At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and Collateral and title to and right of possession of the Property and Collateral, the security hereof and the rights and powers of Beneficiary and Trustee hereunder against all adverse claims. Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to the Property or Collateral and of any condemnation offer or action.

3.8 **Acceptance of Trust; Powers and Duties of Trustee.**

(a) Trustee accepts this trust when this Deed of Trust is recorded. From time to time on written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or the performance of any obligations, Trustee may, without liability and without notice: (i) reconvey all or any part of the Property, (ii) consent to the making of any map or plat; and (iii) join in any grant of easement, any declaration of covenants, conditions, and restrictions, any extension agreement, or any agreement subordinating the lien or charge of this Deed of Trust.

(b) With the approval of Beneficiary, Trustee shall have the right to take any and all lawful action as Beneficiary may instruct Trustee to take to protect or enforce Beneficiary's rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Property for debts contracted for or liability or damages incurred in the management or operation of the Property.

(c) All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

(d) Should any deed, conveyance, or instrument of any nature be required from Trustor by any Trustee or substitute Trustee to more fully and certainly vest in and confirm to the Trustee or substitute Trustee such estates, rights, powers, and duties, then, upon request by the Trustee or substitute Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Trustor.

3.9 **Compensation; Exculpation; Indemnification.**

(a) Trustor shall pay Trustee's fees and reimburse Trustee for expenses in the administration of this trust, including attorneys' fees. Trustor shall pay to Beneficiary reasonable compensation for services rendered concerning this Deed of Trust, including without limit any statement of amounts owing under any Secured Obligation. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or Collateral or under this Deed of Trust; or (iii) any loss sustained by Trustor or any third party resulting from Beneficiary's failure (whether by malfeasance, nonfeasance or refusal to act) to lease the Property after a Default (hereinafter defined) or from any other act or omission (regardless of whether same constitutes negligence) of Beneficiary in managing the Property after a Default unless the loss is caused by the gross negligence or willful misconduct of Beneficiary and no such liability shall be asserted against or imposed upon Beneficiary, and all such liability is hereby expressly waived and released by Trustor.

(b) Trustor indemnifies and holds harmless Trustee and Beneficiary from and against all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title and value, and other expenses which either may suffer or incur: (i) by reason of this Deed of Trust, (ii) by reason of the execution of this Deed of Trust or in performance of any act required or permitted hereunder or by law, (iii) as a result of any failure of Trustor to perform Trustor's obligations, or (iv) by reason of any alleged obligation or undertaking on Beneficiary's part to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Property. The above obligations of Trustor to indemnify and hold harmless Beneficiary and Trustee shall survive the release and cancellation of the Secured Obligations and the release and reconveyance or partial release and reconveyance of this Deed of Trust.

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(c) Trustor shall pay all amounts and indebtedness arising under this Section 3.9 immediately upon demand by Trustee or Beneficiary together with interest thereon from the date the indebtedness arises at the rate of interest then applicable to the principal balance of the Note as specified therein.

3.10 Substitution of Trustee. From time to time, by a writing, signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of the County in which the Property is situated, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall set forth any information required by law. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this Section 3.10 shall be conclusive proof of the proper substitution of such new Trustee.

3.11 Due on Sale or Encumbrance. If the Property or any interest therein shall be sold, transferred (including, without limitation, through sale or transfer of a majority or controlling interest of the corporate stock or general partnership interests or limited liability company interests of Trustor, except as otherwise expressly permitted in the Loan Agreement), mortgaged, assigned, further encumbered or leased, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law, without the prior written consent of Beneficiary, THEN Beneficiary, in its sole discretion, may declare all Secured Obligations immediately due and payable.

3.12 Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Property and Collateral or in any manner obligated under the Secured Obligations ("**Interested Parties**"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Property and Collateral and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of and security interests created by this Deed of Trust upon the Property and Collateral.

3.13 Reconveyance. Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Deed of Trust or a certified copy thereof and any note, instrument, or instruments setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Property or that portion thereof then held hereunder. To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto" and the recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future rents, issues and profits of the Property to the person or persons legally entitled thereto.

3.14 Subrogation. Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to the Loan Documents or by the proceeds of any loan secured by this Deed of Trust.

3.15 Hazardous Materials.

(a) **Representations and Warranties.** Trustor hereby specially represents and warrants to the best of Trustor's knowledge as of the date of this Agreement as follows:

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(i) Except as previously disclosed to Beneficiary in the written environmental reports and documents delivered by Trustor to Beneficiary, the Property is not and has not been a site for the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of any oil, flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, hazardous wastes, toxic or contaminated substances or similar materials, including, without limitation, any substances which are "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances," "wastes," "regulated substances," "industrial solid wastes," or "pollutants" under the Hazardous Materials Laws, as described below, and/or other applicable environmental laws, ordinances and regulations (collectively, the "**Hazardous Materials**"). "Hazardous Materials" shall not include commercially reasonable amounts of such materials used in the ordinary course of operation of the Property which are used and stored in accordance with all applicable environmental laws, ordinances and regulations.

(ii) The Property is in compliance with all laws, ordinances and regulations relating to Hazardous Materials ("**Hazardous Materials Laws**"), including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq.; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601 et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Section 11001 et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 et seq.; the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300f et seq.; and all comparable state and local laws, laws of other jurisdictions or orders and regulations.

(iii) There are no claims or actions ("**Hazardous Materials Claims**") pending or threatened against Trustor or the Property by any governmental entity or agency or by any other person or entity relating to Hazardous Materials or pursuant to the Hazardous Materials Laws.

(iv) The Property has not been designated as Border Zone Property under the provisions of California Health and Safety Code, Sections 25220 et seq. and there has been no occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be designated as Border Zone Property.

(b) **Hazardous Materials Covenants.** Trustor agrees as follows:

(i) **No Hazardous Activities.** Trustor shall not cause or permit the Property to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any Hazardous Materials.

(ii) **Compliance.** Trustor shall comply and cause the Property to comply with all Hazardous Materials Laws.

(iii) **Notices.** Trustor shall immediately notify Beneficiary in writing of: (i) the discovery of any Hazardous Materials on, under or about the Property; (ii) any knowledge by Trustor that the Property does not comply with any Hazardous Materials Laws; (iii) any Hazardous Materials Claims; and (iv) the discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be designated as Border Zone Property.

(iv) **Remedial Action.** In response to the presence of any Hazardous Materials on, under or about the Property, Trustor shall immediately take, at Trustor's sole expense, all remedial action required

by any Hazardous Materials Laws or any judgment, consent decree, settlement or compromise in respect to any Hazardous Materials Claims.

(c) **Hazardous Materials Indemnity.** Trustor hereby agrees to defend, indemnify and hold harmless Beneficiary, its directors, officers, employees, agents, successors and assigns from and against any and all losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including without limitation, attorneys' fees and expenses) which Beneficiary may incur as a direct or indirect consequence of the use, generation, manufacture, storage, disposal, threatened disposal, transportation or presence of Hazardous Materials in, on, under or about the Property. Trustor shall immediately pay to Beneficiary upon demand any amounts owing under this Indemnity, together with interest thereon at the rate provided in the Loan Documents. Trustor's duty and obligation to defend, indemnify and hold harmless Beneficiary shall survive the release, reconveyance or partial reconveyance of the Deed of Trust.

(d) **Legal Effect of Section.** Trustor and Beneficiary agree that: (a) this Article 3 is intended as Beneficiary's written request for information (and Trustor's response) concerning the environmental condition of the real property security as required by California Code of Civil Procedure §726.5; and (b) each provision in this Article (together with any indemnity applicable to a breach of any such provision) with respect to the environmental condition of the real property security is intended by Beneficiary and Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure §736, and as such it is expressly understood that Trustor's duty to indemnify Beneficiary hereunder shall survive: (a) any judicial or non-judicial foreclosure under the Deed of Trust, or transfer of the Property in lieu thereof, (b) the release and reconveyance or cancellation of the Deed of Trust; and (c) the satisfaction of all of Trustor's obligation under the Loan Documents.

3.16 **Right of Inspection.** Beneficiary, its agents and employees, may enter the Property at any reasonable time for the purpose of inspecting the Property and Collateral and ascertaining Trustor's compliance with the terms hereof, including the presence of Hazardous Materials.

ARTICLE 4. DEFAULT PROVISIONS

4.1 **Default.** The term "Default" shall mean the occurrence of an Event of Default as defined herein. The existence of a Default shall be deemed to be on the first date of the occurrence of an Event of Default (the "Date of Default"), and all rights and remedies of Beneficiary and Trustee under the Loan Documents with respect thereto, with or without notice, shall be retroactive to the Date of Default. Events of Default are:

(a) The failure of Trustor to make any payment of principal or interest on the Note when the same is due and payable, whether at maturity, by acceleration or otherwise;

(b) The failure of Trustor to pay any other amount due hereunder or under the Note when the same is due and payable;

(c) The sale or transfer of the Property, including, without limitation, through sale or transfer of a majority or controlling interest of the corporate stock, general partnership interests or limited liability company interests of Trustor, without the prior written consent of Beneficiary;

(d) The mortgage, assignment or further encumbrance of the Property, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law, without the prior written consent of Beneficiary;

(e) The failure of Trustor to perform any non-monetary obligation hereunder, and the continuance of such failure for ten (10) days after notice, or within any longer grace period, if any, allowed in the Loan Documents for such failure;

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(f) The failure to be true of any representation or warranty of Trustor contained in the Loan Documents;

(g) The existence of any Default as defined in the Loan Documents.

(h) The conduct at or on the Property of any illegal activity under California or Federal law, including but not limited to Cannabis Activities, as defined in the Loan Documents.

4.2 **Rights and Remedies**. At any time after Default, Beneficiary and Trustee shall each have all the following rights and remedies:

(a) With or without notice, to declare all Secured Obligations immediately due and payable;

(b) With or without notice, and without releasing Trustor from any Secured Obligation, and without becoming a mortgagee in possession, to cure any breach or Default of Trustor and, in connection therewith, to enter upon the Property and do such acts and things as Beneficiary or Trustee deem necessary or desirable to protect the security hereof, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee under this Deed of Trust; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of either Beneficiary or Trustee, is or may be senior in priority to this Deed of Trust, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; (iii) to obtain insurance; (iv) to pay any premiums or charges with respect to insurance required to be carried under this Deed of Trust; or (v) to employ counsel, accountants, contractors and other appropriate persons.

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations;

(d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Property as a matter of strict right and without regard to the adequacy of the security for the repayment of the Secured Obligations, the existence of a declaration that the Secured Obligations are immediately due and payable, or the filing of a notice of default, and Trustor hereby consents to such appointment;

(e) To enter upon, possess, manage and operate the Property or any part thereof, to take and possess all documents, books, records, papers and accounts of Trustor or the then owner of the Property, to make, terminate, enforce or modify Leases of the Property upon such terms and conditions as Beneficiary deems proper, to make repairs, alterations and improvements to the Property as necessary, in Trustee's or Beneficiary's sole judgment, to protect or enhance the security hereof;

(f) To execute a written notice of such Default and of its election to cause the Property to be sold to satisfy the Secured Obligations. As a condition precedent to any such sale, Trustee shall give and record such notice as the law then requires. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Beneficiary in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale. Neither Trustor nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Property is sold. Subject to requirements and limits imposed by law, Trustee may from time to time postpone sale of all or any

portion of the Property by public announcement at such time and place of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary may purchase at the sale;

(g) To resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Trustee and Beneficiary, or either of them, determine in their sole discretion.

(h) Upon sale of the Property at any judicial or non-judicial foreclosure, Beneficiary may credit bid (as determined by Beneficiary in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, Beneficiary may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Property as such appraisals may be discounted or adjusted by Beneficiary in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by Beneficiary with respect to the Property prior to foreclosure; (iii) expenses and costs which Beneficiary anticipates will be incurred with respect to the Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Property prior to resale, costs of resale (e.g. commissions, attorneys' fees, and taxes), costs of any hazardous materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit, costs of defending or settling litigation affecting the Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Beneficiary; (iv) declining trends in real property values generally and with respect to properties similar to the Property; (v) anticipated discounts upon resale of the Property as a distressed or foreclosed property; (vi) the fact of additional collateral (if any), for the Secured Obligations; and (vii) such other factors or matters that Beneficiary (in its sole and absolute discretion) deems appropriate. In regard to the above, Trustor acknowledges and agrees that: (w) Beneficiary is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (x) this Section does not impose upon Beneficiary any additional obligations that are not imposed by law at the time the credit bid is made; (y) the amount of Beneficiary's credit bid need not have any relation to any loan-to-value ratios specified in the Loan Documents or previously discussed between Trustor and Beneficiary; and (z) Beneficiary's credit bid may be (at Beneficiary's sole and absolute discretion) higher or lower than any appraised value of the Property.

4.3 Application of Foreclosure Sale Proceeds. After deducting all costs, fees and expenses of Trustee, and of this trust, including, without limitation, cost of evidence of title and attorneys' fees in connection with sale and costs and expenses of sale and of any judicial proceeding wherein such sale may be made, Trustee shall apply all proceeds of any foreclosure sale: (a) to payment of all sums expended by Beneficiary under the terms hereof and not then repaid, with accrued interest at the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (b) to payment of all other Secured Obligations; and (c) the remainder, if any, to the person or persons legally entitled thereto.

4.4 Application of Other Sums. All sums received by Beneficiary under Section 4.2 or Section 1.2, less all costs and expenses incurred by Beneficiary or any receiver under Section 4.2 or Section 1.2, including, without limitation, attorneys' fees, shall be applied in payment of the Secured Obligations in such order as Beneficiary shall determine in its sole discretion; provided, however, Beneficiary shall have no liability for funds not actually received by Beneficiary.

4.5 No Cure or Waiver. Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Property and Collateral, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise or failure to exercise of any other

right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any breach, Default or notice of default under this Deed of Trust, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Trustor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of or security interests created by this Deed of Trust.

4.6 **Payment of Costs, Expenses and Attorneys' Fees.** Trustor agrees to pay to Beneficiary immediately and without demand all costs and expenses incurred by Trustee and Beneficiary (including, without limitation, court costs and attorneys' fees, whether incurred in litigation or not) with interest from the date of expenditure until said sums have been paid at the rate of interest then applicable to the principal balance of the Note as specified therein. In addition, Trustor shall pay to Trustee all Trustee's fees hereunder and shall reimburse Trustee for all expenses incurred in the administration of this trust, including, without limitation, any attorneys' fees.

4.7 **Power to File Notices and Cure Defaults.** Trustor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Beneficiary deems appropriate to protect Beneficiary's interest, (b) upon the issuance of a deed pursuant to the foreclosure of the lien of this Deed of Trust or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Property and Collateral, Leases and Payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Beneficiary's security interests and rights in or to any of the Property and Collateral, and (d) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, Beneficiary may perform any obligation of Trustor hereunder; provided, however, that: (i) Beneficiary as such attorney-in-fact shall only be accountable for such funds as are actually received by Beneficiary; and (ii) Beneficiary shall not be liable to Trustor or any other person or entity for any failure to act (whether such failure constitutes negligence) by Beneficiary under this Section.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 **Merger.** No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Property unless Beneficiary consents to a merger in writing.

5.2 **Obligations of Trustor, Joint and Several.** If more than one person has executed this Deed of Trust as "Trustor", the obligations of all such persons hereunder shall be joint and several.

5.3 **Waiver of Marshalling Rights.** Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Property and Collateral, hereby waives all rights to have the Property and Collateral and/or any other property, which is now or later may be security for any Secured Obligation ("Other Property") marshalled upon any foreclosure of the lien of this Deed of Trust or on a foreclosure of any other lien or security interest against any security for any of the Secured Obligations. Beneficiary shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of, the Property and any or all of the Collateral or Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.

5.4 **Rules of Construction.** When the identity of the parties or other circumstances make it appropriate, the singular number includes the plural.

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5.5 **Successors in Interest.** The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto; provided, however, that this Section 5.5 does not waive or modify the provisions of Section 3.11.

5.6 **Execution in Counterparts.** This Deed of Trust may be executed in any number of counterparts. All counterparts shall be construed together and shall constitute but one Deed of Trust.

5.7 **Governing Law.** This Deed of Trust shall be construed in accordance with the laws of the State of California, except to the extent that federal laws preempt the laws of the State of California.

5.8 **Notices.** All notices, demands or other communications required or permitted to be given pursuant to the provisions of this Deed of Trust shall be in writing and shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, except that Notice of Default may be sent by certified mail, return receipt requested, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon receipt at the address set forth above; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties are set forth in the heading of this Deed of Trust. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days notice to the other party in the manner set forth hereinabove.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date set forth above.

NEW COMMUNE DTLA LLC, a California
limited liability company

By 
Leonid Pustilnikov, Manager

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 2-09-2020 before me, S. Ruggiero, Notary Public
(insert name and title of the officer)

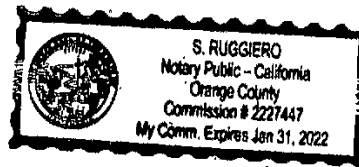
personally appeared Leonid Pustilnikov, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) 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 S. Ruggiero

(Seal)



This page is part of your document - DO NOT DISCARD



20200359849



Pages:
0011

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

03/27/20 AT 08:00AM

FEES: 63.00

TAXES: 92,400.00

OTHER: 0.00

PAID: 92,463.00



LEADSHEET



202003270170064

00018068316



010633600

SEQ:
01

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E08_200326_794661

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, California 90071
Attention: Paul M. Williams, Esq.

APNs#: 7503-013-013, -014 AND -015;
7503-013-819 AND -820

TRA: 13510 CITY #59

COUNTY DOCUMENTARY TRANSFER TAX \$30,800.00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CITY DOCUMENTARY TRANSFER TAX: \$61,600.00

☐ Computed on the consideration or value of property conveyed; OR

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

Unincorporated Area ☒ City of Redondo Beach

[Signature] SUN Fund LLC
Signature of Declarant or Agent determining tax - Firm Name
** BY LEONID PUSTILNIKOV*

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
AES REDONDO BEACH, L.L.C., a Delaware limited liability company ("**Grantor**") hereby
GRANTS and conveys to **9300 WILSHIRE, LLC**, a Delaware limited liability company, as to an
undivided 21.40% interest, **1112 INVESTMENT COMPANY, LLC**, a California limited liability
company, as to an undivided 18.45% interest, **ED FLORES, LLC**, a California limited liability
company, as to an undivided 19.85% interest, **9300 WILSHIRE FEE, LLC**, a Delaware limited
liability company, as to an undivided 10.00% interest, **DAVID DROMY**, a single man, as to an
undivided 3.75% interest, **1650 VETERAN, LLC**, a California limited liability company, as to an
undivided 10.02% interest, **OUTDOOR BILLBOARD, LLC**, a California limited liability
company, as to an undivided 1.58% interest, **BH KARKA, LLC**, a California limited liability
company, as to an undivided 2.60% interest, **5TH STREET INVESTMENT COMPANY, LLC**,
a California limited liability company, as to an undivided 4.45% interest, **505 INVESTMENT
COMPANY, LLC**, a California limited liability company, as to an undivided 1.45% interest, **SLH
FUND, LLC**, a California limited liability company, as to an undivided 3.45% interest, and **PEAK
ALCOTT, LLC**, a California limited liability company, as to an undivided 3.0% interest, all as
tenants in common, the real property in city of Redondo Beach, California, in the County of Los
Angeles, State of California, described on Exhibit A attached hereto and incorporated by reference
herein (the "**Property**").

SUBJECT TO:

1. General and special real property taxes and assessments and supplemental assessments, if
any, for the current fiscal year.
2. All other covenants, conditions, restrictions, reservations, rights, rights-of-way,
dedications, offers of dedication and easements of record as of the date hereof.


[Signature appears on the following page]

2. All other covenants, conditions, restrictions, reservations, rights, rights-of-way, dedications, offers of dedication and easements of record as of the date hereof.

[Signature appears on the following page]

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the 21th day of March, 2019.

GRANTOR:


AES REDONDO BEACH, L.L.C.
a Delaware limited liability company
ERIC PENDERGRAFT

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF

Los Angeles

)
) ss.
)

On March 27, 2019, before me, Cicely Hernandez, Notary Public, personally appeared Eric Pendergraft who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that ~~he~~/she executed the same in ~~his~~/her authorized capacity, and that by ~~his~~her signature on the instrument the person, or the entity upon behalf of which the person 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]



ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: Cicely Hernandez

DATE COMMISSION EXPIRES: 6-7-2020

NOTARY IDENTIFICATION NUMBER: 2152666
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-23-2020



SIGNATURE

STEWART TITLE OF CALIFORNIA

EXHIBIT "A"
LEGAL DESCRIPTION

File No.: 376719

The land referred to herein is situated in the State of California, County of Los Angeles, City of Redondo Beach and described as follows:

PARCEL 1:

PARCEL A:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST, 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST, 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE SOUTH 29 DEGREES 45' 52" EAST 436.55 FEET; THENCE NORTH 67 DEGREES 11' 23" EAST 326.56 FEET; THENCE SOUTH 25 DEGREES 51' 24" EAST 170.00 FEET; THENCE NORTH 37 DEGREES 06' 28" EAST 276.06 FEET; THENCE NORTH 04 DEGREES 49' 32" WEST 633.11 FEET TO

THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.58 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04 DEGREES 39' 00", AN ARC DISTANCE OF 462.57 FEET; THENCE NORTH 09 DEGREES 28' 32" WEST 747.90 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.78 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 18' 00", AN ARC DISTANCE OF 29.84 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 2834.79 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 36' 00", AN ARC DISTANCE OF 29.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1879.86 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 44' 38", AN ARC DISTANCE OF 24.40 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04 DEGREES 50' 26", AN ARC DISTANCE OF 118.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERRECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075 PAGE 291, OFFICIAL RECORDS.

ALSO, EXCEPTING THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN; ALL MINERAL AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER, OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LANDS; AND ALSO EXCEPTING AND RESERVING UNTO GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS OR ASSIGNS FOREVER, THE RIGHT TO DRILL WELLS AND BORE HOLES IN, UNDER AND THROUGH THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF EXPLORING FOR AND/OR PRODUCING OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM OTHER LANDS BY MEANS OF WELLS OR BORE HOLES HAVING THEIR SURFACE LOCATIONS ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF THE LAND HEREBY CONVEYED, OR TO USE THE LAND HEREBY CONVEYED OR ANY PORTION THEREOF TO SAID DEPTH OF 500 FEET FOR ANY PURPOSE WHATSOEVER; AS RESERVED BY HENRY F. ZASLOW AND MARILYN ZASLOW, HUSBAND AND WIFE, IN DEED RECORDED JUNE 4, 1958 AS INSTRUMENT NO. 3580, IN BOOK D-117 PAGE 387, OFFICIAL RECORDS.

ALSO, EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED

FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650, OFFICIAL RECORDS.

(APN: 7503-013-014 AND -015)

PARCEL B:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE NORTH 29 DEGREES 45' 52" WEST 106.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1915.00 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 05 DEGREES 07' 53", AN ARC DISTANCE OF 171.51 FEET; THENCE NORTH 24 DEGREES 37' 58" WEST 1504.57 FEET; THENCE NORTH 68 DEGREES 44' 01"

EAST 889.17 FEET; THENCE SOUTH 21 DEGREES 18' 24" EAST 45.00 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 75.26 FEET; THENCE NORTH 07 DEGREES 36' 36" EAST 51.39 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 190.18 FEET TO A POINT ON A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 995.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 30' 36", AN ARC DISTANCE OF 60.95 FEET TO THE POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 22' 36" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09 DEGREES 39' 49", AN ARC DISTANCE OF 236.58 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL WATER WHICH MAY BE DEVELOPED THEREON IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS RESERVED BY REDONDO IMPROVEMENT COMPANY IN DEED RECORDED JANUARY 21, 1949 AS INSTRUMENT NO. 526 IN BOOK 29219, PAGE 225 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUB-SURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND/OR OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, OR FOR ANY OTHER PURPOSES WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION IN DEED RECORDED JANUARY 20, 1950 AS INSTRUMENT NO. 1252 IN BOOK 32030, PAGE 47 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, A BODY CORPORATE AND POLITICAL, IN DEED RECORDED AUGUST 8, 1972 AS INSTRUMENT NO. 2293, IN BOOK D-5559, PAGE 808 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL IMPROVEMENTS WHICH CONSTITUTE "EXCLUDED ASSETS" UNDER THE ASSET SALE AGREEMENT, INCLUDING WITHOUT LIMITATION THOSE IMPROVEMENTS LOCATED ON THE LAND WHICH ARE SHOWN AS TO BE OWNED BY SOUTHERN CALIFORNIA EDISON COMPANY ON SCHEDULES 2.2(A), 2.2(B) OR 2.2(C) TO THE ASSET SALE AGREEMENT OR THE DRAWINGS ATTACHED THERETO, AS SET OUT IN EXHIBIT "D" TO THAT CERTAIN GRANT DEED RECORDED MAY 18, 1998 AS INSTRUMENT NO. 98-829453 OF OFFICIAL RECORDS.

(APN: 7503-013-819 AND -820)

APN: 7503-013-819 7503-013-820, 7503-013-014; 7503-013-015

(End of Legal Description)

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Pages:
0034

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

03/27/20 AT 08:00AM

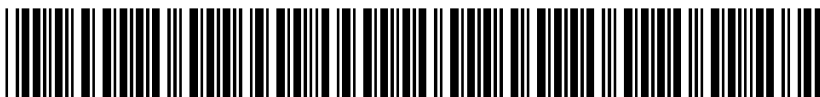
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OTHER: 0.00

PCOR SURCHARGE \$20.00

PAID: 160.00



LEADSHEET



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SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

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RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan, Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Ave., 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Assignment and Assumption Agreement

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, CA 90071
Attn: Paul M. Williams, Esq.

(Space Above this Line for Recorder's Use)

Assessor's Parcel Numbers:

Final Closing Assignment and Assumption Agreement

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment"), is made as of March 27, 2020 (the "Effective Date"), by and between AES Redondo Beach, L.L.C., a Delaware limited liability company ("Assignor"), and 9300 WILSHIRE, LLC, a Delaware limited liability company, 1112 INVESTMENT COMPANY, LLC, a California limited liability company, ED FLORES, LLC, a California limited liability company, 9300 WILSHIRE FEE, LLC, a Delaware limited liability company, DAVID DROMY, a single man, 1650 VETERAN, LLC, a California limited liability company, OUTDOOR BILLBOARD, LLC, a California limited liability company, BH KARKA, LLC, a California limited liability company, 5TH STREET INVESTMENT COMPANY, LLC, a California limited liability company, 505 INVESTMENT COMPANY, LLC, a California limited liability company, SLH FUND, LLC, a California limited liability company, and PEAK ALCOTT, LLC, a California limited liability company (collectively, "Assignee"). Capitalized terms used but not defined herein shall have the respective meanings as defined in the Purchase and Sale Agreement (defined below).

WITNESSETH:

WHEREAS, the parties have entered into that certain Purchase and Sale Agreement, dated as of October 5, 2018, by and between Assignor and Assignee (as amended, the "Purchase and Sale Agreement").

WHEREAS, pursuant to Sections 2.5(a)(ii)(C) and 2.5(b)(ii)(E) of the Purchase and Sale Agreement, Assignor desires to assign and transfer to Assignee, and Assignee desires to assume and accept, all of Assignor's rights and duties under the Assigned Agreements described in section (a) of Schedule 2.1(b)(iii) of the Purchase and Sale Agreement (for the purposes of this Assignment, the "Final Closing Assigned Agreements") and all of Assignor's obligations under the Final Closing Assigned Agreements.

WHEREAS, the Final Closing Assigned Agreements include the leasehold interests more particularly described in Exhibit A, attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Purchase and Sale Agreement.

2. Assignment. Effective as of 12:01 a.m., Los Angeles time, on the Effective Date (the "Effective Time"), Assignor hereby irrevocably assigns and transfers to Assignee all of its right, title and interest in, to and under, and all of its duties, liabilities and obligations under or pursuant to the Final Closing Assigned Agreements.

3. Assumption. Assignee assumes and accepts all of Assignor's right, title and interest in, to and under, and all of Assignor's duties, liabilities and obligations under or pursuant to the Final Closing Assigned Agreements on the Effective Date, and agrees to perform under and be bound by the terms of the Final Closing Assigned Agreements.

4. Non-Interference. Each of Assignor and Assignee agrees that the assignment and assumption of the assigned rights and responsibilities hereunder is irrevocable and that neither party shall take any action or make any other assignment or direction which could prejudice the other's rights hereunder, and that any such action or assignment shall be void.

5. Effectiveness. This Assignment shall become effective as of the Effective Time.

6. Further Assurances. Each of the parties will, from time to time and at all times hereafter, at its own expense, upon every reasonable request to do so by another party hereto, promptly make, do, execute and deliver, or cause to be made, done, executed and delivered, all such further acts, deeds, assurances and things as may be legally required or reasonably necessary in order to further implement and carry out the assignments and assumptions contemplated by this Assignment.

7. Successors and Assigns. The provisions of this Assignment are binding upon, and will inure to the benefit of, the successors and assigns of Assignor and Assignee, respectively.

8. Governing Law. The validity, interpretation and effect of this Assignment shall be governed by and will be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines except to the extent that certain matters are preempted by Federal law or are governed by the law of the jurisdiction of organization of the respective parties.

9. Severability. If one or more of the provisions of this Assignment shall be deemed invalid, illegal or unenforceable in any respect, such provisions shall be deemed to be severed from this Assignment, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired in any way thereby.

10. Construction. This Assignment is delivered pursuant to and is subject to the terms of the Purchase and Sale Agreement. The terms of the Purchase and Sale Agreement, including but not limited to the representations, warranties, covenants, agreements and indemnities relating to the applicable Assumed Obligations, are incorporated herein by this reference. The parties acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase and Sale Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or ambiguity between the terms of the Purchase and Sale Agreement and the terms of this Assignment, the terms of the Purchase and Sale Agreement shall control.

11. Counterparts. This Assignment may be executed in any number of counterparts (including by PDF), all such counterparts together constituting but one and the same instrument.


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IN WITNESS WHEREOF, the parties hereto, by their duly authorized officers, have executed and delivered this Assignment as of the day and year first above set forth.

ASSIGNOR:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By: 
Name: Eric Pendergraft
Title: Manager

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 Orange

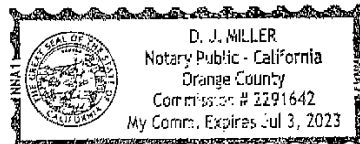
On March 25, 2020, before me, D.J. Miller, a Notary Public, personally appeared Eric Pendergraft, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

D.J. Miller
Signature of the Notary Public

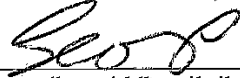
(Seal)



ASSIGNEE:

9300 WILSHIRE, LLC,
a Delaware limited liability company

By: SLH Fund, LLC,
a California limited liability company
as Manager of 9300 Wilshire, LLC

By: 
Name: Leonid Pustilnikov
Title: Manager

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

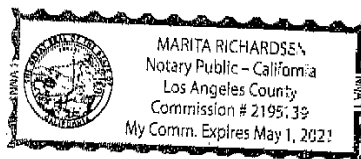
On March 25, 2020, before me, Marita Richardson Notary Public, personally appeared Leonid Pushintan who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

Marita Richardson
Signature of the Notary Public

(Seal)




1112 INVESTMENT COMPANY, LLC,
a California limited liability company

By:


Name: Ely Dromy

Title: Trustee of the 1995 Dromy Family
Trust

By:


Name: Judy Dromy

Title: Trustee of the 1995 Dromy Family
Trust

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 March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Perry & Judy Perry, 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.

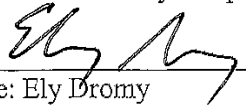
Marita Richardson
Signature of the Notary Public

(Seal)



ED FLORES, LLC,
a California limited liability company

By:


Name: Ely Dromy

Title: Manager

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

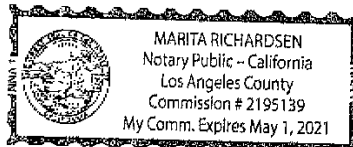
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Brown, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

Marita Richardson
Signature of the Notary Public

(Seal)



9300 WILSHIRE FEE, LLC,
a Delaware limited liability company

By: 
Name: Ely Dromy
Title: Manager

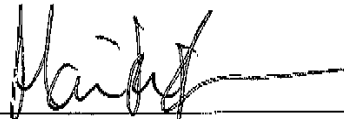
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Los Angeles

On March 20, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Dromy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

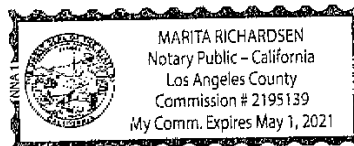
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

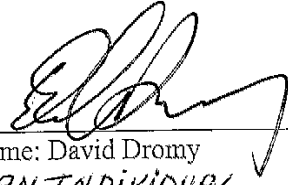


Signature of the Notary Public

(Seal)



By:

A handwritten signature in black ink, appearing to read 'David Dromy', written over a horizontal line.

Name: David Dromy

AS AN INDIVIDUAL

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

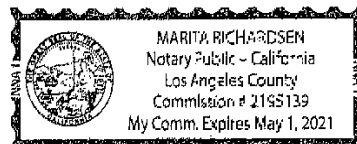
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared David Bromy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

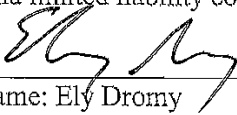
Marita Richardson
Signature of the Notary Public

(Seal)



1650 VETERAN, LLC,
a California limited liability company

By:


Name: Ely Dromy
Title: Manager

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

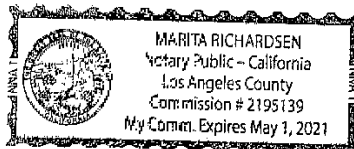
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Dromy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

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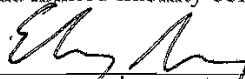
WITNESS my hand and official seal.

Marita Richardson
Signature of the Notary Public

(Seal)



OUTDOOR BILLBOARD COMPANY, LLC,
a California limited liability company

By: 
Name: Ely Denny
Title: Manager

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

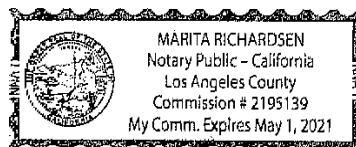
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Dromy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

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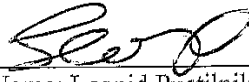
WITNESS my hand and official seal.

Marita Richardson
Signature of the Notary Public

(Seal)



BH KARKA, LLC,
a California limited liability company

By: 
Name: Leonid Pustilnikov
Title: Manager

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STATE OF CALIFORNIA

COUNTY OF Los Angeles

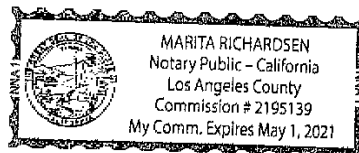
On March 25, 2020, before me Marita Richardson, a Notary Public, personally appeared Leonid Pushnikov, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

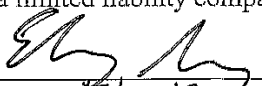
Marita Richardson
Signature of the Notary Public

(Seal)



5TH STREET INVESTMENT COMPANY, LLC,
a California limited liability company

By:


Name: Ely Dromey
Title: Manager

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

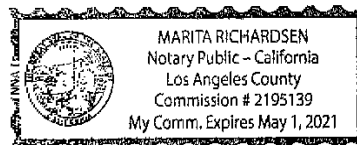
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Promey, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

Marita Richardson
Signature of the Notary Public

(Seal)

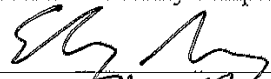


505 INVESTMENT COMPANY, LLC,
a California limited liability company

By:

Name:

Title:


Billy Denny
Manager

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 March 25, 2020, before me, Haik Kichadze, a Notary Public, personally appeared Ely Proumy, 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.

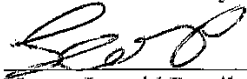
WITNESS my hand and official seal.

Haik Kichadze
Signature of the Notary Public

(Seal)



SLH FUND, LLC,
a California limited liability company

By: 
Name: Leonid Pustilnikov
Title: Manager

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STATE OF CALIFORNIA
COUNTY OF Los Angeles

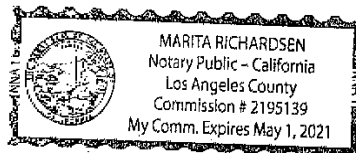
On March 25, 2020, before me, Marita Richardsen, a Notary Public, personally appeared Leonid Ruspnikov, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

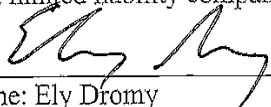
WITNESS my hand and official seal.

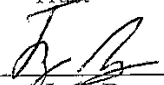
Marita Richardsen
Signature of the Notary Public

(Seal)



PEAK ALCOTT, LLC,
a California limited liability company

By: 
Name: Ely Dromy
Title: Trustee of the 1995 Dromy Family
Trust

By: 
Name: Judy Dromy
Title: Trustee of the 1995 Dromy Family
Trust

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STATE OF CALIFORNIA

COUNTY OF Los Angeles

On March 25, 2020, before me, Marita Richardsen, a Notary Public, personally appeared Ely Dromy & Judy Dromy 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.

Marita Richardsen
Signature of the Notary Public

(Seal)

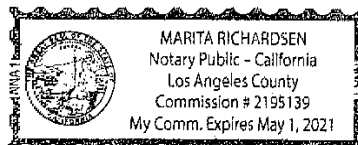


EXHIBIT A
PROPERTY DESCRIPTION

1. A leasehold estate created by that certain lease dated November 4, 1997, by and between the City of Redondo Beach, a municipal corporation, as lessor, and Southern California Edison Company, as lessee, upon the terms and conditions therein provided, recorded December 4, 1997 as Instrument No. 97-1909436, as assigned to AES Redondo Beach, LLC, a Delaware limited liability company, by assignment recorded May 18, 1998 as Instrument No. 1998-829455, both of the Official Records of Los Angeles County, California.

2. A leasehold estate created by that certain lease dated December 28, 1964, by and between the City of Redondo Beach, a municipal corporation, as lessor and Southern California Edison Company, as lessee, upon the terms and conditions therein provided, recorded March 25, 1965 as Instrument No. 4396, in Book M1812, Page 282, and as provided and set forth in the lease dated November 4, 1997 recorded December 4, 1997 as Instrument No. 97-1909434, as amended by a Modification of Lease recorded December 4, 1997 as Instrument No. 97-1909437, and as assigned to AES Redondo Beach, LLC, a Delaware limited liability company, by assignment recorded May 18, 1998 as Instrument No. 1998-829455, all of the Official Records of Los Angeles County, California.

ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: D. J. Miller

DATE COMMISSION EXPIRES: 7-3-2023

NOTARY IDENTIFICATION NUMBER: 2291642
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-26-2020



SIGNATURE

STEWART TITLE OF CALIFORNIA

ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: Martia Richardson

DATE COMMISSION EXPIRES: 5-1-2021

NOTARY IDENTIFICATION NUMBER: 2195139
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-26-2020


SIGNATURE

STEWART TITLE OF CALIFORNIA

This page is part of your document - DO NOT DISCARD



20200359851



Pages:
0034

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

03/27/20 AT 08:00AM

FEES: 136.00

TAXES: 0.00

OTHER: 0.00

PCOR SURCHARGE \$20.00

PAID: 136.00



LEADSHEET



202003270170064

00018068318



010633600

SEQ:
03

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E08_200326_7946661

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan, Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Ave., 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Assignment and Assumption Agreement

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, CA 90071
Attn: Paul M. Williams, Esq.

(Space Above this Line for Recorder's Use)

~~xxx~~ documentary transfer tax 0.01
computed on value less liens
and encumbrances
Term of Lease less than 35 years
R & T 11911

Assessor's Parcel Numbers:

Final Closing Assignment and Assumption Agreement

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment"), is made as of March 27, 2020 (the "Effective Date"), by and between AHS Redondo Beach, L.L.C., a Delaware limited liability company ("Assignor"), and 9300 WILSHIRE, LLC, a Delaware limited liability company, 1112 INVESTMENT COMPANY, LLC, a California limited liability company, ED FLORES, LLC, a California limited liability company, 9300 WILSHIRE FEE, LLC, a Delaware limited liability company, DAVID DROMY, a single man, 1650 VETERAN, LLC, a California limited liability company, OUTDOOR BILLBOARD, LLC, a California limited liability company, BH KARKA, LLC, a California limited liability company, 5TH STREET INVESTMENT COMPANY, LLC, a California limited liability company, 505 INVESTMENT COMPANY, LLC, a California limited liability company, SLH FUND, LLC, a California limited liability company, and PEAK ALCOTT, LLC, a California limited liability company (collectively, "Assignee"). Capitalized terms used but not defined herein shall have the respective meanings as defined in the Purchase and Sale Agreement (defined below).

WITNESSETH:

WHEREAS, the parties have entered into that certain Purchase and Sale Agreement, dated as of October 5, 2018, by and between Assignor and Assignee (as amended, the "Purchase and Sale Agreement").

WHEREAS, pursuant to Sections 2.5(a)(ii)(C) and 2.5(b)(ii)(E) of the Purchase and Sale Agreement, Assignor desires to assign and transfer to Assignee, and Assignee desires to assume and accept, all of Assignor's rights and duties under the Assigned Agreements described in section (a) of Schedule 2.1(b)(iii) of the Purchase and Sale Agreement (for the purposes of this Assignment, the "Final Closing Assigned Agreements") and all of Assignor's obligations under the Final Closing Assigned Agreements.

WHEREAS, the Final Closing Assigned Agreements include the leasehold interests more particularly described in Exhibit A, attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Purchase and Sale Agreement.

2. Assignment. Effective as of 12:01 a.m., Los Angeles time, on the Effective Date (the "Effective Time"), Assignor hereby irrevocably assigns and transfers to Assignee all of its right, title and interest in, to and under, and all of its duties, liabilities and obligations under or pursuant to the Final Closing Assigned Agreements.

3. Assumption. Assignee assumes and accepts all of Assignor's right, title and interest in, to and under, and all of Assignor's duties, liabilities and obligations under or pursuant to the Final Closing Assigned Agreements on the Effective Date, and agrees to perform under and be bound by the terms of the Final Closing Assigned Agreements.

4. Non-Interference. Each of Assignor and Assignee agrees that the assignment and assumption of the assigned rights and responsibilities hereunder is irrevocable and that neither party shall take any action or make any other assignment or direction which could prejudice the other's rights hereunder, and that any such action or assignment shall be void.

5. Effectiveness. This Assignment shall become effective as of the Effective Time.

6. Further Assurances. Each of the parties will, from time to time and at all times hereafter, at its own expense, upon every reasonable request to do so by another party hereto, promptly make, do, execute and deliver, or cause to be made, done, executed and delivered, all such further acts, deeds, assurances and things as may be legally required or reasonably necessary in order to further implement and carry out the assignments and assumptions contemplated by this Assignment.

7. Successors and Assigns. The provisions of this Assignment are binding upon, and will inure to the benefit of, the successors and assigns of Assignor and Assignee, respectively.

8. Governing Law. The validity, interpretation and effect of this Assignment shall be governed by and will be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines except to the extent that certain matters are preempted by Federal law or are governed by the law of the jurisdiction of organization of the respective parties.

9. Severability. If one or more of the provisions of this Assignment shall be deemed invalid, illegal or unenforceable in any respect, such provisions shall be deemed to be severed from this Assignment, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired in any way thereby.

10. Construction. This Assignment is delivered pursuant to and is subject to the terms of the Purchase and Sale Agreement. The terms of the Purchase and Sale Agreement, including but not limited to the representations, warranties, covenants, agreements and indemnities relating to the applicable Assumed Obligations, are incorporated herein by this reference. The parties acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase and Sale Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or ambiguity between the terms of the Purchase and Sale Agreement and the terms of this Assignment, the terms of the Purchase and Sale Agreement shall control.

11. Counterparts. This Assignment may be executed in any number of counterparts (including by PDF), all such counterparts together constituting but one and the same instrument.


[Remainder of Page Intentionally Left Blank]

DB2/ 34465626.7

IN WITNESS WHEREOF, the parties hereto, by their duly authorized officers, have executed and delivered this Assignment as of the day and year first above set forth.

ASSIGNOR:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By: 
Name: Eric Pendergraft
Title: Manager

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 Orange

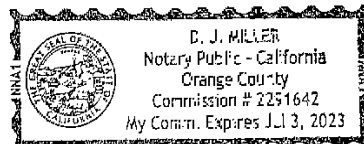
On March 25, 2020, before me, D.J. Miller, a Notary Public, personally appeared Eric Pendergraft, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

D.J. Miller
Signature of the Notary Public

(Seal)

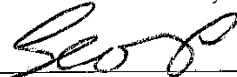


ASSIGNEE:

9300 WILSHIRE, LLC,
a Delaware limited liability company

By: SLH Fund, LLC,
a California limited liability company
as Manager of 9300 Wilshire, LLC

By:


Name: Leonid Pustilnikov
Title: Manager

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STATE OF CALIFORNIA

COUNTY OF Los Angeles

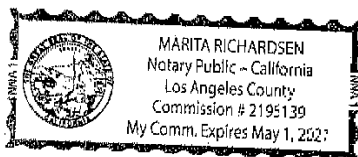
On March 25, 2020, before me, Marita Richardson Notary Public, personally appeared Leonid Pushintan who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.


Marita Richardson
Signature of the Notary Public

(Seal)



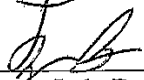
1112 INVESTMENT COMPANY, LLC,
a California limited liability company

By: _____


Name: Ely Dromy

Title: Trustee of the 1995 Dromy Family
Trust

By: _____


Name: Judy Dromy

Title: Trustee of the 1995 Dromy Family
Trust

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STATE OF CALIFORNIA
COUNTY OF Los Angeles

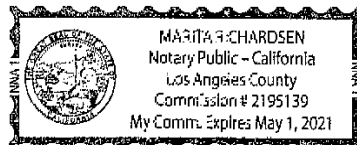
On March 25, 2020, before me, Marika Richardson, a Notary Public, personally appeared Ely Brown & Judy Brown, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in 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.

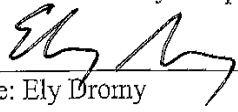
WITNESS my hand and official seal.

Marika Richardson
Signature of the Notary Public

(Seal)



ED FLORES, LLC,
a California limited liability company

By: 
Name: Ely Dromy
Title: Manager

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

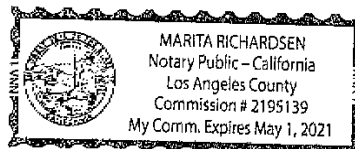
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Brommy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.


Marita Richardson
Signature of the Notary Public

(Seal)



9300 WILSHIRE FEE, LLC,
a Delaware limited liability company

By:


Name: Ely Dromy
Title: Manager

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 March 20, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Dromy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

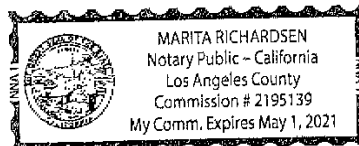
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

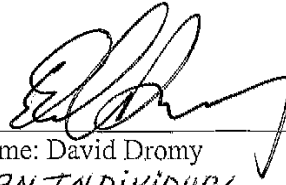


Signature of the Notary Public

(Seal)



By:

A handwritten signature in black ink, appearing to read 'David Dromy', written over a horizontal line.

Name: David Dromy

AS AN INDIVIDUAL

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

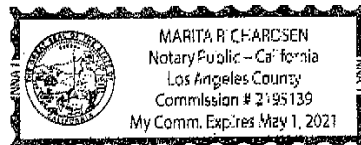
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared David Promy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

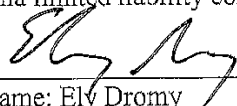
WITNESS my hand and official seal.

Marita Richardson
Signature of the Notary Public

(Seal)



1650 VETERAN, LLC,
a California limited liability company

By: 
Name: Ely Dromy
Title: Manager

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

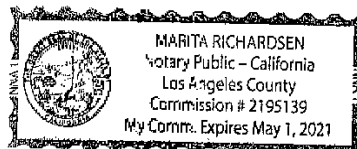
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Dromy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

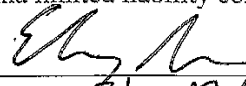
WITNESS my hand and official seal.

Marita Richardson
Signature of the Notary Public

(Seal)



OUTDOOR BILLBOARD COMPANY, LLC,
a California limited liability company

By: 
Name: Ely Denny
Title: Manager

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STATE OF CALIFORNIA

COUNTY OF Los Angeles

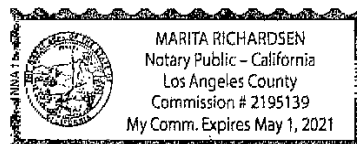
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Kromy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

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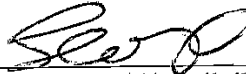
WITNESS my hand and official seal.

Marita Richardson
Signature of the Notary Public

(Seal)



BH KARKA, LLC,
a California limited liability company

By: 
Name: Leonid Pustilnikov
Title: Manager

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STATE OF CALIFORNIA

COUNTY OF Los Angeles

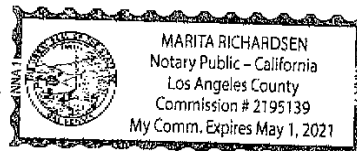
On March 25, 2020, before me Marita Richardsen, a Notary Public, personally appeared Leonid Koshnikov, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

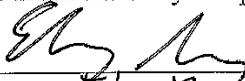
Marita Richardsen
Signature of the Notary Public

(Seal)



5TH STREET INVESTMENT COMPANY, LLC,
a California limited liability company

By:


Name: Ely Dromey
Title: Manager

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STATE OF CALIFORNIA
COUNTY OF Los Angeles

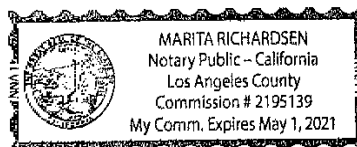
On March 25, 2020, before me, Marita Richardson, a Notary Public, personally appeared Ely Kromer, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

Marita Richardson
Signature of the Notary Public

(Seal)



505 INVESTMENT COMPANY, LLC,
a California limited liability company

By:



Name: Billy Denny

Title: Manager

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STATE OF CALIFORNIA
COUNTY OF Los Angeles

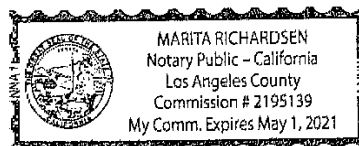
On March 25, 2020, before me, Maik Richardsen, a Notary Public, personally appeared Ely Pramy, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

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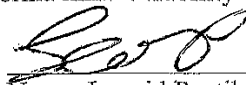
WITNESS my hand and official seal.

Maik Richardsen
Signature of the Notary Public

(Seal)



SLH FUND, LLC,
a California limited liability company

By: 
Name: Leonid Pustilnikov
Title: Manager

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STATE OF CALIFORNIA
COUNTY OF Los Angeles

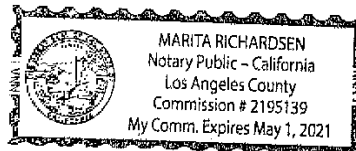
On March 25, 2020, before me, Marita Richardsen, a Notary Public, personally appeared Leonid Kishnikov, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

Marita Richardsen
Signature of the Notary Public

(Seal)



PEAK ALCOTT, LLC,
a California limited liability company

By: _____

Name: Ely Dromy

Title: Trustee of the 1995 Dromy Family
Trust

By: _____

Name: Judy Dromy

Title: Trustee of the 1995 Dromy Family
Trust

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 March 25, 2020, before me, Marita Richardsen, a Notary Public, personally appeared Ely Dromy & Judy Dromy, 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.

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WITNESS my hand and official seal.

Marita Richardsen
Signature of the Notary Public

(Seal)

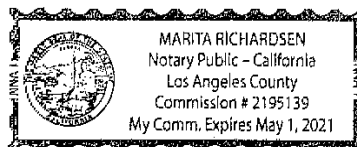


EXHIBIT A
PROPERTY DESCRIPTION

1. A leasehold estate created by that certain lease dated November 4, 1997, by and between the City of Redondo Beach, a municipal corporation, as lessor, and Southern California Edison Company, as lessee, upon the terms and conditions therein provided, recorded December 4, 1997 as Instrument No. 97-1909436, as assigned to AES Redondo Beach, LLC, a Delaware limited liability company, by assignment recorded May 18, 1998 as Instrument No. 1998-829455, both of the Official Records of Los Angeles County, California.

2. A leasehold estate created by that certain lease dated December 28, 1964, by and between the City of Redondo Beach, a municipal corporation, as lessor and Southern California Edison Company, as lessee, upon the terms and conditions therein provided, recorded March 25, 1965 as Instrument No. 4396, in Book M1812, Page 282, and as provided and set forth in the lease dated November 4, 1997 recorded December 4, 1997 as Instrument No. 97-1909434, as amended by a Modification of Lease recorded December 4, 1997 as Instrument No. 97-1909437, and as assigned to AES Redondo Beach, LLC, a Delaware limited liability company, by assignment recorded May 18, 1998 as Instrument No. 1998-829455, all of the Official Records of Los Angeles County, California.

ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: D. J. Miller

DATE COMMISSION EXPIRES: 7-3-2023

NOTARY IDENTIFICATION NUMBER: 2291642
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-26-2020



SIGNATURE

STEWART TITLE OF CALIFORNIA

ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: Martia Richardson

DATE COMMISSION EXPIRES: 5-1-2021

NOTARY IDENTIFICATION NUMBER: 2195139
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-26-2020



SIGNATURE

STEWART TITLE OF CALIFORNIA

This page is part of your document - DO NOT DISCARD



20200359852



Pages:
0050

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

03/27/20 AT 08:00AM

FEES: 215.00

TAXES: 0.00

OTHER: 0.00

PAID: 215.00



LEADSHEET



202003270170064

00018068319



010633600

SEQ:
04

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

E08_200326_7946661

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan, Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Ave., 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Deed of Trust

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, California 90071
Attn: Paul Williams, Esquire

THIS SPACE ABOVE FOR RECORDER'S USE

ENVIRONMENTAL PERFORMANCE DEED OF TRUST

THIS ENVIRONMENTAL PERFORMANCE DEED OF TRUST (this "Deed of Trust") is made as of March 27th, 2020, between 9300 WILSHIRE, LLC, a Delaware limited liability company, as to an undivided 21.40% interest, 1112 INVESTMENT COMPANY, LLC, a California limited liability company, as to an undivided 18.45% interest, ED FLORES, LLC, a California limited liability company, as to an undivided 19.85% interest, 9300 WILSHIRE FEE, LLC, a Delaware limited liability company, as to an undivided 10.00% interest, DAVID DROMY, a single man, as to an undivided 3.75% interest, 1650 VETERAN, LLC, a California limited liability company, as to an undivided 10.02% interest, OUTDOOR BILLBOARD, LLC, a California limited liability company, as to an undivided 1.58% interest, BH KARKA, LLC, a California limited liability company, as to an undivided 2.60% interest, STUI STREET INVESTMENT COMPANY, LLC, a California limited liability company, as to an undivided 4.45% interest, 505 INVESTMENT COMPANY, LLC, a California limited liability company, as to an undivided 1.45% interest, SLH FUND, LLC, a California limited liability company, as to an undivided 3.45% interest, and PEAK ALCOTT, LLC, a California limited liability company, as to an undivided 3.0% interest, all as tenants in common (collectively, "Trustor"), STEWART TITLE OF CALIFORNIA, INC., a California corporation ("Trustee"), and AES REDONDO BEACH, L.L.C., a Delaware limited liability company ("Beneficiary").

Background:

A. Trustor owns fee simple title to that certain real property located at 1100 N. Harbor Drive, Redondo Beach, California, as more fully described on Exhibit A attached hereto and made a part hereof (the "Land").

B. Trustor, as Purchaser, and Beneficiary, as Seller, have entered into that certain Purchase and Sale Agreement dated as of October 5, 2018 (as the same may be amended, modified, supplemented or restated from time to time, the "Agreement"), pursuant to which, among other things, as of the date of this Deed of Trust, Beneficiary has transferred fee title to Trustor (the "Sale Transaction"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

C. As partial consideration for the Sale Transaction, Trustor agreed to make certain future payments and perform certain obligations with respect to the Land, including the Secured Environmental Obligations (as defined below) and the Secured Obligations (as defined in the hereinafter referenced Second Performance Deed of Trust).

D. This Deed of Trust secures the Secured Environmental Obligations. Trustor and Beneficiary intend this Deed of Trust to remain on title to the Property pursuant to and in accordance with the terms and conditions hereof and the terms and conditions of the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing performance of the Secured Environmental Obligations, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired: (a) all buildings, fixtures and improvements located on the Land (collectively, "Improvements"), and any and all rights, easements, licenses and privileges presently thereon, thereunder, or appertaining thereto, including, without limitation, all mineral rights, and rights to oil, natural gas, asphaltum and other hydrocarbons (collectively, with the Land, the "Real Property"); (b) all existing and future leases, subleases, licenses, and other agreements relating to the use or occupancy of all or any portion of the Land or Improvements (collectively, "Leases"), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "Rents"); (c) any and all licenses, authorizations, permits and approvals issued by the appropriate governmental authorities in connection with the ownership and operation of the Real Property along with Trustor's interest in all plans, specifications and surveys concerning the Real Property in Trustor's possession or control; and (d) any and all warranties and guarantees issued in connection with the Real Property. All of the above-referenced interests of Trustor in the Land and in the items listed in clauses (a) through (d) above are made subject to the security interest herein described and are collectively referred to herein as the "Property."

2. Obligations Secured. This Deed of Trust is given for the purpose of securing Trustor's obligations (i) to achieve Site Closure in accordance with the terms and provisions of the Agreement and (ii) to indemnify Seller for any environmental liabilities pursuant to Sections 13.1(a)(ii) and (iii) of the Agreement (collectively, the "Secured Environmental Obligations").

3. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Environmental Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time, covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Property. Trustor authorizes the Trustee and/or Beneficiary to file or record financing statements and continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Property in such form and in such offices as they reasonably determine to be necessary or appropriate to perfect or maintain the perfection of the security interests under this Deed of Trust. Trustor authorizes the Trustee and/or Beneficiary to describe the

Property in the same manner as described herein or to use the collateral description "all personal property" or "all assets," in each case "whether now owned or hereafter acquired and wherever located," or such other description as the Trustee and/or Beneficiary, in their sole judgment, determine is necessary or advisable, in any such financing statements.

4. Trustor's Covenants. Trustor shall observe and perform all of Trustor's covenants and agreements set forth in the Agreement.

5. Additional Covenants. It is mutually agreed:

5.1 Waiver. That by accepting payment of any sum or performance of any obligation secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment or performance when due of all other sums or obligations so secured or to declare default for failure so to pay or to perform.

5.2 Full Reconveyance. That upon written request of Beneficiary stating that all obligations secured hereby have been fulfilled, and upon surrender of this Deed of Trust to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5.3 Rents, Issues and Profits. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Deed of Trust, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5.4 Rights of Beneficiary. Upon a default, Beneficiary may at any time without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, and without releasing Trustor from any obligation (except as otherwise expressly provided in the Agreement), (a) enter upon and take possession of the Property or any part thereof; (b) make additions, alterations, repairs and improvements to the Property that Beneficiary may consider necessary or appropriate to keep the Property in good condition and repair; (c) appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary; (d) pay, purchase, contest or compromise any lien or encumbrance or alleged lien or encumbrance whether superior or junior to this Deed of Trust; (e) otherwise protect the Property and (f) in exercising such powers, pay necessary expenses (including, without limitation, expenses of counsel or other necessary or desirable consultants).

5.5 Acceleration. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any obligation secured hereby (which default remains uncured for

five (5) business days of written notice from Beneficiary specifying particularly such Trustor default in the case of any of Trustor's payment obligations or obligations to provide Performance Assurance, or (b) within thirty (30) days of receipt of written notice from Beneficiary specifying particularly such Trustor default in all other cases), Beneficiary may declare all sums and obligations secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust and all documents evidencing matters secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment, FIRST, of the expenses of such sale, together with the reasonable expenses of this Deed of Trust, including Trustee's fees, cost of evidence of title in connection with sale and revenue stamps for documentary transfer tax on Trustee's deed; SECOND, payment of all monies which have been or which shall be advanced, paid or expended by Beneficiary for amounts not then repaid or as otherwise may be required in order to complete performance of the Secured Environmental Obligations, together with the interest thereon as provided in this Deed of Trust; THIRD, payment of all other sums secured hereby then remaining unpaid; and LAST the balance or surplus, if any, of such proceeds of sale to the person or persons legally entitled thereto, upon satisfactory proof of such right.

5.6 Substitution of Trustee. Beneficiary, or any successor in interest of Beneficiary under this Deed of Trust, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

5.7 Binding Effect. This Deed of Trust applies to and inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall include Beneficiary's successor in interest under the Agreement. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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

5.9 Trustor's Request for Notice of Default. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at its address specified herein for giving Notices.

6. Second Lien Deed of Trust. Reference is made to that certain Performance Deed of Trust of even date herewith and recorded hereafter, granted by Trustor to Trustee for the benefit of Beneficiary (the "Second Performance Deed of Trust"), pursuant to the Agreement, which Second Performance Deed of Trust secures the Secured Obligations (as defined therein). The Second Performance Deed of Trust is and shall be subordinate to this Deed of Trust, and shall remain in effect and of record until the discharge thereof in accordance with the terms and conditions thereof, notwithstanding any sooner termination and discharge of this Deed of Trust.

7. Notices. All notices, consents, waivers, demands, requests or other instruments or communications provided for under this Deed of Trust or by law to be served on or to be given to either Trustor or Beneficiary shall be in writing and shall be given in accordance with the terms and conditions set forth in Section 15.10 of the Agreement.

8. Counterparts. This Deed of Trust may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

[signatures appear on following page]

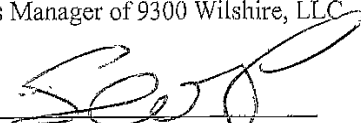
IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Deed of Trust as of the date first written above.

TRUSTOR:

9300 WILSHIRE, LLC, a Delaware limited liability company

SLH Fund, LLC
a California limited liability company
as Manager of 9300 Wilshire, LLC

By:


Name: Leonid Pustilnikov
Title: Manager

CERTIFICATE OF ACKNOWLEDGMENT

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

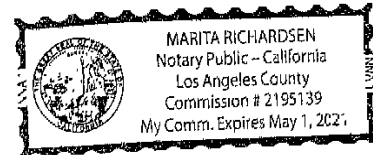
STATE OF California)
)
COUNTY OF Los Angeles)

On March 20, 2020, 2020, before me, Marita Richard Sen, Notary Public, personally appeared Leonid Rustilnikov, 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.

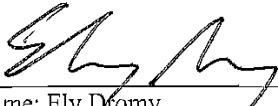
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

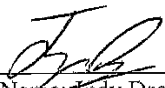
WITNESS my hand and official seal.

Signature Marita Richard [SEAL]



1112 INVESTMENT COMPANY, LLC, a California
limited liability company

By: 
Name: Ely Dromy
Title: Trustee of the 1995 Dromy Family
Trust

By: 
Name: Judy Dromy
Title: Trustee of the 1995 Dromy Family
Trust

CERTIFICATE OF ACKNOWLEDGMENT

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

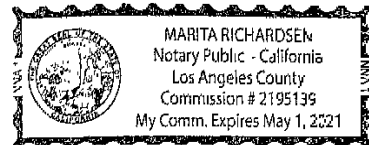
STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared Ely Dromy and Judy Dromy 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.

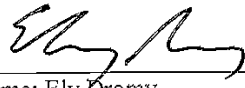
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Marita Richardsen [SEAL]



ED FLORES, LLC, a California limited liability
company

By: 
Name: Ely Dromy
Title: Manager

Signature Page to Environmental Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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

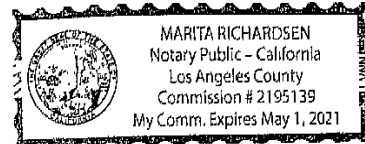
STATE OF California)
)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared Ely Dromy 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 Marita Richard [SEAL]



9300 WILSHIRE FEE, LLC, a Delaware limited
liability company

By: 
Name: Ely Dromy
Title: Manager

Signature Page to Environmental Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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STATE OF California)

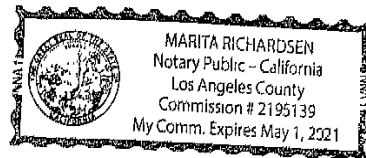
COUNTY OF Los Angeles)

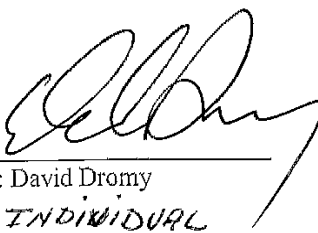
On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared Ely Dromy who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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 Marita Rich [SEAL]



By: 
Name: David Dromy
AS AN INDIVIDUAL

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF California

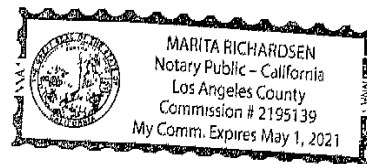
COUNTY OF Los Angeles

On March 20, 2019, before me, Marita Richardson ^{mk}, Notary Public, personally appeared David Promy 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 Marita Richardson [SEAL]



1650 VETERAN, LLC, a California limited liability
company

By:



Name: Ely Dromy

Title: Manager

Signature Page to Environmental Performance Deed of Trust

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

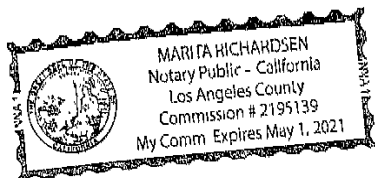
On March 20, 2020 before me, Marita Richardson, a notary public
Date Here Insert Name and Title of the Officer

personally appeared Ely Dromy
Name(s) of Signer(s)

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 Marita Richardson
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

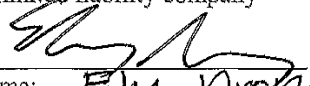
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

OUTDOOR BILLBOARD COMPANY, LLC, a
California limited liability company

By:


Name: Ely Dromy
Title: Manager

Signature Page to Environmental Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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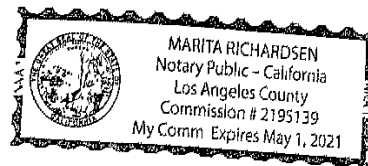
STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardson, Notary Public, personally appeared Ely Dromy 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.

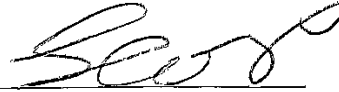
WITNESS my hand and official seal.

Signature Marita Rich [SEAL]



BH KARKA, LLC, a California limited liability company

By:



Name: Leonid Pustilnikov

Title: Manager

Signature Page to Environmental Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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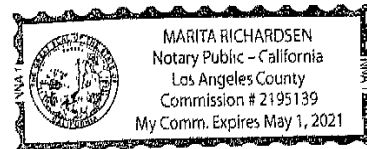
STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardson Notary Public, personally appeared Leonid Pestilnikov 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.

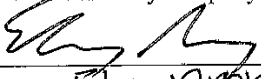
WITNESS my hand and official seal.

Signature Marita Richardson [SEAL]



5TH STREET INVESTMENT COMPANY, LLC, a
California limited liability company

By:


Name: Ely Dromy
Title: Manager

Signature Page to Environmental Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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STATE OF California)

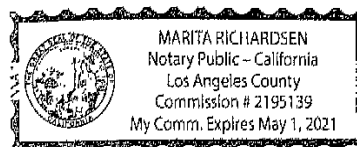
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardson Notary Public, personally appeared Ely Dromy 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 Marita Rich [SEAL]



505 INVESTMENT COMPANY, LLC, a California
limited liability company

By. 

Name: Ely Dromi
Title: Manager

Signature Page to Environmental Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen Notary Public,
personally appeared Ely Dromy 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.

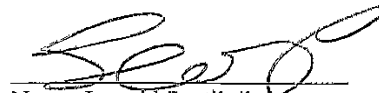
WITNESS my hand and official seal.

Signature Marita Rich [SEAL]



SLH FUND, LLC, a California limited liability company

By:



Name: Leonid Pustilnikov

Title: Manager

Signature Page to Environmental Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared Leonid Rustnikov 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.

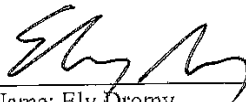
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

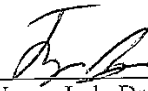
WITNESS my hand and official seal.

Signature Marita Richard [SEAL]



PEAK ALCOTT, LLC, a California limited liability company

By: 
Name: Ely Dromy
Title: Trustee of the 1995 Dromy Family Trust

By: 
Name: Judy Dromy
Title: Trustee of the 1995 Dromy Family Trust

Signature Page to Environmental Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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STATE OF California)

COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared Ely Dromy & Judy Dromy 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.

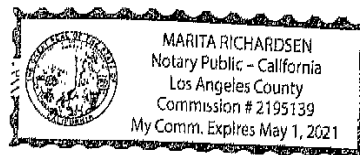
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Marita Richardsen

[SEAL]



ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: Marita Richardsen

DATE COMMISSION EXPIRES: 5-1-2021

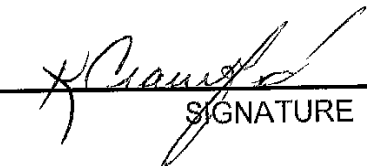
NOTARY IDENTIFICATION NUMBER: 2195139
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-23-2020


SIGNATURE

STEWART TITLE OF CALIFORNIA

IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Deed of Trust as of the date first written above.

TRUSTOR:

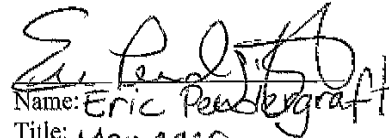
~~NEW COMMUNE DTLA, LLC, a California limited liability company~~

~~DOWNTOWN SEARS, LLC
a California limited liability company
as Manager of New Commune DTLA, LLC~~

By: _____
Name: _____
Title: _____

BENEFICIARY:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By: 
Name: Eric Pendergraft
Title: Manager

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

CERTIFICATE OF ACKNOWLEDGMENT

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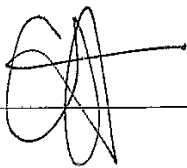
STATE OF California)
COUNTY OF Los Angeles)

On March 27, 2019, before me, Cicely Hernandez, Notary Public, personally appeared Eric Pendergraft who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) 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.

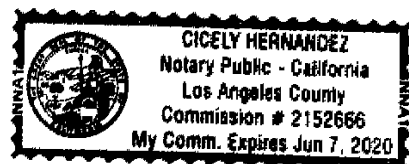
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



[SEAL]



ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: Cicely Hernandez

DATE COMMISSION EXPIRES: 6-7-2020

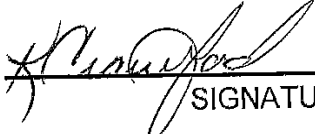
NOTARY IDENTIFICATION NUMBER: 2152666
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-23-2020


SIGNATURE

STEWART TITLE OF CALIFORNIA

Exhibit A

Legal Description

Real property in the City of Redondo Beach, County of Los Angeles, State of California, described as follows:

FEE PARCELS

PARCEL 1:

PARCEL A:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST, 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST, 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET;

THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE SOUTH 29 DEGREES 45' 52" EAST 436.55 FEET; THENCE NORTH 67 DEGREES 11' 23" EAST 326.56 FEET; THENCE SOUTH 25 DEGREES 51' 24" EAST 170.00 FEET; THENCE NORTH 37 DEGREES 06' 28" EAST 276.06 FEET; THENCE NORTH 04 DEGREES 49' 32" WEST 633.11 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.58 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04 DEGREES 39' 00", AN ARC DISTANCE OF 462.57 FEET; THENCE NORTH 09 DEGREES 28' 32" WEST 747.90 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.78 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 18' 00", AN ARC DISTANCE OF 29.84 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 2834.79 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 36' 00", AN ARC DISTANCE OF 29.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1879.86 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 44' 38", AN ARC DISTANCE OF 24.40 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04 DEGREES 50' 26", AN ARC DISTANCE OF 118.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075 PAGE 291, OFFICIAL RECORDS.

ALSO, EXCEPTING THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN; ALL MINERAL AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER, OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LANDS; AND ALSO EXCEPTING AND RESERVING UNTO GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS OR ASSIGNS FOREVER, THE RIGHT TO DRILL WELLS AND BORE HOLES IN, UNDER AND THROUGH THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF EXPLORING FOR AND/OR PRODUCING OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM OTHER LANDS BY MEANS OF WELLS OR BORE HOLES HAVING THEIR SURFACE LOCATIONS ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT GRANTORS,

THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF THE LAND HEREBY CONVEYED, OR TO USE THE LAND HEREBY CONVEYED OR ANY PORTION THEREOF TO SAID DEPTH OF 500 FEET FOR ANY PURPOSE WHATSOEVER; AS RESERVED BY HENRY F. ZASLOW AND MARILYN ZASLOW, HUSBAND AND WIFE, IN DEED RECORDED JUNE 4, 1958 AS INSTRUMENT NO. 3580, IN BOOK D-117 PAGE 387, OFFICIAL RECORDS.

ALSO, EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650, OFFICIAL RECORDS.

(APN: 7503-013-014 AND -015)

PARCEL B:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59"

WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE NORTH 29 DEGREES 45' 52" WEST 106.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1915.00 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 05 DEGREES 07' 53", AN ARC DISTANCE OF 171.51 FEET; THENCE NORTH 24 DEGREES 37' 58" WEST 1504.57 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 889.17 FEET; THENCE SOUTH 21 DEGREES 18' 24" EAST 45.00 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 75.26 FEET; THENCE NORTH 07 DEGREES 36' 36" EAST 51.39 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 190.18 FEET TO A POINT ON A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 995.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 30' 36", AN ARC DISTANCE OF 60.95 FEET TO THE POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 22' 36" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09 DEGREES 39' 49", AN ARC DISTANCE OF 236.58 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL WATER WHICH MAY BE DEVELOPED THEREON IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS RESERVED BY REDONDO IMPROVEMENT COMPANY IN DEED RECORDED JANUARY 21, 1949 AS INSTRUMENT NO. 526 IN BOOK 29219, PAGE 225 OF OFFICIAL RECORDS

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE

OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUB-SURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND/OR OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, OR FOR ANY OTHER PURPOSES WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION IN DEED RECORDED JANUARY 20, 1950 AS INSTRUMENT NO. 1252 IN BOOK 32030, PAGE 47 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, A BODY CORPORATE AND POLITIC, IN DEED RECORDED AUGUST 8, 1972 AS INSTRUMENT NO. 2293, IN BOOK D-5559, PAGE 809 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL IMPROVEMENTS WHICH CONSTITUTE "EXCLUDED ASSETS" UNDER THE ASSET SALE AGREEMENT, INCLUDING WITHOUT LIMITATION THOSE IMPROVEMENTS LOCATED ON THE LAND WHICH ARE SHOWN AS TO BE OWNED BY SOUTHERN CALIFORNIA EDISON COMPANY ON SCHEDULES 2.2(A), 2.2(B) OR 2.2(C) TO THE ASSET SALE AGREEMENT OR THE DRAWINGS ATTACHED THERETO, AS SET OUT IN EXHIBIT "D" TO THAT CERTAIN GRANT DEED RECORDED MAY 18, 1998 AS INSTRUMENT NO. 98-829453 OF OFFICIAL RECORDS.

(APN: 7503-013-819 AND -820)

LEASEHOLD PARCELS

PARCEL 14:

THOSE CERTAIN TIDE AND SUBMERGED LANDS AND ADJACENT UPLANDS AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT;

FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR, ALTERATION, ENLARGEMENT, IMPROVEMENT AND/OR REPLACEMENT OF TWO OR MORE WATER CONDUITS AND APPURTENANCES, INCLUDING MANHOLE STRUCTURES FOR THE PURPOSE OF AFFORDING ACCESS TO SAID CONDUITS, AND INCLUDING NECESSARY OFF-SHORE STRUCTURES AND PROTECTIVE WORKS FOR THE PURPOSE OF CONVEYING AND DISCHARGING CIRCULATING COOLING WATER BETWEEN THE PACIFIC OCEAN AND THE REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT; AS PROVIDED AND SET FORTH IN THE LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909436 OF OFFICIAL RECORDS.

LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, WHICH LIES PARTLY ABOVE AND PARTLY BELOW THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN AND IS BOUNDED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE STRAND, A PUBLIC STREET, WITH THE SOUTHEASTERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH; THENCE NORTH 39 DEGREES 32' WEST, 570 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE NORTHWESTERLY LINE OF EIGHTH STREET IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST, ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST, 1,901.53 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST, 600 FEET; THENCE NORTH 18 DEGREES 08' 53" EAST, 1,771.38 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF SIXTH STREET; THENCE NORTH 52 DEGREES 16' EAST, ALONG SAID LAST MENTIONED PROLONGATION, 89.13 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THE USE OF THE SURFACE AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE STRAND, A PUBLIC STREET, WITH THE SOUTHEASTERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH; THENCE NORTH 39 DEGREES 32' WEST 570.00 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND, WITH THE NORTHWESTERLY LINE OF EIGHTH STREET IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST ALONG THE SOUTHWESTERLY PROLONGATION OF SAID

NORTHWESTERLY LINE OF EIGHTH STREET, 300.00 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST 1641.15 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 18 DEGREES 08' 53" WEST 260.38 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST 387.02 FEET; THENCE NORTH 37 DEGREES 55' 12" WEST 466.46 FEET TO SAID TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, THOSE PORTIONS OF TIDE AND SUBMERGED LANDS AND ADJACENT UPLANDS AND WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY CORNER OF LOT 53 OF THE OCEAN BEACH SUBDIVISION AS PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT OF BEGINNING ALSO BEING THE INTERSECTION OF THE SOUTHEASTERLY LINE OF THE STREET NOW KNOWN AS SIXTH STREET AND THE NORTHEASTERLY LINE OF THE STRAND, FORMERLY A PUBLIC STREET; THENCE ALONG SAID NORTHEASTERLY LINE OF THE STRAND NORTH 39 DEGREES 32' WEST 570.00 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE NORTHWESTERLY LINE OF THE STREET NOW KNOWN AS EIGHTH STREET, IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST, ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300.00 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST, 1641.15 FEET; THENCE SOUTH 37 DEGREES 55' 12" EAST 466.46 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST 212.98 FEET; THENCE NORTH 18 DEGREES 08' 53" EAST 1771.38 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF SIXTH STREET; THENCE NORTH 52 DEGREES 16' EAST, ALONG SAID LAST MENTIONED PROLONGATION, 89.13 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, FROM SAID LAST ABOVE MENTIONED EXCEPTION, THAT PORTION THEREOF WHICH IS TO BE RETAINED BY SAID LESSEE DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY CORNER OF LOT 58 OF SAID OCEAN BEACH SUBDIVISION AS PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER, SAID LAST MENTIONED POINT OF BEGINNING ALSO BEING THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE SOUTHEASTERLY LINE OF THE STREET NOW KNOWN AS SEVENTH STREET IN SAID CITY OF REDONDO BEACH; THENCE ALONG SAID NORTHEASTERLY LINE OF SAID STRAND, NORTH 39 DEGREES 32' WEST, 28.01 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 52 DEGREES 15' 50" WEST, 69.11 FEET; THENCE SOUTH 17 DEGREES 33' 19" WEST, 1669.09 FEET; THENCE SOUTH 12 DEGREES 23' 56" EAST 249.54 FEET; THENCE SOUTH 52 DEGREES 04' 48" WEST, 70.00 FEET; THENCE NORTH 37 DEGREES 55' 12" WEST, 223.70 FEET; THENCE NORTH 53 DEGREES 00' 00" EAST 48.52 FEET; THENCE NORTH 17 DEGREES 33' 19" EAST, 1796.73 FEET; THENCE NORTH 52 DEGREES 15' 50" EAST, 90.97 FEET, MORE OR LESS, TO SAID NORTHEASTERLY LINE OF THE STRAND; THENCE ALONG SAID NORTHEASTERLY LINE OF THE STRAND; SOUTH 39 DEGREES 32' EAST, 70.03 FEET, MORE OR LESS, TO SAID TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LAND HEREBY LEASED, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LANDS WHICH UNDERLIES A PLANE PARALLEL TO AND TWO HUNDRED (200) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LANDS BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LANDS FROM DRILL SITES LOCATED ON OTHER LAND.

PARCEL 15:

THE FOLLOWING DESCRIBED TIDE AND SUBMERGED LANDS, ADJACENT UPLANDS AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT;

FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR, ALTERATION, ENLARGEMENT, IMPROVEMENT AND/OR REPLACEMENT OF TWO WATER CONDUITS AND APPURTENANCES, MANHOLE STRUCTURES, OFF-SHORE STRUCTURES AND PROTECTIVE WORKS, FOR THE CONVEYANCE AND DISCHARGE OF CIRCULATING COOLING WATER BETWEEN THE PACIFIC OCEAN TO THE LESSEES' REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT, AS PROVIDED AND SET FORTH IN THE LEASE DATED DECEMBER 28, 1964 RECORDED MARCH 25, 1965 AS INSTRUMENT NO. 4396, IN BOOK M1812, PAGE 282 OF OFFICIAL RECORDS; AND AS AMENDED BY MODIFICATION OF LEASE DATED AS OF NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909437 OF OFFICIAL RECORDS; AND AS PROVIDED AND SET FORTH IN LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909434 OF OFFICIAL RECORDS, WHICH SAID LAST MENTIONED LEASE BY ITS TERMS COMMENCES ON JANUARY 28, 2031; LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

PARCEL A:

THAT PORTION OF THE REAL PROPERTY IN THE RANCHO SAN PEDRO LYING WITHIN THE LAND DESCRIBED IN THE DEED FROM CATHERINE T. ELLIS TO THE CITY OF REDONDO BEACH DATED DECEMBER 9, 1960 AND RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750 IN BOOK D, 1080, PAGE 240 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE REAL PROPERTY DESCRIBED IN SAID DEED RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750 IN BOOK D1080 PAGE 240, OF SAID OFFICIAL RECORDS, SAID POINT ALSO BEING IN THE NORTHEASTERLY LINE OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SAID HERMOSA AVENUE IS SHOWN 70 FEET WIDE ON THE MAP OF OCEAN BEACH SUBDIVISION RECORDED IN BOOK 2 PAGE 35, OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE NORTHEASTERLY LINE OF SAID HARBOR DRIVE (HERMOSA AVENUE), SOUTH 29 DEGREES 48' 06" EAST, 214.76 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 2869.68 FEET AND A CENTRAL ANGLE OF 00 DEGREES 29' 21"; THENCE SOUTHEASTERLY, ALONG THE ARC OF SAID CURVE, 24.50 FEET; THENCE NORTH 12 DEGREES 02' 38" WEST, 241.91 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF THE REAL PROPERTY DESCRIBED IN SAID DEED RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750, IN

BOOK D1080 PAGE 240 OF SAID OFFICIAL RECORDS; THENCE SOUTH 67 DEGREES 04' 04" WEST, ALONG SAID NORTHWESTERLY LINE, 74.20 FEET TO THE POINT OF BEGINNING.

(APN: 7503-013-013)

PARCEL B:

THOSE PORTIONS OF THE TOWNSITE OF REDONDO BEACH, AS PER MAP RECORDED IN BOOK 39 PAGES 1 TO 17, INCLUSIVE, OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND OF "OCEAN BEACH SUBDIVISION" AS PER MAP RECORDED IN BOOK 2 PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, INCLUDING THE PORTIONS THEREOF SHOWN AND DESIGNATED ON SAID MAPS AS "SURF WAY" AND "STRAND", DESCRIBED AS A WHOLE, AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A SPIKE AND TIN SET IN THE CENTERLINE OF SAID HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SAID AVENUE IS SHOWN 70 FEET WIDE ON SAID MAP OF OCEAN BEACH SUBDIVISION RECORDED IN BOOK 2 PAGE 35, OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER, SAID POINT BEARS NORTH 37 DEGREES 32' 36" WEST, 179.28 FEET FROM A BRASS CAP MONUMENT MARKED H-5, AS SAID MONUMENT IS SHOWN ON RECORD OF SURVEY MAP, SHOWING "SURVEY OF A CONTROL LINE ESTABLISHED FOR THE CITY OF REDONDO BEACH", FILED IN BOOK 78, PAGE 100, OF RECORDS OF SURVEY IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 24 DEGREES 25' 04" WEST, 45.27 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY LINE OF SAID HARBOR DRIVE, 70 FEET WIDE; THENCE NORTH 26 DEGREES 12' 51" WEST, 45.27 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH 24 DEGREES 25' 04" WEST, 1678 FEET; THENCE SOUTH 65 DEGREES 34' 56" EAST, 70.00 FEET; THENCE NORTH 24 DEGREES 25' 04" EAST, 1622 FEET, MORE OR LESS TO A POINT IN THE SOUTHWESTERLY LINE OF SAID HARBOR DRIVE; THENCE NORTH 26 DEGREES 12' 51" WEST, 90.34 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

EXCEPTING THEREFROM, PORTIONS OF THE SURFACE INCLUDING BUT NOT LIMITED TO BUILDINGS, PARKING AND LANDSCAPING AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LANDS HEREBY LEASED, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LANDS WHICH UNDERLIES A PLANE PARALLEL TO AND TWO HUNDRED (200) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LANDS FROM DRILL SITES LOCATED ON OTHER LAND.

PARCEL 16:

THE FOLLOWING DESCRIBED TIDE AND SUBMERGED LANDS AND ADJACENT UPLAND AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT; FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR OR

REPLACEMENT OF ONE OR MORE WATER INTAKE CONDUITS AND APPURTENANCES, INCLUDING NECESSARY OFF-SHORE STRUCTURES FOR THE PURPOSE OF CARRYING AND DISCHARGING CIRCULATING COOLING WATER, BETWEEN THE PACIFIC OCEAN AND THE REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT, AS PROVIDED AND SET FORTH IN LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909435 OF OFFICIAL RECORDS.

LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

PARCEL A:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET, IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921 AND RECORDED JUNE 30, 1922 IN BOOK 1127, PAGE 326 OF OFFICIAL RECORDS OF SAID COUNTY OF LOS ANGELES.

PARCEL B:

THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS, IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, WESTERLY TO THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, AND FROM THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET, IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA.

PARCEL C:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH LYING WITHIN THE STRAND, FORMERLY A PUBLIC STREET, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, SAID POINT BEING SOUTH 20 DEGREES 45' 50" EAST 334.04 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION OF SAID WESTERLY BOUNDARY LINE WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 65 DEGREES 20' 44" EAST 40.12 FEET TO THE EASTERLY BOUNDARY LINE OF THE STRAND; THENCE SOUTHERLY ALONG SAID EASTERLY BOUNDARY LINE OF THE STRAND 94.89 FEET; THENCE SOUTH 65 DEGREES 20' 44" WEST 33.51 FEET TO A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, SAID POINT BEING 94.21 FEET DISTANT FROM THE TRUE POINT OF BEGINNING; THENCE ALONG SAID WESTERLY BOUNDARY OF THE STRAND NORTH 20 DEGREES 45' 50" WEST 94.21 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, THE USE OF THE SURFACE, AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, THAT PORTION OF THE DEMISED PREMISES LYING BETWEEN THE STRAND AND THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, AND EXTENDING FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, WHICH PORTIONS ARE DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY COMPANY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921, AND RECORDED JUNE 30, 1922 IN BOOK 1127, PAGE 326 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY OF LOS ANGELES.

AND THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, WESTERLY TO THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH AND FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE OF CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA, AS PARTIALLY CANCELLED IN MODIFICATION OF SAID LEASE, DATED FEBRUARY 27, 1948.

ALSO EXCEPTING THEREFROM, THAT CERTAIN PORTION OF THE DEMISED PREMISES LYING BETWEEN THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH AND THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET, AND EXTENDING FROM THE WESTERLY LINE OF THE STRAND, WESTERLY TO A LINE WHICH IS PARALLEL WITH AND THREE HUNDRED (300) FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THE STRAND; WHICH PORTIONS ARE DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SOUTHERLY, TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY COMPANY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921, AND RECORDED JUNE 30, 1922, IN BOOK 1127, PAGE 326, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

AND THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN WESTERLY TO A LINE WHICH IS PARALLEL WITH AND 300 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THE STRAND, A PUBLIC STREET, AND FROM THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF

ELEVENTH STREET IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE OF CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA, AS PARTIALLY CANCELLED IN MODIFICATION OF SAID LEASE DATED JUNE 1, 1954.

ALSO EXCEPTING THEREFROM, THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, A PUBLIC STREET, WHICH POINT IS SOUTH 20 DEGREES 45' 50" EAST, 444.78 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION THEREOF WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE SOUTH 71 DEGREES 00' 56" WEST, 982.53 FEET; THENCE SOUTH 65 DEGREES 19' 26" WEST, 432.99 FEET; THENCE SOUTH 58 DEGREES 57' 41" WEST, 594.24 FEET; THENCE SOUTH 22 DEGREES 55' 56" EAST, 50 FEET MORE OR LESS, TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET AS VACATED BY RESOLUTION NO. 2401, ADOPTED JUNE 8, 1952, BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID RESOLUTION BEING RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027 PAGE 34, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 67 DEGREES 04' 04" EAST, 2000 FEET, MORE OR LESS, ALONG SAID WESTERLY PROLONGATION TO SAID WESTERLY BOUNDARY LINE OF THE STRAND; THENCE NORTHWESTERLY ALONG SAID WESTERLY BOUNDARY LINE TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, THAT PORTION PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH DESCRIBED, AS A WHOLE, AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, FORMERLY A PUBLIC STREET, WHICH POINT IS SOUTH 20 DEGREES 45' 50" EAST 334.04 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION THEREOF WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE SOUTH 65 DEGREES 20' 41" WEST 112.45 FEET; THENCE SOUTH 79 DEGREES 05' 48" WEST 351.27 FEET; THENCE SOUTH 65 DEGREES 20' 44" WEST 1251.36 FEET; THENCE NORTH 86 DEGREES 49' 58" WEST 189.67 FEET; THENCE NORTH 63 DEGREES 22' 21" WEST 114.12 FEET; THENCE SOUTH 26 DEGREES 37' 39" WEST 70.00 FEET; THENCE SOUTH 63 DEGREES 22' 21" EAST 261.17 FEET; THENCE NORTH 65 DEGREES 20' 44" EAST 1373.30 FEET; THENCE NORTH 79 DEGREES 05' 48" EAST 452.24 FEET; THENCE NORTH 65 DEGREES 20' 44" EAST 16.42 FEET TO SAID WESTERLY BOUNDARY LINE; THENCE ALONG SAID WESTERLY BOUNDARY LINE SOUTH 20 DEGREES 45' 50" EAST 16.52 FEET, MORE OR LESS, TO A POINT IN SAID WESTERLY BOUNDARY LINE THAT IS NORTH 20 DEGREES 45' 50" WEST 79.39 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, AS VACATED BY RESOLUTION NO. 2401 ADOPTED JUNE 8, 1952 BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID RESOLUTION BEING RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027, PAGE 34 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 71 DEGREES 00' 56" WEST 982.53 FEET; THENCE SOUTH 65 DEGREES 19' 26" WEST, 432.99 FEET; THENCE SOUTH 58 DEGREES 57' 41" WEST, 594.24 FEET; THENCE SOUTH 22 DEGREES 55' 56"

EAST 50.00 FEET; MORE OR LESS, TO SAID WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET; THENCE SOUTH 67 DEGREES 04' 04" WEST, ALONG SAID PROLONGATION, TO THE WESTERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE NORTHERLY ALONG SAID LAST MENTIONED WESTERLY BOUNDARY LINE TO THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE NORTH 68 DEGREES 43' 31" EAST, ALONG SAID NORTHERLY BOUNDARY LINE TO ITS INTERSECTION WITH A LINE THAT IS PARALLEL WITH AND 300 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM SAID WESTERLY LINE OF THE STRAND; THENCE SOUTHERLY ALONG SAID PARALLEL LINE, TO ITS INTERSECTION WITH THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET; THENCE EASTERLY, ALONG SAID LAST MENTIONED WESTERLY PROLONGATION, TO SAID WESTERLY LINE OF THE STRAND; THENCE SOUTHERLY, ALONG SAID LAST MENTIONED WESTERLY LINE, TO THE POINT OF BEGINNING.

EASEMENT PARCEL

PARCEL 17:

AN EASEMENT FOR ACCESS ROAD PURPOSES, AS SET OUT IN AN ACCESS ROAD EASEMENT, RECORDED FEBRUARY 9, 1977 AS INSTRUMENT NO. 77-144416 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS:

FOUR STRIPS OF LAND EACH 12.00 FEET WIDE LYING WITHIN THE UPLANDS AND WATER FRONTAGE LANDS ADJACENT TO THE TIDE AND SUBMERGED LANDS OF SAID CITY OF REDONDO BEACH IN SAID COUNTY AND STATE, THE CENTERLINE OF SAID STRIPS OF LAND BEING DESCRIBED AS FOLLOWS:

STRIP ONE:

BEGINNING AT THE INTERSECTION OF THE CENTERLINES OF HARBOR DRIVE AND YACHT CLUB WAY, AS SAID INTERSECTION IS SHOWN ON OFFICIAL MAP RECORDED IN BOOK 4 PAGES 81 TO 83 INCLUSIVE OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 66 DEGREES 57' 21" WEST, ALONG SAID CENTERLINE OF YACHT CLUB WAY, 337.74 FEET; THENCE SOUTH 21 DEGREES 57' 06" EAST, 25.00 FEET, TO A POINT IN THE SOUTHEASTERLY LINE OF SAID YACHT CLUB WAY, SAID LAST MENTIONED POINT BEING THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 21 DEGREES 57' 06" EAST, 73.19 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE CONTINUING SOUTH 21 DEGREES 57' 06" EAST, 40.50 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 35.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89 DEGREES 21' 04", AN ARC DISTANCE OF 54.58 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 127.46 FEET A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 21 DEGREES 18' 10" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 35 DEGREES 18' 53" AN ARC DISTANCE OF 78.56 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B", A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 14 DEGREES 00' 44" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 30 DEGREES 37' 54" AN ARC DISTANCE OF 68.14 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "C", A RADIAL LINE OF SAID REVERSE CURVE

FROM SAID POINT BEARS SOUTH 44 DEGREES 38' 38" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 20 DEGREES 43' 58" AN ARC DISTANCE OF 46.12 FEET; THENCE TANGENT TO SAID REVERSE CURVE SOUTH 24 DEGREES 37' 24" EAST 11.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 35.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 71 DEGREES 27' 09" AN ARC DISTANCE OF 43.65 FEET TO A POINT IN THE SOUTHWESTERLY (END) LINE OF 10TH STREET AS SAID STREET IS SHOWN ON SAID OFFICIAL MAP, SAID POINT BEING NORTH 24 DEGREES 37' 24" WEST, 11.93 FEET MEASURED ALONG SAID SOUTHWESTERLY (END) LINE FROM THE CENTERLINE OF SAID 10TH STREET AS SHOWN ON SAID OFFICIAL MAP.

THE SIDELINES OF SAID STRIP ONE SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE NORTHERLY IN SAID SOUTHEASTERLY LINE OF YACHT CLUB WAY AND EASTERLY IN SAID SOUTHWESTERLY (END) LINE OF 10TH STREET.

STRIP TWO:

BEGINNING AT POINT "A" HEREINBEFORE DESCRIBED, SAID POINT "A" BEING THE BEGINNING OF A CURVE THAT IS TANGENT TO THE HEREINBEFORE DESCRIBED COURSE HAVING A BEARING AND LENGTH OF "SOUTH 21 DEGREES 57' 06" EAST, 73.19 FEET", AND CONCAVE TO THE NORTH, HAVING A RADIUS OF 35.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90 DEGREES 00' 00" AN ARC DISTANCE OF 54.98 FEET; THENCE TANGENT TO SAID CURVE, NORTH 68 DEGREES 02' 54" EAST, A DISTANCE OF 21.40 FEET.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIP ONE HEREINBEFORE DESCRIBED.

STRIP THREE:

BEGINNING AT POINT "B" HEREINBEFORE DESCRIBED, SAID POINT "B" BEING THE BEGINNING OF A CURVE THAT IS REVERSE TO THAT CERTAIN SEGMENT OF THE REVERSE CURVE DESCRIBED IN STRIP ONE ABOVE AS HAVING A RADIUS OF 127.46 FEET, A CENTRAL ANGLE OF 35 DEGREES 18' 53" AND AN ARC LENGTH OF 78.56 FEET; THENCE EASTERLY ALONG THE INSTANT REVERSE CURVE, BEING CONCAVE TO THE NORTH AND HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 34 DEGREES 27' 34", AN ARC DISTANCE OF 30.07 FEET; THENCE NORTH 69 DEGREES 33' 10" EAST, TANGENT TO SAID CURVE, A DISTANCE OF 42.40 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "D"; THENCE CONTINUING NORTH 69 DEGREES 33' 10" EAST, 3.56 FEET TO A POINT IN THE WESTERLY LINE OF "EDISON COMPANY YARD" AS SHOWN ON OFFICIAL MAP RECORDED IN BOOK 4, PAGES 81 TO 83 INCLUSIVE OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIP ONE HEREINBEFORE DESCRIBED.

STRIP FOUR:

BEGINNING AT POINT "C" HEREINBEFORE DESCRIBED, SAID POINT "C" BEING THE BEGINNING OF A CURVE THAT IS REVERSE TO THAT CERTAIN SEGMENT OF THE

REVERSE CURVE DESCRIBED IN STRIP ONE ABOVE AS HAVING A RADIUS OF 127.46 FEET,
A CENTRAL ANGLE OF 20 DEGREES 43' 58" AND AN ARC LENGTH OF 46.12 FEET; THENCE
NORTHERLY ALONG THE INSTANT REVERSE CURVE, BEING CONCAVE TO THE EAST,
HAVING A RADIUS OF 30.00 FEET THROUGH A CENTRAL ANGLE OF 114 DEGREES 54' 32"
AN ARC DISTANCE OF 60.17 FEET TO POINT "D" HEREINABOVE DESCRIBED IN STRIP
THREE ABOVE.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIPS ONE AND
THREE HEREINBEFORE DESCRIBED.

(APN: PORTIONS OF 7503-003-900 AND -901)

(End of Legal Description)

This page is part of your document - DO NOT DISCARD



20200359853



Pages:
0051

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

03/27/20 AT 08:00AM

FEES : 198.00

TAXES : 0.00

OTHER : 0.00

PAID : 198.00



LEADSHEET



202003270170064

00018068320



010633600

SEQ:
05

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan, Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Ave., 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Deed of Trust

Title of Document

Pursuant to Senate Bill 2 -- Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, California 90071
Attn: Paul Williams, Esquire

THIS SPACE ABOVE FOR RECORDER'S USE

PERFORMANCE DEED OF TRUST

THIS PERFORMANCE DEED OF TRUST (this "Deed of Trust") is made as of March 27, 2020, between 9300 WILSHIRE, I.L.C., a Delaware limited liability company, as to an undivided 21.40% interest, 1112 INVESTMENT COMPANY, LLC, a California limited liability company, as to an undivided 18.45% interest, ED FLORES, LLC, a California limited liability company, as to an undivided 19.85% interest, 9300 WILSHIRE FEE, LLC, a Delaware limited liability company, as to an undivided 10.00% interest, DAVID DROMY, a single man, as to an undivided 3.75% interest, 1650 VETERAN, I.L.C., a California limited liability company, as to an undivided 10.02% interest, OUTDOOR BILLBOARD, LLC, a California limited liability company, as to an undivided 1.58% interest, BH KARKA, LLC, a California limited liability company, as to an undivided 2.60% interest, 5TH STREET INVESTMENT COMPANY, I.L.C., a California limited liability company, as to an undivided 4.45% interest, 505 INVESTMENT COMPANY, LLC, a California limited liability company, as to an undivided 1.45% interest, SLH FUND, LLC, a California limited liability company, as to an undivided 3.45% interest, and PEAK ALCOTT, LLC, a California limited liability company, as to an undivided 3.0% interest, all as tenants in common (collectively, "Trustor"), STEWART TITLE OF CALIFORNIA, INC., a California corporation ("Trustee"), and AES REDONDO BEACH, L.L.C., a Delaware limited liability company ("Beneficiary").

Background:

A. Trustor owns fee simple title to that certain real property located at 1100 N. Harbor Drive, Redondo Beach, California, as more fully described on Exhibit A attached hereto and made a part hereof (the "Land").

B. Trustor, as Purchaser, and Beneficiary, as Seller, have entered into that certain Purchase and Sale Agreement dated as of October 5, 2018 (as the same may be amended, modified, supplemented or restated from time to time, the "Agreement"), pursuant to which, among other things, as of the date of this Deed of Trust, Beneficiary has transferred fee title to Trustor (the "Sale Transaction"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

C. As partial consideration for the Sale Transaction, Trustor agreed to make certain future payments and perform certain obligations with respect to the Land, including the Secured Obligations (as defined below) and the Secured Environmental Obligations (as defined in the hereinafter defined Environmental Performance Deed of Trust).

D. This Deed of Trust secures the Secured Obligations, which include, without limitation, Trustor's obligation under the Agreement to pay to Beneficiary the Deferred Purchase Price and maintain the Performance Assurance. Trustor and Beneficiary intend this Deed of Trust to remain on title to the Property (as defined below) pursuant to and in accordance with the terms and conditions of the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Grant in Trust. In consideration of the foregoing and for the purpose of securing performance of the Secured Obligations, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired: (a) all buildings, fixtures and improvements located on the Land (collectively, "Improvements"), and any and all rights, easements, licenses and privileges presently thereon, thereunder, or appertaining thereto, including, without limitation, all mineral rights, and rights to oil, natural gas, asphaltum and other hydrocarbons (collectively, with the Land, the "Real Property"); (b) all existing and future leases, subleases, licenses, and other agreements relating to the use or occupancy of all or any portion of the Land or Improvements (collectively, "Leases"), all amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "Rents"); (c) any and all licenses, authorizations, permits and approvals issued by the appropriate governmental authorities in connection with the ownership and operation of the Real Property along with Trustor's interest in all plans, specifications and surveys concerning the Real Property in Trustor's possession or control; and (d) any and all warranties and guarantees issued in connection with the Real Property. All of the above-referenced interests of Trustor in the Land and in the items listed in clauses (a) through (d) above are made subject to the security interest herein described and are collectively referred to herein as the "Property."

2. Obligations Secured. This Deed of Trust is given for the purpose of securing performance of the following (collectively, the "Secured Obligations"):

2.1 Trustor's obligation under the Agreement to timely pay the Deferred Purchase Price;

2.2 Except for those set forth in the Environmental Performance Deed of Trust, Trustor's obligations under the Agreement to assume the Assumed Obligations;

2.3 Trustor's obligations upon the Ground Lease Termination Date as set forth in Section 3.2 of the Agreement, if applicable;

2.4 Trustor's obligation to maintain the Performance Assurance as set forth in Section 10.1(a) and 10.1(b) of the Agreement;

2.5 Trustor's obligations with respect to the pursuit of the Entitlements pursuant to Section 10.5 of the Agreement;

2.6 Trustor's obligations with respect to obtaining consents and approvals and providing notifications pursuant to Section 10.7 of the Agreement;

2.7 Trustor's obligations to provide to Seller access to all Facility Records and to preserve such Facility Records pursuant to Section 10.8 of the Agreement;

2.8 Trustor's obligations with respect to the removal of the Seller Marks pursuant to Section 10.9 of the Agreement;

2.9 Trustor's obligations to obtain and maintain the PLL Policy pursuant to Section 10.12 of the Agreement;

2.10 Trustor's obligations to indemnify and release Seller and Seller Parties pursuant to Article 13 of the Agreement;

2.11 Except for those set forth in the Environmental Performance Deed of Trust, all of Trustor's other obligations to be paid and/or performed after the Final Closing Date, including, without limitation, Trustor's obligations pursuant to Sections 10.1(d), 10.2, 10.3, 10.6, 10.10, 10.11 and 10.13 of the Agreement; and

2.12 Trustor's obligations to consummate the Final Closing (including payment of the Final Closing Payment);

provided, that notwithstanding the foregoing or anything else herein to the contrary, the Secured Obligations shall exclude the Secured Environmental Obligations (as defined in the Environmental Performance Deed of Trust).

3. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time, covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Property. Trustor authorizes the Trustee and/or Beneficiary to file or record financing statements and continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Property in such form and in such offices as they reasonably determine to be necessary or appropriate to perfect or maintain the perfection of the security interests under this Deed of Trust. Trustor authorizes the Trustee and/or Beneficiary to describe the Property in the same manner as described herein or to use the collateral description "all personal property" or "all assets," in each case "whether now owned or hereafter acquired and wherever located," or such other description as the Trustee and/or Beneficiary, in their sole judgment, determine is necessary or advisable, in any such financing statements.

4. Trustor's Covenants. Trustor shall observe and perform all of Trustor's covenants and agreements set forth in the Agreement.

5. Additional Covenants. It is mutually agreed:

5.1 Waiver. That by accepting payment of any sum or performance of any obligation secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment or performance when due of all other sums or obligations so secured or to declare default for failure so to pay or perform.

5.2 Full Reconveyance. That upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been fulfilled, and upon surrender of this Deed of Trust to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5.3 Rents, Issues and Profits. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Deed of Trust, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5.4 Rights of Beneficiary. Upon a default, Beneficiary may at any time without notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, and without releasing Trustor from any obligation (except as otherwise expressly provided in the Agreement), (a) enter upon and take possession of the Property or any part thereof; (b) make additions, alterations, repairs and improvements to the Property that Beneficiary may consider necessary or appropriate to keep the Property in good condition and repair; (c) appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary; (d) pay, purchase, contest or compromise any lien or encumbrance or alleged lien or encumbrance whether superior or junior to this Deed of Trust; (e) otherwise protect the Property and (f) in exercising such powers, pay necessary expenses (including, without limitation, expenses of counsel or other necessary or desirable consultants).

5.5 Acceleration. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any obligation secured hereby (which default remains uncured for five (5) business days of written notice from Beneficiary specifying particularly such Trustor default in the case of any of Trustor's payment obligations or obligations to provide Performance Assurance, or (b) within thirty (30) days of receipt of written notice from Beneficiary specifying particularly such Trustor default in all other cases), Beneficiary may declare all sums and obligations secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust and all documents evidencing matters secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in

said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment, FIRST, of the expenses of such sale, together with the reasonable expenses of this Deed of Trust, including Trustee's fees, cost of evidence of title in connection with sale and revenue stamps for documentary transfer tax on Trustee's deed; SECOND, payment of all monies which have been or which shall be advanced, paid or expended by Beneficiary for amounts not then repaid or as otherwise may be required in order to complete performance of the Secured Obligations, together with the interest thereon as provided in this Deed of Trust; THIRD, payment of all other sums secured hereby then remaining unpaid; and LAST the balance or surplus, if any, of such proceeds of sale to the person or persons legally entitled thereto, upon satisfactory proof of such right.

5.6 Substitution of Trustee. Beneficiary, or any successor in interest of Beneficiary under this Deed of Trust, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

5.7 Binding Effect. This Deed of Trust applies to and inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall include Beneficiary's successor in interest under the Agreement. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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

5.9 Trustor's Request for Notice of Default. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at its address specified herein for giving Notices.

6. First Lien Deed of Trust. Reference is made to that certain Environmental Performance Deed of Trust of even date herewith and recorded prior to this Deed of Trust, granted by Trustor to Trustee for the benefit of Beneficiary (the "Environmental Performance Deed of Trust") pursuant to the Agreement, which Environmental Performance Deed of Trust secures the Secured Environmental Obligations. This Deed of Trust is and shall be subject and subordinate to the Environmental Performance Deed of Trust. Any agreement hereafter made by Trustor, Beneficiary and/or Trustee shall be subject and subordinate to said Environmental Performance Deed of Trust unless otherwise directed to be released and reconveyed by Beneficiary.

7. Notices. All notices, consents, waivers, demands, requests or other instruments or communications provided for under this Deed of Trust or by law to be served on or to be given to either Trustor or Beneficiary shall be in writing and shall be given in accordance with the terms and conditions set forth in Section 15.10 of the Agreement.

8. Counterparts. This Deed of Trust may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

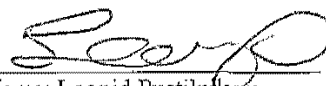
[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Deed of Trust as of the date first written above.

TRUSTOR:

9300 WILSHIRE, LLC, a Delaware limited liability company

SLH Fund, LLC
a California limited liability company
as Manager of 9300 Wilshire, LLC

By: 
Name: Leonid Pustilnikov
Title: Manager

Signature Page to Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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

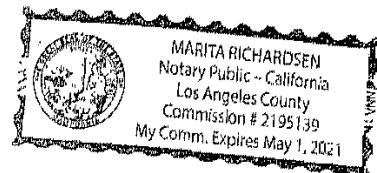
STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen Notary Public, personally appeared Leonid Pushtnikov 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.

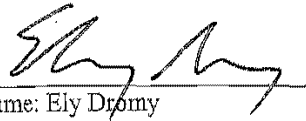
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

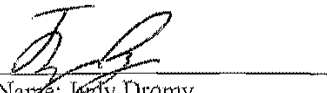
WITNESS my hand and official seal.

Signature Marita Rich [SEAL]



1112 INVESTMENT COMPANY, LLC, a California
limited liability company

By: 
Name: Ely Dromy
Title: Trustee of the 1995 Dromy Family
Trust

By: 
Name: Judy Dromy
Title: Trustee of the 1995 Dromy Family
Trust

Signature Page to Performance Deed of Trust

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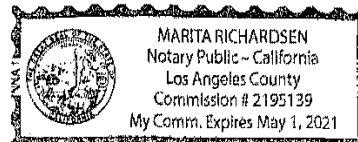
STATE OF California)

COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared Ely Prorny & Judy Prorny 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 Marita Rich [SEAL]

ED FLORES, LLC, a California limited liability
company

By:



Name: Ely Dromy
Title: Manager

Signature Page to Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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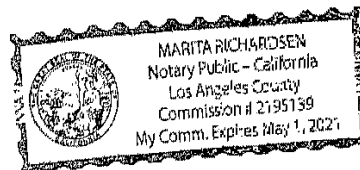
STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardson, Notary Public, personally appeared Ely Brown 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 Marita Richardson [SEAL]



9300 WILSHIRE FEE, LLC, a Delaware limited
liability company

By: 
Name: Ely Dromy
Title: Manager

Signature Page to Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

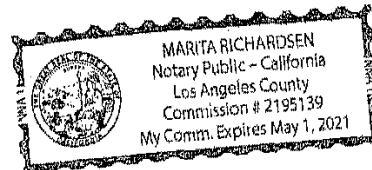
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)
COUNTY OF Los Angeles)

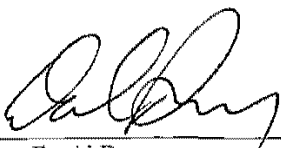
On March 20, 2020, before me, Marita Richards, Notary Public, personally appeared Ely Dromy who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized 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 Marita Rich [SEAL]

By: 
Name: David Dromy
AS AN INDIVIDUAL

Signature Page to Performance Deed of Trust

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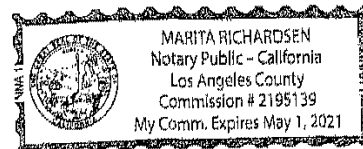
STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared David Brown 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 Marita Rich [SEAL]



1650 VETERAN, LLC, a California limited liability
company

By: 
Name: Ely Dromy
Title: Manager

Signature Page to Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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STATE OF California)

COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardson Notary Public, personally appeared Ely Dromy 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.

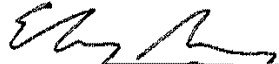
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Marita Richardson [SEAL]

OUTDOOR BILLBOARD COMPANY, LLC, a
California limited liability company

By: 
Name: Ely Drouin
Title: Manager

Signature Page to Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF California)

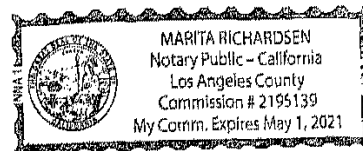
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardson Notary Public, personally appeared Ely Dromy 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.

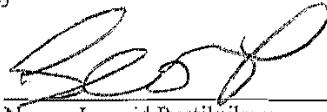
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Marita Richardson [SEAL]



BH KARKA, LLC, a California limited liability
company

By: 
Name: Leonid Pustilnikov
Title: Manager

Signature Page to Performance Need of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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

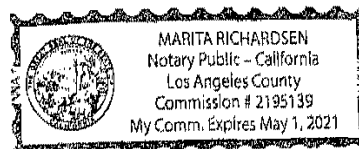
STATE OF California)
)
COUNTY OF Los Angeles)

On March 10, 2020, before me, Marita Richardson, Notary Public, personally appeared Leonid Koshnikov 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.

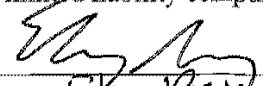
WITNESS my hand and official seal.

Signature Marita Richardson [SEAL]



5TH STREET INVESTMENT COMPANY, LLC, a
California limited liability company

By:


Name: Ely Dromy
Title: Manager

Signature Page to Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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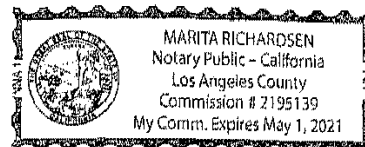
STATE OF California)

COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared Ely Promy 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.

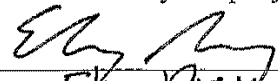
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Marita Richard [SEAL]

505 INVESTMENT COMPANY, LLC, a
California limited liability company

By: 
Name: Ely Dromy
Title: Manager

Signature Page to Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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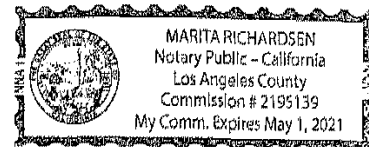
STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen Notary Public, personally appeared Ely Dromy 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.

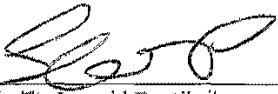
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Marita Richardsen [SEAL]



SLH FUND, LLC, a California limited liability company

By: 
Name: Leonid Pustilnikov
Title: Manager

Signature Page to Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared Leonid Koshilnikov 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.

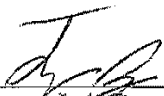
WITNESS my hand and official seal.

Signature Marita Richardsen [SEAL]



PEAK ALCOTT, LLC, a California limited liability
company

By: 
Name: Ely Dromy
Title: Trustee of the 1995 Dromy Family
Trust

By: 
Name: Judy Dromy
Title: Trustee of the 1995 Dromy Family
Trust

Signature Page to Performance Deed of Trust

CERTIFICATE OF ACKNOWLEDGMENT

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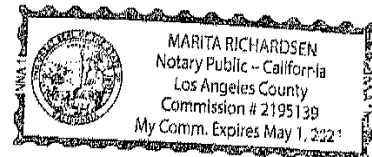
STATE OF California)
COUNTY OF Los Angeles)

On March 20, 2020, before me, Marita Richardsen, Notary Public, personally appeared Ely Dromy & Judy Dromy 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 Marita Richardsen [SEAL]



ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: Marita Richardsen

DATE COMMISSION EXPIRES: 5-1-2021


NOTARY IDENTIFICATION NUMBER: 2195139
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-23-2020



SIGNATURE

STEWART TITLE OF CALIFORNIA

IN WITNESS WHEREOF, Trustor and Beneficiary have executed this Deed of Trust as of the date first written above.

TRUSTOR:

~~NEW COMMUNE DTLA, LLC, a California limited liability company~~

~~DOWNTOWN SEARS, LLC
a California limited liability company
as Manager of New Commune DTLA, LLC~~

~~By:~~

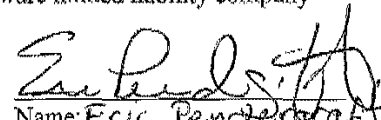
~~Name:~~

~~Title:~~

BENEFICIARY:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By:


Name: Eric Pendergraft
Title: Manager

[NOTARY ACKNOWLEDGEMENTS FOLLOW]

CERTIFICATE OF ACKNOWLEDGMENT

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

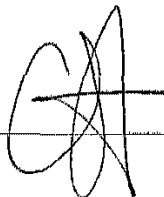
STATE OF California)
COUNTY OF Los Angeles)

On March 27, 2019, before me, Cicely Hernandez, Notary Public, personally appeared Eric Pendergraft 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]



ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: Cicely Hernandez

DATE COMMISSION EXPIRES: 6-7-2020

NOTARY IDENTIFICATION NUMBER: 2152666
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-23-2020


SIGNATURE

STEWART TITLE OF CALIFORNIA

Exhibit A

Legal Description

Real property in the City of Redondo Beach, County of Los Angeles, State of California, described as follows:

FEE PARCELS

PARCEL 1:

PARCEL A:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST, 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST, 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET;

THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE SOUTH 29 DEGREES 45' 52" EAST 436.55 FEET; THENCE NORTH 67 DEGREES 11' 23" EAST 326.56 FEET; THENCE SOUTH 25 DEGREES 51' 24" EAST 170.00 FEET; THENCE NORTH 37 DEGREES 06' 28" EAST 276.06 FEET; THENCE NORTH 04 DEGREES 49' 32" WEST 633.11 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.58 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04 DEGREES 39' 00", AN ARC DISTANCE OF 462.57 FEET; THENCE NORTH 09 DEGREES 28' 32" WEST 747.90 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.78 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 18' 00", AN ARC DISTANCE OF 29.84 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 2834.79 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 36' 00", AN ARC DISTANCE OF 29.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1879.86 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 44' 38", AN ARC DISTANCE OF 24.40 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04 DEGREES 50' 26", AN ARC DISTANCE OF 118.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075 PAGE 291, OFFICIAL RECORDS.

ALSO, EXCEPTING THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN; ALL MINERAL AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER, OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LANDS; AND ALSO EXCEPTING AND RESERVING UNTO GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS OR ASSIGNS FOREVER, THE RIGHT TO DRILL WELLS AND BORE HOLES IN, UNDER AND THROUGH THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF EXPLORING FOR AND/OR PRODUCING OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM OTHER LANDS BY MEANS OF WELLS OR BORE HOLES HAVING THEIR SURFACE LOCATIONS ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT GRANTORS,

THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF THE LAND HEREBY CONVEYED, OR TO USE THE LAND HEREBY CONVEYED OR ANY PORTION THEREOF TO SAID DEPTH OF 500 FEET FOR ANY PURPOSE WHATSOEVER; AS RESERVED BY HENRY F. ZASLOW AND MARILYN ZASLOW, HUSBAND AND WIFE, IN DEED RECORDED JUNE 4, 1958 AS INSTRUMENT NO. 3580, IN BOOK D-117 PAGE 387, OFFICIAL RECORDS.

ALSO, EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650, OFFICIAL RECORDS.

(APN: 7503-013-014 AND -015)

PARCEL B:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59"

WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE NORTH 29 DEGREES 45' 52" WEST 106.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1915.00 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 05 DEGREES 07' 53", AN ARC DISTANCE OF 171.51 FEET; THENCE NORTH 24 DEGREES 37' 58" WEST 1504.57 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 889.17 FEET; THENCE SOUTH 21 DEGREES 18' 24" EAST 45.00 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 75.26 FEET; THENCE NORTH 07 DEGREES 36' 36" EAST 51.39 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 190.18 FEET TO A POINT ON A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 995.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 30' 36", AN ARC DISTANCE OF 60.95 FEET TO THE POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 22' 36" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09 DEGREES 39' 49", AN ARC DISTANCE OF 236.58 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL WATER WHICH MAY BE DEVELOPED THEREON IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS RESERVED BY REDONDO IMPROVEMENT COMPANY IN DEED RECORDED JANUARY 21, 1949 AS INSTRUMENT NO. 526 IN BOOK 29219, PAGE 225 OF OFFICIAL RECORDS

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE

OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUB-SURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND/OR OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, OR FOR ANY OTHER PURPOSES WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION IN DEED RECORDED JANUARY 20, 1950 AS INSTRUMENT NO. 1252 IN BOOK 32030, PAGE 47 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, A BODY CORPORATE AND POLITIC, IN DEED RECORDED AUGUST 8, 1972 AS INSTRUMENT NO. 2293, IN BOOK D-5559, PAGE 809 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL IMPROVEMENTS WHICH CONSTITUTE "EXCLUDED ASSETS" UNDER THE ASSET SALE AGREEMENT, INCLUDING WITHOUT LIMITATION THOSE IMPROVEMENTS LOCATED ON THE LAND WHICH ARE SHOWN AS TO BE OWNED BY SOUTHERN CALIFORNIA EDISON COMPANY ON SCHEDULES 2.2(A), 2.2(B) OR 2.2(C) TO THE ASSET SALE AGREEMENT OR THE DRAWINGS ATTACHED THERETO, AS SET OUT IN EXHIBIT "D" TO THAT CERTAIN GRANT DEED RECORDED MAY 18, 1998 AS INSTRUMENT NO. 98-829453 OF OFFICIAL RECORDS.

LEASEHOLD PARCELSPARCEL 14:

THOSE CERTAIN TIDE AND SUBMERGED LANDS AND ADJACENT UPLANDS AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT;

FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR, ALTERATION, ENLARGEMENT, IMPROVEMENT AND/OR REPLACEMENT F TWO OR MORE WATER CONDUITS AND APPURTENANCES, INCLUDING MANHOLE STRUCTURES FOR THE PURPOSE OF AFFORDING ACCESS TO SAID CONDUITS, AND INCLUDING NECESSARY OFF-SHORE STRUCTURES AND PROTECTIVE WORKS FOR THE PURPOSE OF CONVEYING AND DISCHARGING CIRCULATING COOLING WATER BETWEEN THE PACIFIC OCEAN AND THE REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT; AS PROVIDED AND SET FORTH IN THE LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909436 OF OFFICIAL RECORDS.

LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, WHICH LIES PARTLY ABOVE AND PARTLY BELOW THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN AND IS BOUNDED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE STRAND, A PUBLIC STREET, WITH THE SOUTHEASTERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH; THENCE NORTH 39 DEGREES 32' WEST, 570 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE NORTHWESTERLY LINE OF EIGHTH STREET IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST, ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST, 1,901.53 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST, 600 FEET; THENCE NORTH 18 DEGREES 08' 53" EAST, 1,771.38 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF SIXTH STREET; THENCE NORTH 52 DEGREES 16' EAST, ALONG SAID LAST MENTIONED PROLONGATION, 89.13 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THE USE OF THE SURFACE AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE STRAND, A PUBLIC STREET, WITH THE SOUTHEASTERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH; THENCE NORTH 39 DEGREES 32' WEST 570.00 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND, WITH THE NORTHWESTERLY LINE OF EIGHTH STREET IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST ALONG THE SOUTHWESTERLY PROLONGATION OF SAID

NORTHWESTERLY LINE OF EIGHTH STREET, 300.00 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST 1641.15 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 18 DEGREES 08' 53" WEST 260.38 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST 387.02 FEET; THENCE NORTH 37 DEGREES 55' 12" WEST 466.46 FEET TO SAID TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, THOSE PORTIONS OF TIDE AND SUBMERGED LANDS AND ADJACENT UPLANDS AND WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY CORNER OF LOT 53 OF THE OCEAN BEACH SUBDIVISION AS PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT OF BEGINNING ALSO BEING THE INTERSECTION OF THE SOUTHEASTERLY LINE OF THE STREET NOW KNOWN AS SIXTH STREET AND THE NORTHEASTERLY LINE OF THE STRAND, FORMERLY A PUBLIC STREET; THENCE ALONG SAID NORTHEASTERLY LINE OF THE STRAND NORTH 39 DEGREES 32' WEST 570.00 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE NORTHWESTERLY LINE OF THE STREET NOW KNOWN AS EIGHTH STREET, IN SAID CITY OF REDONDO BEACH; THENCE SOUTH 52 DEGREES 16' WEST, ALONG THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF EIGHTH STREET, 300.00 FEET; THENCE SOUTH 18 DEGREES 08' 53" WEST, 1641.15 FEET; THENCE SOUTH 37 DEGREES 55' 12" EAST 466.46 FEET; THENCE SOUTH 71 DEGREES 51' 07" EAST 212.98 FEET; THENCE NORTH 18 DEGREES 08' 53" EAST 1771.38 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF SIXTH STREET; THENCE NORTH 52 DEGREES 16' EAST, ALONG SAID LAST MENTIONED PROLONGATION, 89.13 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, FROM SAID LAST ABOVE MENTIONED EXCEPTION, THAT PORTION THEREOF WHICH IS TO BE RETAINED BY SAID LESSEE DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY CORNER OF LOT 58 OF SAID OCEAN BEACH SUBDIVISION AS PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER, SAID LAST MENTIONED POINT OF BEGINNING ALSO BEING THE INTERSECTION OF SAID NORTHEASTERLY LINE OF THE STRAND WITH THE SOUTHEASTERLY LINE OF THE STREET NOW KNOWN AS SEVENTH STREET IN SAID CITY OF REDONDO BEACH; THENCE ALONG SAID NORTHEASTERLY LINE OF SAID STRAND, NORTH 39 DEGREES 32' WEST, 28.01 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 52 DEGREES 15' 50" WEST, 69.11 FEET; THENCE SOUTH 17 DEGREES 33' 19" WEST, 1669.09 FEET; THENCE SOUTH 12 DEGREES 23' 56" EAST 249.54 FEET; THENCE SOUTH 52 DEGREES 04' 48" WEST, 70.00 FEET; THENCE NORTH 37 DEGREES 55' 12" WEST, 223.70 FEET; THENCE NORTH 53 DEGREES 00' 00" EAST 48.52 FEET; THENCE NORTH 17 DEGREES 33' 19" EAST, 1796.73 FEET; THENCE NORTH 52 DEGREES 15' 50" EAST, 90.97 FEET, MORE OR LESS, TO SAID NORTHEASTERLY LINE OF THE STRAND; THENCE ALONG SAID NORTHEASTERLY LINE OF THE STRAND; SOUTH 39 DEGREES 32' EAST, 70.03 FEET, MORE OR LESS, TO SAID TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LAND HEREBY LEASED, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LANDS WHICH UNDERLIES A PLANE PARALLEL TO AND TWO HUNDRED (200) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LANDS BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LANDS FROM DRILL SITES LOCATED ON OTHER LAND.

PARCEL 15:

THE FOLLOWING DESCRIBED TIDE AND SUBMERGED LANDS, ADJACENT UPLANDS AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT;

FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR, ALTERATION, ENLARGEMENT, IMPROVEMENT AND/OR REPLACEMENT OF TWO WATER CONDUITS AND APPURTENANCES, MANHOLE STRUCTURES, OFF-SHORE STRUCTURES AND PROTECTIVE WORKS, FOR THE CONVEYANCE AND DISCHARGE OF CIRCULATING COOLING WATER BETWEEN THE PACIFIC OCEAN TO THE LESSEES' REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT, AS PROVIDED AND SET FORTH IN THE LEASE DATED DECEMBER 28, 1964 RECORDED MARCH 25, 1965 AS INSTRUMENT NO. 4396, IN BOOK M1812, PAGE 282 OF OFFICIAL RECORDS; AND AS AMENDED BY MODIFICATION OF LEASE DATED AS OF NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909437 OF OFFICIAL RECORDS; AND AS PROVIDED AND SET FORTH IN LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909434 OF OFFICIAL RECORDS, WHICH SAID LAST MENTIONED LEASE BY ITS TERMS COMMENCES ON JANUARY 28, 2031; LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

PARCEL A:

THAT PORTION OF THE REAL PROPERTY IN THE RANCHO SAN PEDRO LYING WITHIN THE LAND DESCRIBED IN THE DEED FROM CATHERINE T. ELLIS TO THE CITY OF REDONDO BEACH DATED DECEMBER 9, 1960 AND RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750 IN BOOK D, 1080, PAGE 240 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE REAL PROPERTY DESCRIBED IN SAID DEED RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750 IN BOOK D1080 PAGE 240, OF SAID OFFICIAL RECORDS, SAID POINT ALSO BEING IN THE NORTHEASTERLY LINE OF HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SAID HERMOSA AVENUE IS SHOWN 70 FEET WIDE ON THE MAP OF OCEAN BEACH SUBDIVISION RECORDED IN BOOK 2 PAGE 35, OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE NORTHEASTERLY LINE OF SAID HARBOR DRIVE (HERMOSA AVENUE), SOUTH 29 DEGREES 48' 06" EAST, 214.76 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 2869.68 FEET AND A CENTRAL ANGLE OF 00 DEGREES 29' 21"; THENCE SOUTHEASTERLY, ALONG THE ARC OF SAID CURVE, 24.50 FEET; THENCE NORTH 12 DEGREES 02' 38" WEST, 241.91 FEET, MORE OR LESS, TO A POINT IN THE NORTHWESTERLY LINE OF THE REAL PROPERTY DESCRIBED IN SAID DEED RECORDED JANUARY 11, 1961 AS INSTRUMENT NO. 750, IN

BOOK D1080 PAGE 240 OF SAID OFFICIAL RECORDS; THENCE SOUTH 67 DEGREES 04' 04" WEST, ALONG SAID NORTHWESTERLY LINE, 74.20 FEET TO THE POINT OF BEGINNING.

(APN: 7503-013-013)

PARCEL B:

THOSE PORTIONS OF THE TOWNSITE OF REDONDO BEACH, AS PER MAP RECORDED IN BOOK 39 PAGES 1 TO 17, INCLUSIVE, OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND OF "OCEAN BEACH SUBDIVISION" AS PER MAP RECORDED IN BOOK 2 PAGE 35 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, INCLUDING THE PORTIONS THEREOF SHOWN AND DESIGNATED ON SAID MAPS AS "SURF WAY" AND "STRAND", DESCRIBED AS A WHOLE, AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A SPIKE AND TIN SET IN THE CENTERLINE OF SAID HERMOSA AVENUE, NOW KNOWN AS HARBOR DRIVE, AS SAID AVENUE IS SHOWN 70 FEET WIDE ON SAID MAP OF OCEAN BEACH SUBDIVISION RECORDED IN BOOK 2 PAGE 35, OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER, SAID POINT BEARS NORTH 37 DEGREES 32' 36" WEST, 179.28 FEET FROM A BRASS CAP MONUMENT MARKED H-5, AS SAID MONUMENT IS SHOWN ON RECORD OF SURVEY MAP, SHOWING "SURVEY OF A CONTROL LINE ESTABLISHED FOR THE CITY OF REDONDO BEACH", FILED IN BOOK 78, PAGE 100, OF RECORDS OF SURVEY IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 24 DEGREES 25' 04" WEST, 45.27 FEET, MORE OR LESS, TO A POINT IN THE SOUTHWESTERLY LINE OF SAID HARBOR DRIVE, 70 FEET WIDE; THENCE NORTH 26 DEGREES 12' 51" WEST, 45.27 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH 24 DEGREES 25' 04" WEST, 1678 FEET; THENCE SOUTH 65 DEGREES 34' 56" EAST, 70.00 FEET; THENCE NORTH 24 DEGREES 25' 04" EAST, 1622 FEET, MORE OR LESS TO A POINT IN THE SOUTHWESTERLY LINE OF SAID HARBOR DRIVE; THENCE NORTH 26 DEGREES 12' 51" WEST, 90.34 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

EXCEPTING THEREFROM, PORTIONS OF THE SURFACE INCLUDING BUT NOT LIMITED TO BUILDINGS, PARKING AND LANDSCAPING AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER THE LANDS HEREBY LEASED, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LANDS WHICH UNDERLIES A PLANE PARALLEL TO AND TWO HUNDRED (200) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LANDS FROM DRILL SITES LOCATED ON OTHER LAND.

PARCEL 16:

THE FOLLOWING DESCRIBED TIDE AND SUBMERGED LANDS AND ADJACENT UPLAND AND THE WATER FRONTAGE UPON WHICH SAID TIDE AND SUBMERGED LANDS ABUT; FOR THE CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, OPERATION, REPAIR OR

REPLACEMENT OF ONE OR MORE WATER INTAKE CONDUITS AND APPURTENANCES, INCLUDING NECESSARY OFF-SHORE STRUCTURES FOR THE PURPOSE OF CARRYING AND DISCHARGING CIRCULATING COOLING WATER, BETWEEN THE PACIFIC OCEAN AND THE REDONDO BEACH STEAM ELECTRIC POWER GENERATING PLANT, AS PROVIDED AND SET FORTH IN LEASE DATED NOVEMBER 4, 1997 RECORDED DECEMBER 4, 1997 AS INSTRUMENT NO. 97-1909435 OF OFFICIAL RECORDS.

LYING WITHIN THE CITY OF REDONDO BEACH, TO WIT:

PARCEL A:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET, IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921 AND RECORDED JUNE 30, 1922 IN BOOK 1127, PAGE 326 OF OFFICIAL RECORDS OF SAID COUNTY OF LOS ANGELES.

PARCEL B:

THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS, IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, WESTERLY TO THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, AND FROM THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET, IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA.

PARCEL C:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH LYING WITHIN THE STRAND, FORMERLY A PUBLIC STREET, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, SAID POINT BEING SOUTH 20 DEGREES 45' 50" EAST 334.04 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION OF SAID WESTERLY BOUNDARY LINE WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 65 DEGREES 20' 44" EAST 40.12 FEET TO THE EASTERLY BOUNDARY LINE OF THE STRAND; THENCE SOUTHERLY ALONG SAID EASTERLY BOUNDARY LINE OF THE STRAND 94.89 FEET; THENCE SOUTH 65 DEGREES 20' 44" WEST 33.51 FEET TO A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, SAID POINT BEING 94.21 FEET DISTANT FROM THE TRUE POINT OF BEGINNING; THENCE ALONG SAID WESTERLY BOUNDARY OF THE STRAND NORTH 20 DEGREES 45' 50" WEST 94.21 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, THE USE OF THE SURFACE, AS RETAINED BY THE LESSOR, AS SET FORTH, PROVIDED AND DESCRIBED IN THE LEASE REFERRED TO ABOVE.

ALSO EXCEPTING THEREFROM, THAT PORTION OF THE DEMISED PREMISES LYING BETWEEN THE STRAND AND THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH, AND EXTENDING FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, WHICH PORTIONS ARE DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY COMPANY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921, AND RECORDED JUNE 30, 1922 IN BOOK 1127, PAGE 326 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY OF LOS ANGELES.

AND THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, WESTERLY TO THE WESTERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH AND FROM THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SIXTH STREET IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE OF CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA, AS PARTIALLY CANCELLED IN MODIFICATION OF SAID LEASE, DATED FEBRUARY 27, 1948.

ALSO EXCEPTING THEREFROM, THAT CERTAIN PORTION OF THE DEMISED PREMISES LYING BETWEEN THE NORTHERLY BOUNDARY LINE OF THE CITY OF REDONDO BEACH AND THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET, AND EXTENDING FROM THE WESTERLY LINE OF THE STRAND, WESTERLY TO A LINE WHICH IS PARALLEL WITH AND THREE HUNDRED (300) FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THE STRAND; WHICH PORTIONS ARE DESCRIBED AS FOLLOWS:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, LYING BETWEEN THE STRAND, A PUBLIC STREET, AND THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN, AND EXTENDING FROM THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SOUTHERLY, TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET IN SAID CITY OF REDONDO BEACH, SAID PROPERTY BEING A PORTION OF THE LAND CONVEYED BY PACIFIC ELECTRIC RAILWAY COMPANY TO THE CITY OF REDONDO BEACH BY DEED DATED DECEMBER 17, 1921, AND RECORDED JUNE 30, 1922, IN BOOK 1127, PAGE 326, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

AND THOSE CERTAIN TIDE LANDS AND SUBMERGED LANDS IN THE CITY OF REDONDO BEACH, WHICH EXTEND FROM THE MEAN HIGH TIDE LINE OF THE PACIFIC OCEAN WESTERLY TO A LINE WHICH IS PARALLEL WITH AND 300 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF THE STRAND, A PUBLIC STREET, AND FROM THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH, SOUTHERLY TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF

ELEVENTH STREET IN SAID CITY OF REDONDO BEACH, SAID LANDS BEING A PORTION OF THE LANDS GRANTED BY THE STATE OF CALIFORNIA TO THE CITY OF REDONDO BEACH, BY STATUTES OF 1915, CHAPTER 57, OF THE STATE OF CALIFORNIA, AS PARTIALLY CANCELLED IN MODIFICATION OF SAID LEASE DATED JUNE 1, 1954.

ALSO EXCEPTING THEREFROM, THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, A PUBLIC STREET, WHICH POINT IS SOUTH 20 DEGREES 45' 50" EAST, 444.78 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION THEREOF WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE SOUTH 71 DEGREES 00' 56" WEST, 982.53 FEET; THENCE SOUTH 65 DEGREES 19' 26" WEST, 432.99 FEET; THENCE SOUTH 58 DEGREES 57' 41" WEST, 594.24 FEET; THENCE SOUTH 22 DEGREES 55' 56" EAST, 50 FEET MORE OR LESS, TO THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET AS VACATED BY RESOLUTION NO. 2401, ADOPTED JUNE 8, 1952, BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID RESOLUTION BEING RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027 PAGE 34, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 67 DEGREES 04' 04" EAST, 2000 FEET, MORE OR LESS, ALONG SAID WESTERLY PROLONGATION TO SAID WESTERLY BOUNDARY LINE OF THE STRAND; THENCE NORTHWESTERLY ALONG SAID WESTERLY BOUNDARY LINE TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM, THAT PORTION PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

THAT CERTAIN REAL PROPERTY IN THE CITY OF REDONDO BEACH DESCRIBED, AS A WHOLE, AS FOLLOWS:

BEGINNING AT A POINT IN THE WESTERLY BOUNDARY LINE OF THE STRAND, FORMERLY A PUBLIC STREET, WHICH POINT IS SOUTH 20 DEGREES 45' 50" EAST 334.04 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM THE INTERSECTION THEREOF WITH THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE SOUTH 65 DEGREES 20' 44" WEST 112.45 FEET; THENCE SOUTH 79 DEGREES 05' 48" WEST 351.27 FEET; THENCE SOUTH 65 DEGREES 20' 44" WEST 1251.36 FEET; THENCE NORTH 86 DEGREES 49' 58" WEST 189.67 FEET; THENCE NORTH 63 DEGREES 22' 21" WEST 114.12 FEET; THENCE SOUTH 26 DEGREES 37' 39" WEST 70.00 FEET; THENCE SOUTH 63 DEGREES 22' 21" EAST 261.17 FEET; THENCE NORTH 65 DEGREES 20' 44" EAST 1373.30 FEET; THENCE NORTH 79 DEGREES 05' 48" EAST 452.24 FEET; THENCE NORTH 65 DEGREES 20' 44" EAST 16.42 FEET TO SAID WESTERLY BOUNDARY LINE; THENCE ALONG SAID WESTERLY BOUNDARY LINE SOUTH 20 DEGREES 45' 50" EAST 16.52 FEET, MORE OR LESS, TO A POINT IN SAID WESTERLY BOUNDARY LINE THAT IS NORTH 20 DEGREES 45' 50" WEST 79.39 FEET, MEASURED ALONG SAID WESTERLY BOUNDARY LINE FROM ITS INTERSECTION WITH THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET, AS VACATED BY RESOLUTION NO. 2401 ADOPTED JUNE 8, 1952 BY THE CITY OF REDONDO BEACH, A CERTIFIED COPY OF SAID RESOLUTION BEING RECORDED JUNE 22, 1953 AS INSTRUMENT NO. 2008 IN BOOK 42027, PAGE 34 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 71 DEGREES 00' 56" WEST 982.53 FEET; THENCE SOUTH 65 DEGREES 19' 26" WEST, 432.99 FEET; THENCE SOUTH 58 DEGREES 57' 41" WEST 594.24 FEET; THENCE SOUTH 22 DEGREES 55' 56"

EAST 50.00 FEET; MORE OR LESS, TO SAID WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF TENTH STREET; THENCE SOUTH 67 DEGREES 04' 04" WEST, ALONG SAID PROLONGATION, TO THE WESTERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE NORTHERLY ALONG SAID LAST MENTIONED WESTERLY BOUNDARY LINE TO THE NORTHERLY BOUNDARY LINE OF SAID CITY OF REDONDO BEACH; THENCE NORTH 68 DEGREES 43' 31" EAST, ALONG SAID NORTHERLY BOUNDARY LINE TO ITS INTERSECTION WITH A LINE THAT IS PARALLEL WITH AND 300 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM SAID WESTERLY LINE OF THE STRAND; THENCE SOUTHERLY ALONG SAID PARALLEL LINE, TO ITS INTERSECTION WITH THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF ELEVENTH STREET; THENCE EASTERLY, ALONG SAID LAST MENTIONED WESTERLY PROLONGATION, TO SAID WESTERLY LINE OF THE STRAND; THENCE SOUTHERLY, ALONG SAID LAST MENTIONED WESTERLY LINE, TO THE POINT OF BEGINNING.

EASEMENT PARCEL

PARCEL 17:

AN EASEMENT FOR ACCESS ROAD PURPOSES, AS SET OUT IN AN ACCESS ROAD EASEMENT, RECORDED FEBRUARY 9, 1977 AS INSTRUMENT NO. 77-144416 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS:

FOUR STRIPS OF LAND EACH 12.00 FEET WIDE LYING WITHIN THE UPLANDS AND WATER FRONTAGE LANDS ADJACENT TO THE TIDE AND SUBMERGED LANDS OF SAID CITY OF REDONDO BEACH IN SAID COUNTY AND STATE, THE CENTERLINE OF SAID STRIPS OF LAND BEING DESCRIBED AS FOLLOWS:

STRIP ONE:

BEGINNING AT THE INTERSECTION OF THE CENTERLINES OF HARBOR DRIVE AND YACHT CLUB WAY, AS SAID INTERSECTION IS SHOWN ON OFFICIAL MAP RECORDED IN BOOK 4 PAGES 81 TO 83 INCLUSIVE OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 66 DEGREES 57' 21" WEST, ALONG SAID CENTERLINE OF YACHT CLUB WAY, 337.74 FEET; THENCE SOUTH 21 DEGREES 57' 06" EAST, 25.00 FEET, TO A POINT IN THE SOUTHEASTERLY LINE OF SAID YACHT CLUB WAY, SAID LAST MENTIONED POINT BEING THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 21 DEGREES 57' 06" EAST, 73.19 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE CONTINUING SOUTH 21 DEGREES 57' 06" EAST, 40.50 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 35.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89 DEGREES 21' 04", AN ARC DISTANCE OF 54.58 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 127.46 FEET A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 21 DEGREES 18' 10" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 35 DEGREES 18' 53" AN ARC DISTANCE OF 78.56 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B", A RADIAL LINE OF SAID REVERSE CURVE FROM SAID POINT BEARS SOUTH 14 DEGREES 00' 44" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 30 DEGREES 37' 54" AN ARC DISTANCE OF 68.14 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "C", A RADIAL LINE OF SAID REVERSE CURVE

FROM SAID POINT BEARS SOUTH 44 DEGREES 38' 38" WEST; THENCE CONTINUING SOUTHEASTERLY ALONG SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 20 DEGREES 43' 58" AN ARC DISTANCE OF 46.12 FEET; THENCE TANGENT TO SAID REVERSE CURVE SOUTH 24 DEGREES 37' 24" EAST 1.23 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 35.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 71 DEGREES 27' 09" AN ARC DISTANCE OF 43.65 FEET TO A POINT IN THE SOUTHWESTERLY (END) LINE OF 10TH STREET AS SAID STREET IS SHOWN ON SAID OFFICIAL MAP, SAID POINT BEING NORTH 24 DEGREES 37' 24" WEST, 11.93 FEET MEASURED ALONG SAID SOUTHWESTERLY (END) LINE FROM THE CENTERLINE OF SAID 10TH STREET AS SHOWN ON SAID OFFICIAL MAP.

THE SIDELINES OF SAID STRIP ONE SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE NORTHERLY IN SAID SOUTHEASTERLY LINE OF YACHT CLUB WAY AND EASTERLY IN SAID SOUTHWESTERLY (END) LINE OF 10TH STREET.

STRIP TWO:

BEGINNING AT POINT "A" HEREINBEFORE DESCRIBED, SAID POINT "A" BEING THE BEGINNING OF A CURVE THAT IS TANGENT TO THE HEREINBEFORE DESCRIBED COURSE HAVING A BEARING AND LENGTH OF "SOUTH 21 DEGREES 57' 06" EAST, 73.19 FEET", AND CONCAVE TO THE NORTH, HAVING A RADIUS OF 35.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90 DEGREES 00' 00" AN ARC DISTANCE OF 54.98 FEET; THENCE TANGENT TO SAID CURVE, NORTH 68 DEGREES 02' 54" EAST, A DISTANCE OF 21.40 FEET.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIP ONE HEREINBEFORE DESCRIBED.

STRIP THREE:

BEGINNING AT POINT "B" HEREINBEFORE DESCRIBED, SAID POINT "B" BEING THE BEGINNING OF A CURVE THAT IS REVERSE TO THAT CERTAIN SEGMENT OF THE REVERSE CURVE DESCRIBED IN STRIP ONE ABOVE AS HAVING A RADIUS OF 127.46 FEET, A CENTRAL ANGLE OF 35 DEGREES 18' 53" AND AN ARC LENGTH OF 78.56 FEET; THENCE EASTERLY ALONG THE INSTANT REVERSE CURVE, BEING CONCAVE TO THE NORTH AND HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 34 DEGREES 27' 34", AN ARC DISTANCE OF 30.07 FEET; THENCE NORTH 69 DEGREES 33' 10" EAST, TANGENT TO SAID CURVE, A DISTANCE OF 42.40 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "D"; THENCE CONTINUING NORTH 69 DEGREES 33' 10" EAST, 3.56 FEET TO A POINT IN THE WESTERLY LINE OF "EDISON COMPANY YARD" AS SHOWN ON OFFICIAL MAP RECORDED IN BOOK 4, PAGES 81 TO 83 INCLUSIVE OF OFFICIAL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIP ONE HEREINBEFORE DESCRIBED.

STRIP FOUR:

BEGINNING AT POINT "C" HEREINBEFORE DESCRIBED, SAID POINT "C" BEING THE BEGINNING OF A CURVE THAT IS REVERSE TO THAT CERTAIN SEGMENT OF THE

REVERSE CURVE DESCRIBED IN STRIP ONE ABOVE AS HAVING A RADIUS OF 127.46 FEET, A CENTRAL ANGLE OF 20 DEGREES 43' 58" AND AN ARC LENGTH OF 46.12 FEET; THENCE NORTHERLY ALONG THE INSTANT REVERSE CURVE, BEING CONCAVE TO THE EAST, HAVING A RADIUS OF 30.00 FEET THROUGH A CENTRAL ANGLE OF 114 DEGREES 54' 32" AN ARC DISTANCE OF 60.17 FEET TO POINT "D" HEREINABOVE DESCRIBED IN STRIP THREE ABOVE.

EXCEPTING THEREFROM, ANY PORTION THEREOF LYING WITHIN STRIPS ONE AND THREE HEREINBEFORE DESCRIBED.

(APN: PORTIONS OF 7503-003-900 AND -901)

(End of Legal Description)

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California

03/27/20 AT 08:00AM

Pages:
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SEQ:
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SECURE - 8:00AM



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E08_200326_7410361

RECORDING REQUESTED BY

Stewart Title

AND WHEN RECORDED MAIL DOCUMENT TO:

NAME Morgan, Lewis & Bockius LLP

STREET ADDRESS 300 S. Grand Ave., 22nd Floor

CITY, STATE & ZIP CODE Los Angeles, CA 90071

SPACE ABOVE FOR RECORDER'S USE ONLY

Open Space Covenant and Option Offer Agreement

Title of Document

Pursuant to Senate Bill 2 – Building Homes and Jobs Act (GC Code Section 27388.1), effective January 1, 2018, a fee of seventy-five dollars (\$75.00) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, except those expressly exempted from payment of recording fees, per each single transaction per parcel of real property. The fee imposed by this section shall not exceed two hundred twenty-five dollars (\$225.00).

- ☒ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer subject to the imposition of documentary transfer tax (DTT).
- ☐ Exempt from fee per GC 27388.1 (a) (2); recorded concurrently "in connection with" a transfer of real property that is a residential dwelling to an owner-occupier.
- ☐ Exempt from fee per GC 27388.1 (a) (1); fee cap of \$225.00 reached.
- ☐ Exempt from the fee per GC 27388.1 (a) (1); not related to real property.

THIS COVER SHEET ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

New Commune DTLA, LLC
9744 Wilshire Boulevard, Suite 203
Beverly Hills CA 90212
Attention: Leo Pustilnikov

MAIL TAX STATEMENTS TO:

Same as above

APNs# 7503-013-014, -015, -819, -820.

OPEN SPACE COVENANT AND OPTION OFFER AGREEMENT

This OPEN SPACE COVENANT AND OPTION OFFER AGREEMENT (this "Covenant and Agreement"), made effective as of this 26th day of March, 2020 by and between the Grantor parties signatory hereto, having their office c/o Leo Pustilnikov 9744 Wilshire Blvd, Suite 203, Beverly Hills, CA 90212 (collectively, the "Grantor"), and AES Redondo Beach, L.L.C., a Delaware limited liability company ("Grantee") (Grantor and Grantee are each referred to singularly as a "Party" and collectively as the "Parties").

The following are facts relevant to the execution of this Covenant and Agreement:

A. The Grantor acquired from the Grantee in fee (the "Sale Transaction") a parcel of land in Redondo Beach, California containing 51 acres, more or less, as further described in the legal description attached hereto as Exhibit A ("Facility Site").

B. Currently on the Facility Site is an operating power generation facility ("Facility") owned and operated by Grantee that is scheduled to cease operations on December 31, 2020 ("Facility Shutdown Date") pursuant to the California State Water Resources Control Board ("Water Board") Once-Through Cooling Policy ("OTC Policy").

C. The California Public Utilities Commission, in Decision 19-11-016, the Decision Requiring Electric System Reliability Procurement for 2021-2023 pursuant to Rulemaking 16-02-007, has recommended extending the compliance deadline for a number of power generation facilities in California that are subject to the OTC Policy, including the Facility.

D. The Parties desire that the Facility remain a power generation facility and that the Water Board postpone the Facility Shutdown Date, for an additional three (3) year period (such three (3) year period or portion thereof, the "Extension") during which Grantee may continue to operate, through December 31, 2023.

E. The Parties contemplated entering into this Covenant and Agreement in connection with the Sale Transaction. This Covenant and Agreement is part of a public benefits package the

Grantor is willing to provide for the benefit of the City of Redondo Beach, California (the "City of Redondo Beach") should the Facility obtain required governmental approvals for the Extension and such approvals are final and non-appealable ("Approved Extension").

F. If an Approved Extension is obtained, Grantor will covenant to restrict a portion of the Facility Site to use as public open space (as determined pursuant to Section 4 hereof, "Public Open Space Area"), subject to the terms and conditions hereof.

G. If an Approved Extension through December 31, 2023 is obtained, Grantor will covenant to offer an option to the City of Redondo Beach to purchase a portion of the Property (as determined pursuant to Section 5 hereof), subject to the terms and conditions hereof.

NOW THEREFORE, in consideration of the above and for valuable consideration, including the mutual covenants, terms, conditions and restrictions contained within this Covenant and Agreement, Grantor hereby covenants and imposes, in, on, over, and across the Facility Site, the following covenants, terms, conditions and restrictions:

1. PUBLIC OPEN SPACE. Grantor hereby covenants that the use of the Public Open Space Area shall be confined to public open space, which shall include public parking, parks, plazas, lawns, landscaped areas, decorative plantings, roof decks, balconies, pedestrian ways, areas subject to easements to the City of Redondo Beach, active and passive recreational areas including playgrounds and swimming pools, and other areas designated for scenic, recreational and similar purposes open to the public, and pedestrian ingress and egress to and from the buildings and other improvements that may be constructed from time to time on Grantor's adjacent property. Streets, driveways, service roads, loading areas, and areas normally inaccessible to pedestrian circulation beneath pedestrian bridges and decks shall not be counted in determining required open space.

2. USE OF OPEN SPACE. On and after the date upon which the specific location and use of the Public Open Space Area has been determined in accordance with Section 4 (but in no event prior to the date which is ninety (90) days following the final day of the Approved Extension), the Public Open Space Area shall be open and available to the surrounding community and lessees of, and visitors to, the future developments on the Facility Site, during the period commencing one hour prior to sunrise and ending one hour after sunset, provided that Grantor may (i) after fifteen (15) days' public notice, adopt reasonable rules and regulations for the purposes of safety and security to persons and property, with respect to the use and operation of the Public Open Space Area. No such rules and regulations shall be valid if they impede the ability of residents, lessees and visitors to the open space for reasonable amounts of time on a regular basis other than for relocation or improvement of the Public Open Space Area within the Facility Site.

3. AMOUNT OF PUBLIC OPEN SPACE.

a. If the Approved Extension is through at least December 31, 2021, then Grantor covenants to dedicate at least four (4) acres of the Facility Site for Public Open Space Area; and

b. If the Approved Extension is through at least December 31, 2022, then Grantor covenants to dedicate an additional eight (8) acres of the Facility Site for Public Open Space Area (for a total of twelve (12) acres).

c. Subject to reduction as set forth in Section 5.i., if the Approved Extension is through at least December 31, 2023, then Grantor covenants to dedicate up to an additional thirteen (13) acres of the Facility Site for Public Open Space Area (for a total of up to twenty-five (25) acres).

4. ACCESS TO AND LOCATION OF PUBLIC OPEN SPACE AREA. The specific location and use of the Public Open Space Area shall be determined by Grantor in a manner that is intended to maximize the use and enjoyment of the Public Open Space Area by the public as well as the value of the balance of the Facility Site, which determination shall be subject to obtaining the applicable entitlements and any other required governmental approvals; provided, that the location of the first Five (5) acres of the Public Open Space Area shall be comprised of that portion of the Facility Site that the California Coastal Commission has alleged are wetlands (the "Wetlands Property"), to the extent that such property has not been transferred in fee to the City of Redondo Beach as contemplated by Section 5. Grantor may from time to time relocate, modernize and otherwise alter the location and use of the Public Open Space Area as reasonably determined by Grantor and in compliance with all applicable laws (including any applicable entitlements) so long as the ultimate size remains at the minimum sizes prescribed in Section 3 above. Grantor shall determine the specific location and use of the Public Open Space Area by no later than the date upon which Grantor obtains entitlements for the development of the remainder of the Facility Site. Once the Grantor has determined a specific location and use of the Public Open Space Area, Grantor shall enter into a supplement to this Covenant and Agreement with the City of Redondo Beach to memorialize the specific location and uses of the Public Open Space Area (including that such locations and uses may be modified from time to time as set forth in this Section 4), which supplement shall be recorded in the Official Records of Los Angeles County, California.

5. OPTION. If an Approved Extension through December 31, 2023 is obtained, Grantor hereby irrevocably offers (the "Offer") to the City of Redondo Beach the option to purchase a portion of the Property as follows:

a. The City of Redondo Beach shall have an option (the "Option") to purchase all or a portion of the fifteen (15) acres of the Property depicted on Exhibit B attached hereto (the "City Option Lands") from Grantor. If the City of Redondo Beach elects to purchase less than all of the City Option Lands, then the specific portion of the City Option Lands to be sold (the "Designated City Option Lands") shall be mutually agreed upon by Grantor and the City of Redondo Beach in a manner that is intended to maximize the use and enjoyment of the City Option Lands by the public as well as the value of the balance of the Facility Site; provided, that the location of the first Five (5) acres of the Designated City Option Lands shall be comprised of the Wetlands Property.

b. The purchase price for the City Option Lands shall be Two Million Dollars (\$2,000,000) per acre, adjusted on a pro rata basis for any partial acre.

c. The Offer must be accepted in writing by the City of Redondo Beach on or before July 31, 2020 ("Offer Acceptance Expiration Date"), with such acceptance further evidenced by the concurrent payment of One Hundred Dollars (\$100) by the City of Redondo Beach to Grantor. If the City of Redondo Beach fails to accept the offer on or prior to the Offer Acceptance Expiration Date, then the Offer shall automatically terminate and be of no further force or effect.

d. If the City of Redondo Beach accepts the Offer in accordance with the foregoing, the City of Redondo Beach and Grantor shall negotiate in good faith to enter into a definitive option agreement ("Option Agreement") containing the terms of this Section 5 as well as other terms and conditions that are customary for agreements of this type no later than one hundred eighty (180) days from the date that the City accepts the Offer, as such date may be extended by the mutual agreement of the City of Redondo Beach and Grantor.

e. The City of Redondo Beach may exercise the Option by providing written notice to Grantor on or before December 31, 2023 ("Option Termination Date") and indicating the proposed Designated City Option Lands. If the City of Redondo Beach fails to exercise the Option on or prior to the Option Termination Date, then the Option shall automatically terminate and be of no further force or effect.

f. If the City of Redondo Beach timely exercises the Option, Grantor and the City of Redondo Beach shall be obligated to close on the Designated City Option Lands within ninety (90) days after the Option Termination Date (the "Option Outside Closing Date"). On the date of such closing, the Designated City Option Lands shall be transferred by Grantor to the City of Redondo Beach free and clear of all encumbrances, other than any such encumbrances on title as of the date of Grantor's acquisition of the Designated City Option Lands, and the City of Redondo Beach shall pay the purchase price therefor. In connection with any such transfer, Grantee agrees that it shall release any liens that it may have on the Designated City Option Lands.

g. The following conditions and covenants will also apply to the Option and form part of the Option Agreement:

i. If the Designated City Option Lands are not remediated as of the time of the closing pursuant to the Option Agreement or if any structures related to the generation of electricity located upon the City Option Land have not been removed as of the time of the closing pursuant to the Option Agreement, then one-half of the purchase price paid by the City of Redondo Beach will be held in escrow by the Chicago Title Insurance Company (or in such other escrow account as may be mutually agreed by the parties) until such time as remediation is complete on the Designated City Option Lands and all structures related to the generation of electricity located upon the City Option Land have been removed, to be governed by an escrow agreement incorporating the foregoing condition and in form and substance otherwise reasonably satisfactory to the parties.

ii. The City of Redondo Beach shall assist Grantor in the regulatory and legal approvals process related to the dewatering of the Wetlands Property, to enable testing and remediation activities thereupon.

iii. The City of Redondo Beach shall coordinate with Grantor and the California Coastal Commission on the suitable location for the wetlands and restoration related thereto, provided always that the outer boundary of the buffer of the wetlands (A) shall not be within one hundred (100') feet of the balance of the Facility Site that is not being transferred to the City of Redondo Beach, and (B) shall exist wholly within the boundaries of the Designated City Option Lands.

iv. The Grantor shall transfer the parcel of land described in Exhibit C hereto (the "Sports Parcel") to the City of Redondo Beach, in exchange for which the City of Redondo Beach shall transfer the parcel of land described in Exhibit D hereto (the "SeaLab Adjacent Parcel") to the Grantor.

h. On and after the closing of the sale, the City of Redondo Beach shall covenant that the Designated City Option Lands shall be confined to public open space, which shall include public parking, parks, plazas, lawns, landscaped areas, decorative plantings, roof decks, balconies, pedestrian ways, active and passive recreational areas including playgrounds and swimming pools, and other areas designated for scenic, recreational and similar purposes open to the public, and pedestrian ingress and egress to and from the buildings and other improvements that may be constructed from time to time on Grantor's adjacent property. In addition, the City of Redondo Beach shall covenant that the Designated City Option Lands shall be open and available to the surrounding community and lessees of, and visitors to, the future developments on the Facility Site, during the period commencing one hour prior to sunrise and ending one hour after sunset, provided that the City of Redondo Beach may after fifteen (15) days' public notice, adopt reasonable rules and regulations for the purposes of safety and security to persons and property, with respect to the use and operation of the Designated City Option Lands. No such rules and regulations shall be valid if they impede the ability of residents, lessees and visitors to the open space for reasonable amounts of time on a regular basis other than for relocation or improvement of the Designated City Option Lands within the Facility Site. Moreover, the City of Redondo Beach and Grantor shall agree to work together in good faith to coordinate the uses of the Designated City Option Lands with any development work and uses of the balance of the Facility Site.

i. Notwithstanding anything to the contrary herein, the number of acres included within the Public Open Space Area shall be reduced by the number of acres included within the Designated City Option Lands. By way of example, if the Designated City Option Lands equal all fifteen (15) acres of the City Option Lands, then the Public Open Space Area shall be reduced from twenty-five (25) acres to ten (10) acres. For the avoidance of doubt, if an Approved Extension through December 31, 2023 is obtained and the City of Redondo Beach elects not to accept the Offer or exercise the Option, then the Public Open Space Area shall be twenty-five (25) acres.

j. Notwithstanding anything above, any easements for internal streets, medians or sidewalks used for the internal circulation and access of the City Option Lands and the Facility Site will be equally contributed from the City Option Lands and the Facility Site. Furthermore, upon development of new internal circulation throughout the Facility Site, the City of Redondo Beach will release any road and street easements it currently has burdening the Facility Site so long as the lost parking is replaced on the Facility Site.

6. TERM. This Covenant and Agreement shall run with the Facility Site in perpetuity in accordance with Section 1468 of the California Civil Code; provided, that this Covenant and Agreement shall terminate automatically without the requirement of the execution of recordation of any further instrument of termination if the Approval Extension is not granted.

7. MAINTENANCE. The Grantor covenants and agrees to maintain, or cause to be maintained, the Public Open Space Area and all improvements thereon (including, without limitation, any landscaping) in an attractive, good, clean and sanitary condition, free of debris from the time it is first available to the public and except for times it is being remodeled, improved or relocated.

8. DISPUTES AND REMEDIES. If a Party (the "Non-Breaching Party", which for the purposes of this Section 8 shall include the City of Redondo Beach) determines that there is a violation of the terms of this Covenant and Agreement to which the other Party is subject, the Non-Breaching Party shall give written notice of such breach (the "Notice of Breach") to the Party in violation of such terms of this Covenant and Agreement (the "Breaching Party"). The Notice of Breach shall include a demand for corrective action sufficient to cure the violation and, where the violation involves injury to the Public Open Space Area resulting from any use, activity, omission or improvement inconsistent with the purposes or other terms of this Covenant and Agreement, to restore the portion of the Public Open Space Area so injured.

a. Remedies.

i. Notice and Cure. If the Breaching Party fails to cure the violation within thirty (30) days after receipt of a Notice of Breach to such Party, or under circumstances where the violation cannot be cured within the thirty (30) day period, or the Breaching Party fails to continue diligently to cure such violation until finally cured, the Non-Breaching Party may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Covenant and Agreement, to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Covenant and Agreement, including damages for the loss of scenic open space, aesthetic, or environmental values, and to require the restoration of the Public Open Space Area to the condition that existed prior to injury. Any Party, at its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Public Open Space Area.

ii. In General. The Non-Breaching Party's rights under this Section apply and shall be in addition to all remedies now or here after existing at law or in equity. In the event of either actual or threatened violations of the terms of this Covenant and Agreement, the Non-Breaching Party's remedies at law for any violation of the terms of this Covenant and Agreement are inadequate and the Non-Breaching Party shall be entitled to the injunctive relief described in this Section, both prohibitive and mandatory, in addition to such other relief to which the Non-Breaching Party may be entitled, including specific performance of the terms of this Covenant and Agreement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies.

b. Discretion. Enforcement of the terms of this Covenant and Agreement shall be at the discretion of the Non-Breaching Party, and any forbearance by the Non-Breaching Party to exercise its rights under this Covenant and Agreement in the event of any breach of any term of this Covenant and Agreement by the Breaching Party shall not be deemed or construed to be a waiver by the Non-Breaching Party of such term or of any subsequent breach of the same or any other term of this Covenant and Agreement or of any of the Non-Breaching Party's rights under this Covenant and Agreement. No delay or omission by the Non-Breaching Party in the exercise of any right or remedy upon any breach by the Breaching Party shall impair such right or remedy or be construed as a waiver. The Non-Breaching Party's permission to carry out, or failure to object to, any proposed use or activity shall not constitute consent to any subsequent use or activity of the same or any different nature.

9. ACTS BEYOND A PARTY'S CONTROL. The terms of this Covenant and Agreement are not intended and shall not be deemed to require or obligate any Party, or impose on any Party, the responsibility to prevent, stop, restore, correct or otherwise remediate any injury or damage caused by the following: (i) third parties (excluding third parties who are invitees of the Party) using the Public Open Space Area in a manner prohibited by the terms of this Covenant and Agreement, (ii) events beyond any single Party's control including, without limitation, government action, fire, flood, storm and naturally occurring earth movement, or (iii) injury to or change in the Public Open Space Area resulting from prudent action taken by any Party to prevent, abate or mitigate significant injury to the Public Open Space Area under emergency conditions.

10. ESTOPPEL CERTIFICATES. As reasonably requested by Grantor, Grantee shall within thirty (30) days after receipt of such request execute and deliver to Grantor any document, including an estoppel certificate, which certifies Grantor's compliance with any obligation of Grantor contained in this Covenant and Agreement and otherwise evidences the status of the Covenant and Agreement as may be reasonably requested by Grantor.

11. NOTICES. Unless otherwise specified in this Covenant and Agreement, any notice, demand, request, consent, approval, or communication that any Party desires or is required to give to the other shall be in writing and either served personally or sent by overnight delivery addressed as follows:

To Grantor: New Commune DTLA, LLC
9744 Wilshire Boulevard, Suite 203
Beverly Hills CA 90212

Attn: Leo Pustilnikov
E-mail: leo@slhinvestments.com

To Grantee: AES Redondo Beach, L.L.C.
690 N. Studebaker Road
Long Beach, CA 90803
Attn: Eric Pendergraft
E-mail: eric.pendergraft@aes.com

or to such other address as such Party from time to time shall designate by written notice to the other.

12. **RECORDATION.** This instrument shall be recorded by Grantee in the Official Records of Los Angeles County, California.

13. **CESSATION OF FACILITY OPERATIONS.** If an Approved Extension is obtained, Grantee agrees that it shall not continue to operate the Facility for energy generation beyond December 31, 2023 without the prior written consent of Grantor and the City of Redondo Beach.

14. **GENERAL PROVISIONS.**

a. Controlling Law. The interpretation and performance of this Covenant and Agreement shall be governed by the laws of the State of California.

b. Liberal Construction. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Covenant and Agreement that would render the provision valid shall be favored over any interpretation that would render it invalid. This instrument shall be construed in accordance with its fair meaning and it shall not be construed against any Party on the basis that that party prepared this instrument.

c. Severability. If any provision of this Covenant and Agreement, or the application to any person or circumstance, is found to be invalid, the remainder of the provisions of this Covenant and Agreement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected so long as the purposes of this Covenant and Agreement can still be carried out.

d. Third Party Rights. The City of Redondo Beach shall be the covenantee and an express third party beneficiary of this Covenant and Agreement. The City of Redondo Beach has a property interest in the real property described in Exhibit E hereto and which is adjacent to the Facility Site and owns other property within the City of Redondo Beach which, in each case, shall be benefitted hereby. This Covenant and Agreement shall constitute an irrevocable offer to the City of Redondo Beach and cannot be revoked without the prior written consent of the City of Redondo Beach. Grantor acknowledges and agrees that this Covenant and Agreement is intended to induce actions by the City of Redondo Beach and the City of Redondo Beach may take actions in reliance upon this Covenant and Agreement. This Covenant and Agreement may not be amended without the express written consent of the City of Redondo Beach. The City of Redondo Beach shall have the right to enforce the provisions of this Covenant and Agreement, including with the remedy of specific performance. Otherwise, this instrument is made and entered into for the sole benefit and protection of Grantor and Grantee and their respective successors and assigns. No person or entity other than the City of Redondo Beach, the Parties, and the respective successors and assigns of the Parties, shall have any right of action under this Covenant and Agreement or any right to enforce the terms and provisions hereof.

e. No Forfeiture. Nothing contained within this Covenant and Agreement is intended to result in a forfeiture or reversion of Grantor's fee title in any respect. Grantor specifically reserves the right to convey fee title to the Facility Site subject to this Covenant and Agreement.

f. Successors. The covenants, terms, conditions, and restrictions of this Covenant and Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns, and shall continue as a servitude running with the Facility Site. The terms "Grantor" and "Grantee," wherever used in this Covenant and Agreement and any pronouns used in their place, shall mean and include, the named "Grantor" and "Grantee" and the respective personal representatives, heirs, devisees, and assigns of such named Grantor or Grantee, and the respective successors of such Grantor and Grantee.

g. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

h. Counterparts. The Parties may execute this instrument in two or more counterparts; each counterpart shall be deemed an original instrument. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

i. Exhibits and Recitals. All Exhibits referred to in this Covenant and Agreement are attached and incorporated by this reference. All recitals in this Covenant and Agreement are accurate and shall constitute an integral part of this Covenant and Agreement, and this Covenant and Agreement shall be construed in light of those recitals.

j. Warranty of Authority. Each person executing this Covenant and Agreement on behalf of a Party represents that such person has the requisite authority to bind the Party on whose behalf he or she is signing this Covenant and Agreement and that all requisite approvals of such Party have been obtained.

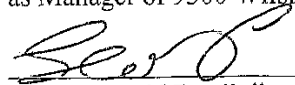
[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Covenant and Agreement as of the day and year first above stated.

[Signature pages follow.]

9300 WILSHIRE LLC,
a Delaware limited liability company

By: SLH Fund, LLC
a California limited liability company
as Manager of 9300 Wilshire, LLC

By: 
Name: Leonid Pustilnikov
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

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)

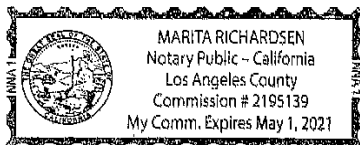
County of Los Angeles)

On March 26, 2020 before me, Marita Richardson, a notary public
Date Here Insert Name and Title of the Officer
personally appeared Leonid Pustilnikov
Name(s) of Signer(s)

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

Marita Richardson
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

1112 INVESTMENT COMPANY, LLC,
a California limited liability company

By: 

Name: Ely Dromy

Title: Trustee of the 1995 Dromy Family
Trust

By: 

Name: Judy Dromy

Title: Trustee of the 1995 Dromy Family
Trust

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California

County of Los Angeles

On March 26, 2020 before me, Marita Richardsen, a notary public

Date

Here Insert Name and Title of the Officer

personally appeared Ely Dromy & Judy Dromy

Name(s) of Signer(s)

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

Signature of Notary Public

Place Notary Seal Above

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☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

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☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

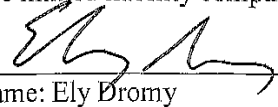
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

9300 WILSHIRE FEE LLC,
a Delaware limited liability company

By:



Name: Ely Dromy

Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California

County of Los Angeles

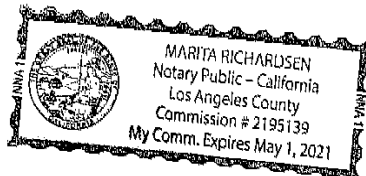
On March 26, 2020 before me, Marita Richardson, a notary public
Date Here Insert Name and Title of the Officer

personally appeared Ely Dromy
Name(s) of Signer(s)

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 Marita Richardson
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

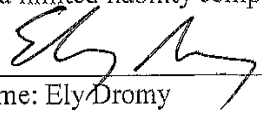
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

E.D. FLORES, LLC,
a California limited liability company

By:


Name: Ely Dromy
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California)

County of Los Angeles)

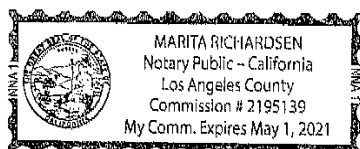
On March 26, 2020 before me, Marita Richardson a notary public
Date Here Insert Name and Title of the Officer

personally appeared Ely Bromley
Name(s) of Signer(s)

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 Marita Richardson
Signature of Notary Public

Place Notary Seal Above

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☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

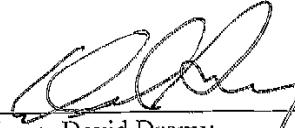
☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

By:


Name: David Dromy
AS AN INDIVIDUAL

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California)

County of Los Angeles)

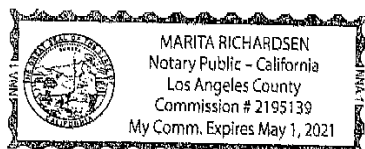
On March 26, 2020 before me, Marita Richardson, a notary public
Date Here Insert Name and Title of the Officer

personally appeared David Promy
Name(s) of Signer(s)

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 Marita Richardson
Signature of Notary Public

Place Notary Seal Above

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☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

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☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

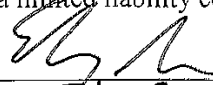
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

OUTDOOR BILLBOARD COMPANY, LLC,
a California limited liability company

By:


Name: Ely Dromi
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

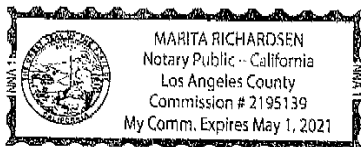
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Los Angeles)
 On March 26, 2020 before me, Marita Richardson, a notary public,
 Date Here Insert Name and Title of the Officer
 personally appeared Ely Dromy
 Name(s) of Signer(s)

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 Marita Richardson
 Signature of Notary Public

Place Notary Seal Above

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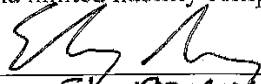
Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

1650 VETERAN, LLC,
a California limited liability company

By:


Name: Ely Promet
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California

County of Los Angeles

On March 26, 2020 before me, Marita Richardsen, a notary public

Date

Here Insert Name and Title of the Officer

personally appeared

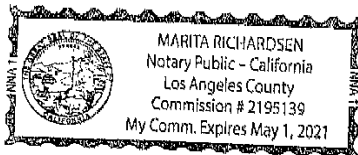
Ely Dromy

Name(s) of Signer(s)

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

Marita Richardsen
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

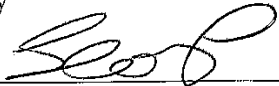
☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

BH KARKA, LLC, a California limited liability
company

By: 
Name: Leonid Pustilnikov
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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)

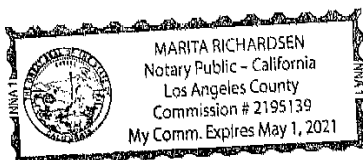
On March 26, 2020 before me, Marita Richardson, a notary public
Date Here Insert Name and Title of the Officer

personally appeared Leonid Pustilnikov
Name(s) of Signer(s)

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 Marita Richardson
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

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☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

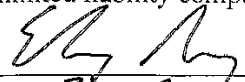
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

5TH STREET INVESTMENT COMPANY, LLC, a
California limited liability company

By:


Name: Ely Morky
Title: Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California

County of Los Angeles

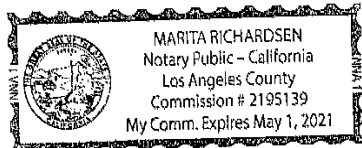
On March 26, 2020 before me, Marita Richardsen, a notary public
Date Here Insert Name and Title of the Officer

personally appeared Ely Dromy
Name(s) of Signer(s)

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 Marita Richardsen
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

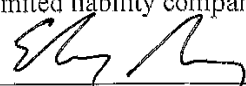
☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

505 INVESTMENT COMPANY, LLC, a
California limited liability company

By:


Name: Ely Dromey
Title: Manager

ACKNOWLEDGMENT

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

State of California

County of Los Angeles

On March 26, 2020 before me, Marita Richardson, a notary public
(insert name and title of the officer)

personally appeared Ely Priddy
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

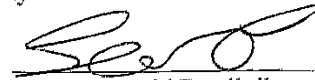
Marita Richardson

(Seal)



SLH FUND, LLC, a California limited liability
company

By:

A handwritten signature in black ink, appearing to read 'Leonid Pustilnikov', written over a horizontal line.

Name: Leonid Pustilnikov

Title: Manager

ACKNOWLEDGMENT

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

State of California

County of Los Angeles

On March 26, 2020 before me, Marita Richardsen, a notary public
(insert name and title of the officer)

personally appeared Leonid Rustimikov,
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.

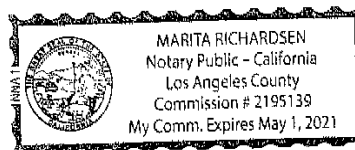
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Marita Richardsen

(Seal)

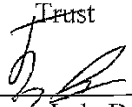


PEAK ALCOTT, LLC,
a California limited liability company

By: _____

Name: Ely Dromy

Title: Trustee of the 1995 Dromy Family
Trust

By: _____

Name: Judy Dromy

Title: Trustee of the 1995 Dromy Family
Trust

ACKNOWLEDGMENT

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

State of California

County of Los Angeles

On March 26, 2020 before me, Marita Richardson, a notary public
(insert name and title of the officer)

personally appeared Ely Dromy & Judy Dromy
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.

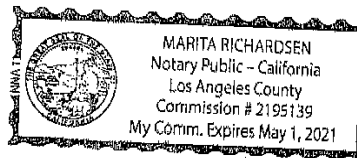
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Marita Richardson


(Seal)



GRANTEE:

AES REDONDO BEACH, L.L.C.,
a Delaware limited liability company

By:

A handwritten signature in black ink, appearing to read "Eric Pendergraft", is written over a horizontal line.

Name: Eric Pendergraft

Title: Manager

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 Orange

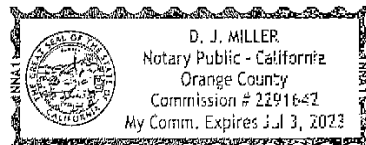
On March 26, 2020, before me, D.J. Miller, a Notary Public, personally appeared Eric Pendergraft, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their 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.

D.J. Miller
Signature of the Notary Public

(Seal)



This page is part of your document - DO NOT DISCARD



20200359849



Pages:
0011

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

03/27/20 AT 08:00AM

FEES:	63.00
TAXES:	92,400.00
OTHER:	0.00
<hr/> PAID:	92,463.00



LEADSHEET



202003270170064

00018068316



010633600

SEQ:
01

SECURE - 8:00AM



THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Morgan, Lewis & Bockius LLP
300 S. Grand Avenue, 22nd Floor
Los Angeles, California 90071
Attention: Paul M. Williams, Esq.

APNs#: 7503-013-013, -014 AND -015;
7503-013-819 AND -820

TRA: 13510 Q174 #59

COUNTY DOCUMENTARY TRANSFER TAX ~~\$30,800.00~~

CITY DOCUMENTARY TRANSFER TAX: ~~\$61,600.00~~

___ Computed on the consideration or value of property conveyed; OR

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

Unincorporated Area ☒ City of Redondo Beach

SPACE ABOVE THIS LINE FOR RECORDER'S USE

[Signature] *SUN Fund LLC*
Signature of Declarant or Agent determining tax - Firm Name
** BY LEONID PUSTILNIKOV*

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
AES REDONDO BEACH, L.L.C., a Delaware limited liability company ("Grantor") hereby
GRANTS and conveys to **9300 WILSHIRE, LLC**, a Delaware limited liability company, as to an
undivided 21.40% interest, **1112 INVESTMENT COMPANY, LLC**, a California limited liability
company, as to an undivided 18.45% interest, **ED FLORES, LLC**, a California limited liability
company, as to an undivided 19.85% interest, **9300 WILSHIRE FEE, LLC**, a Delaware limited
liability company, as to an undivided 10.00% interest, **DAVID DROMY**, a single man, as to an
undivided 3.75% interest, **1650 VETERAN, LLC**, a California limited liability company, as to an
undivided 10.02% interest, **OUTDOOR BILLBOARD, LLC**, a California limited liability
company, as to an undivided 1.58% interest, **BH KARKA, LLC**, a California limited liability
company, as to an undivided 2.60% interest, **5TH STREET INVESTMENT COMPANY, LLC**,
a California limited liability company, as to an undivided 4.45% interest, **505 INVESTMENT
COMPANY, LLC**, a California limited liability company, as to an undivided 1.45% interest, **SLH
FUND, LLC**, a California limited liability company, as to an undivided 3.45% interest, and **PEAK
ALCOTT, LLC**, a California limited liability company, as to an undivided 3.0% interest, all as
tenants in common, the real property in city of Redondo Beach, California, in the County of Los
Angeles, State of California, described on Exhibit A attached hereto and incorporated by reference
herein (the "Property").

SUBJECT TO:

1. General and special real property taxes and assessments and supplemental assessments, if any, for the current fiscal year.
2. All other covenants, conditions, restrictions, reservations, rights, rights-of-way, dedications, offers of dedication and easements of record as of the date hereof.

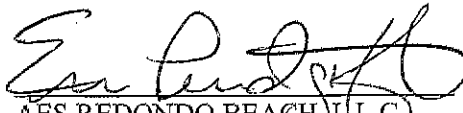
[Signature appears on the following page]

2. All other covenants, conditions, restrictions, reservations, rights, rights-of-way, dedications, offers of dedication and easements of record as of the date hereof.

[Signature appears on the following page]

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the 21th day of March, 2019.

GRANTOR:


AES REDONDO BEACH, L.L.C.
a Delaware limited liability company
ERIC PENDERGRAFT

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF Los Angeles

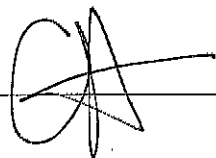
)
) ss.
)

On March 27, 2019, before me, Cicely Hernandez, Notary Public, personally appeared Eric Pendergraft who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

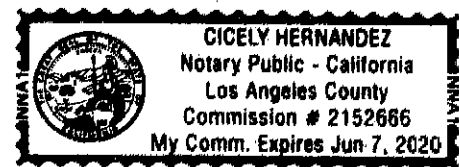
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



[SEAL]



ORDER NO: 376719

ILLEGIBLE NOTARY SEAL DECLARATION

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PERJURY THAT THE NOTARY SEAL ON THE
DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED, READS AS
FOLLOWS:

NAME OF NOTARY: Cicely Hernandez

DATE COMMISSION EXPIRES: 6-7-2020

NOTARY IDENTIFICATION NUMBER: 2152666
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

MANUFACTURER / VENDOR IDENTIFICATION NUMBER: NNA1
(FOR NOTARIES COMMISSIONED AFTER 01/01/1992)

COUNTY OF COMMISSION: Los Angeles

PLACE OF EXECUTION OF THIS DECLARATION: Riverside

TODAYS DATE: 3-23-2020



SIGNATURE

STEWART TITLE OF CALIFORNIA

EXHIBIT "A" LEGAL DESCRIPTION

File No.: 376719

The land referred to herein is situated in the State of California, County of Los Angeles, City of Redondo Beach and described as follows:

PARCEL 1:

PARCEL A:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 80.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST, 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST, 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 28.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 63 DEGREES 29' 51" WEST 166.26 FEET; THENCE SOUTH 29 DEGREES 45' 52" EAST 436.55 FEET; THENCE NORTH 67 DEGREES 11' 23" EAST 326.56 FEET; THENCE SOUTH 25 DEGREES 51' 24" EAST 170.00 FEET; THENCE NORTH 37 DEGREES 06' 28" EAST 276.06 FEET; THENCE NORTH 04 DEGREES 49' 32" WEST 633.11 FEET TO

THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.58 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04 DEGREES 39' 00", AN ARC DISTANCE OF 462.57 FEET; THENCE NORTH 09 DEGREES 28' 32" WEST 747.90 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 5699.78 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 00 DEGREES 18' 00", AN ARC DISTANCE OF 29.84 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 2834.79 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 36' 00", AN ARC DISTANCE OF 29.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1879.86 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 0 DEGREES 44' 38", AN ARC DISTANCE OF 24.40 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04 DEGREES 50' 26", AN ARC DISTANCE OF 118.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075 PAGE 291, OFFICIAL RECORDS.

ALSO, EXCEPTING THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN; ALL MINERAL AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER, OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LANDS; AND ALSO EXCEPTING AND RESERVING UNTO GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS OR ASSIGNS FOREVER, THE RIGHT TO DRILL WELLS AND BORE HOLES IN, UNDER AND THROUGH THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF EXPLORING FOR AND/OR PRODUCING OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM OTHER LANDS BY MEANS OF WELLS OR BORE HOLES HAVING THEIR SURFACE LOCATIONS ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT GRANTORS, THEIR HEIRS, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF THE LAND HEREBY CONVEYED, OR TO USE THE LAND HEREBY CONVEYED OR ANY PORTION THEREOF TO SAID DEPTH OF 500 FEET FOR ANY PURPOSE WHATSOEVER; AS RESERVED BY HENRY F. ZASLOW AND MARILYN ZASLOW, HUSBAND AND WIFE, IN DEED RECORDED JUNE 4, 1958 AS INSTRUMENT NO. 3580, IN BOOK D-117 PAGE 387, OFFICIAL RECORDS.

ALSO, EXCEPT THEREFROM, FROM THOSE PORTIONS OF THE ABOVE DESCRIBED LAND INCLUDED THEREIN, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED

FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650, OFFICIAL RECORDS.

(APN: 7503-013-014 AND -015)

PARCEL B:

BEING THOSE PORTIONS OF THE RANCHO SAN PEDRO, THE TOWNSITE OF REDONDO BEACH PER MAP RECORDED IN BOOK 39 PAGES 1 THROUGH 17 OF MISCELLANEOUS RECORDS AND THE OCEAN BEACH SUBDIVISION PER MAP RECORDED IN BOOK 2, PAGE 35 OF MAPS, IN THE CITY OF REDONDO BEACH, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF HARBOR DRIVE AND HERONDO STREET (SHOWN AS HERMOSA AVENUE AND ELEVENTH STREET ON THE MAP OF SAID OCEAN BEACH SUBDIVISION); THENCE NORTH 68 DEGREES 44' 01" EAST 1214.86 FEET ALONG THE CENTERLINE OF SAID HERONDO STREET; THENCE ALONG A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 1000.00 FEET, THROUGH A CENTRAL ANGLE OF 3 DEGREES 28' 03", AN ARC DISTANCE OF 60.52 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1402.89 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 10' 13" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9 DEGREES 52' 11", AN ARC DISTANCE OF 241.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 66 DEGREES 48' 13" WEST 86.90 FEET; THENCE SOUTH 23 DEGREES 11' 47" EAST 5.15 FEET; THENCE SOUTH 66 DEGREES 48' 13" WEST 160.31 FEET; THENCE SOUTH 65 DEGREES 01' 53" WEST 169.21 FEET TO A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 8.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88 DEGREES 49' 49", AN ARC DISTANCE OF 12.40 FEET; THENCE SOUTH 23 DEGREES 45' 41" EAST 159.66 FEET; THENCE SOUTH 25 DEGREES 59' 35" WEST 35.75 FEET; THENCE SOUTH 25 DEGREES 01' 14" EAST 31.16 FEET; THENCE SOUTH 64 DEGREES 58' 46" WEST 239.45 FEET; THENCE NORTH 24 DEGREES 29' 01" WEST 157.71 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 18.50 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 12.00 FEET; THENCE SOUTH 65 DEGREES 30' 59" WEST 108.89 FEET; THENCE SOUTH 24 DEGREES 29' 01" EAST 372.14 FEET; THENCE NORTH 65 DEGREES 30' 59" EAST 127.39 FEET; THENCE NORTH 80 DEGREES 44' 39" EAST 247.77 FEET; THENCE SOUTH 09 DEGREES 15' 21" EAST 232.90 FEET; THENCE SOUTH 10 DEGREES 18' 07" EAST, 113.82 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 26.22 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 225.30 FEET; THENCE NORTH 80 DEGREES 29' 45" EAST 10.50 FEET; SOUTH 09 DEGREES 30' 15" EAST 46.00 FEET; THENCE SOUTH 80 DEGREES 29' 45" WEST 10.50 FEET; THENCE SOUTH 09 DEGREES 30' 15" EAST 29.00 FEET; THENCE SOUTH 30 DEGREES 10' 20" WEST 36.13 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET. A RADIAL LINE TO SAID POINT BEARS NORTH 54 DEGREES 47' 31" EAST; THENCE SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 37 DEGREES 31' 43", AN ARC DISTANCE OF 111.35 FEET; THENCE SOUTH 01 DEGREES 37' 04" WEST 71.71 FEET; THENCE SOUTH 07 DEGREES 00' 57" EAST 42.02 FEET; THENCE SOUTH 54 DEGREES 11' 57" EAST 124.88 FEET; THENCE SOUTH 67 DEGREES 26' 47" WEST 215.89 FEET; THENCE SOUTH 65 DEGREES 43' 29" WEST 146.22 FEET; THENCE SOUTH 83 DEGREES 29' 51" WEST 166.26 FEET; THENCE NORTH 29 DEGREES 45' 52" WEST 106.72 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 1915.00 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 05 DEGREES 07' 53", AN ARC DISTANCE OF 171.51 FEET; THENCE NORTH 24 DEGREES 37' 58" WEST 1504.57 FEET; THENCE NORTH 68 DEGREES 44' 01"

EAST 889.17 FEET; THENCE SOUTH 21 DEGREES 18' 24" EAST 45.00 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 75.26 FEET; THENCE NORTH 07 DEGREES 36' 36" EAST 51.39 FEET; THENCE NORTH 68 DEGREES 44' 01" EAST 190.18 FEET TO A POINT ON A TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 995.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03 DEGREES 30' 36", AN ARC DISTANCE OF 60.95 FEET TO THE POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 1402.69 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 64 DEGREES 22' 36" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09 DEGREES 39' 49", AN ARC DISTANCE OF 236.58 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND MINERAL OR HYDROCARBON SUBSTANCES; PROVIDED, HOWEVER, THAT ANY AND ALL PROSPECTING AND/OR DEVELOPING AND REMOVING OF ANY SUCH OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN OR FROM SAID LAND, SHALL BE DONE BY MEANS OF WELLS DRILLED ON OTHER LANDS, AND THAT NO DERRICK OR OTHER STRUCTURE OR OIL OR MUD SUMP SHALL EVER BE ERECTED, PLACED OR MAINTAINED ON SAID LAND, OR ANY OTHER USE WHATSOEVER MADE OF THE SURFACE OF SAID LAND, AS EXCEPTED AND RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION, IN DEED RECORDED SEPTEMBER 10, 1947 AS INSTRUMENT NO. 2910 IN BOOK 25075, PAGE 291 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL WATER WHICH MAY BE DEVELOPED THEREON IN EXCESS OF THAT QUANTITY WHICH CAN BE REASONABLY USED FOR IRRIGATION AND DOMESTIC USE THEREON, AS RESERVED BY REDONDO IMPROVEMENT COMPANY IN DEED RECORDED JANUARY 21, 1949 AS INSTRUMENT NO. 526 IN BOOK 29219, PAGE 225 OF OFFICIAL RECORDS

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL WITH AND 100 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUB-SURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD THAT SAID EDISON SECURITIES COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND/OR OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND, OR FOR ANY OTHER PURPOSES WHATSOEVER, AS RESERVED BY EDISON SECURITIES COMPANY, A CORPORATION IN DEED RECORDED JANUARY 20, 1950 AS INSTRUMENT NO. 1252 IN BOOK 32030, PAGE 47 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER, AS RESERVED BY SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY, A BODY CORPORATE AND POLITIC, IN DEED RECORDED AUGUST 8, 1972 AS INSTRUMENT NO. 2293, IN BOOK D-5559, PAGE 809 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY BE PRODUCED FROM SAID LAND WHICH LIES BELOW A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA; IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ASSOCIATED SOUTHERN CALIFORNIA INVESTMENT COMPANY, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSES WHATSOEVER, AS PROVIDED IN DEED RECORDED DECEMBER 12, 1975 AS INSTRUMENT NO. 3650 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM, ALL IMPROVEMENTS WHICH CONSTITUTE "EXCLUDED ASSETS" UNDER THE ASSET SALE AGREEMENT, INCLUDING WITHOUT LIMITATION THOSE IMPROVEMENTS LOCATED ON THE LAND WHICH ARE SHOWN AS TO BE OWNED BY SOUTHERN CALIFORNIA EDISON COMPANY ON SCHEDULES 2.2(A), 2.2(B) OR 2.2(C) TO THE ASSET SALE AGREEMENT OR THE DRAWINGS ATTACHED THERETO, AS SET OUT IN EXHIBIT "D" TO THAT CERTAIN GRANT DEED RECORDED MAY 18, 1998 AS INSTRUMENT NO. 98-829453 OF OFFICIAL RECORDS.

(APN: 7503-013-819 AND -820)

APN: 7503-013-819 7503-013-820, 7503-013-014; 7503-013-015

(End of Legal Description)

Senate Bill No. 10

CHAPTER 163

An act to add Section 65913.5 to the Government Code, relating to land use.

[Approved by Governor September 16, 2021. Filed with
Secretary of State September 16, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 10, Wiener. Planning and zoning: housing development: density.

The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. Existing law requires an attached housing development to be a permitted use, not subject to a conditional use permit, on any parcel zoned for multifamily housing if at least certain percentages of the units are available at affordable housing costs to very low income, lower income, and moderate-income households for at least 30 years and if the project meets specified conditions relating to location and being subject to a discretionary decision other than a conditional use permit. Existing law provides for various incentives intended to facilitate and expedite the construction of affordable housing.

This bill would, notwithstanding any local restrictions on adopting zoning ordinances, authorize a local government to adopt an ordinance to zone any parcel for up to 10 units of residential density per parcel, at a height specified in the ordinance, if the parcel is located in a transit-rich area or an urban infill site, as those terms are defined. The bill would prohibit a local government from adopting an ordinance pursuant to these provisions on or after January 1, 2029. The bill would specify that an ordinance adopted under these provisions, and any resolution to amend the jurisdiction's General Plan, ordinance, or other local regulation adopted to be consistent with that ordinance, is not a project for purposes of the California Environmental Quality Act. The bill would prohibit an ordinance adopted under these provisions from superceding a local restriction enacted or approved by a local initiative that designates publicly owned land as open-space land or for park or recreational purposes.

The bill would impose specified requirements on a zoning ordinance adopted under these provisions, including a requirement that the zoning ordinance clearly demarcate the areas that are subject to the ordinance and that the legislative body make a finding that the ordinance is consistent with the city or county's obligation to affirmatively further fair housing. The bill would require an ordinance to be adopted by a $\frac{2}{3}$ vote of the members of the legislative body if the ordinance supersedes any zoning restriction established by local initiative.

The bill would prohibit an ordinance adopted under these provisions from reducing the density of any parcel subject to the ordinance and would prohibit a legislative body from subsequently reducing the density of any parcel subject to the ordinance. The bill would prohibit a residential or mixed-use residential project consisting of 10 or more units that is located on a parcel zoned pursuant to these provisions from being approved ministerially or by right or from being exempt from the California Environmental Quality Act, except as specified.

This bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The people of the State of California do enact as follows:

SECTION 1. Section 65913.5 is added to the Government Code, to read:

65913.5. (a) (1) Notwithstanding any local restrictions on adopting zoning ordinances enacted by the jurisdiction that limit the legislative body's ability to adopt zoning ordinances, including, subject to the requirements of paragraph (4) of subdivision (b), restrictions enacted by local initiative, a local government may adopt an ordinance to zone a parcel for up to 10 units of residential density per parcel, at a height specified by the local government in the ordinance, if the parcel is located in one of the following:

(A) A transit-rich area.

(B) An urban infill site.

(2) A local government shall not adopt an ordinance pursuant to this subdivision on or after January 1, 2029. However, the operative date of an ordinance adopted under this subdivision may extend beyond January 1, 2029.

(3) An ordinance adopted in accordance with this subdivision, and any resolution to amend the jurisdiction's General Plan, ordinance, or other local regulation adopted to be consistent with that zoning ordinance, shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

(4) Paragraph (1) shall not apply to either of the following:

(A) Parcels located within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code. This paragraph does not apply to sites that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development.

(B) Any local restriction enacted or approved by a local initiative that designates publicly owned land as open-space land, as defined in subdivision (h) of Section 65560, or for park or recreational purposes.

(b) A legislative body shall comply with all of the following when adopting a zoning ordinance pursuant to subdivision (a):

(1) The zoning ordinance shall include a declaration that the zoning ordinance is adopted pursuant to this section.

(2) The zoning ordinance shall clearly demarcate the areas that are zoned pursuant to this section.

(3) The legislative body shall make a finding that the increased density authorized by the ordinance is consistent with the city or county's obligation to affirmatively further fair housing pursuant to Section 8899.50.

(4) If the ordinance supersedes any zoning restriction established by a local initiative, the ordinance shall only take effect if adopted by a two-thirds vote of the members of the legislative body.

(c) (1) Notwithstanding any other law that allows ministerial or by right approval of a development project or that grants an exemption from Division 13 (commencing with Section 21000) of the Public Resources Code, a residential or mixed-use residential project consisting of more than 10 new residential units on one or more parcels that are zoned pursuant to an ordinance adopted under this section shall not be approved ministerially or by right and shall not be exempt from Division 13 (commencing with Section 21000) of the Public Resources Code.

(2) This subdivision shall not apply to a project located on a parcel or parcels that are zoned pursuant to an ordinance adopted under this section, but subsequently rezoned without regard to this section. A subsequent ordinance adopted to rezone the parcel or parcels shall not be exempt from Division 13 (commencing with Section 21000) of the Public Resources Code. Any environmental review conducted to adopt the subsequent ordinance shall consider the change in the zoning applicable to the parcel or parcels before they were zoned or rezoned pursuant to the ordinance adopted under this section.

(3) The creation of up to two accessory dwelling units and two junior accessory dwelling units per parcel pursuant to Sections 65852.2 and 65852.22 of the Government Code shall not count towards the total number of units of a residential or mixed-use residential project when determining if the project may be approved ministerially or by right under paragraph (1).

(4) A project may not be divided into smaller projects in order to exclude the project from the prohibition in this subdivision.

(d) (1) An ordinance adopted pursuant to this section shall not reduce the density of any parcel subject to the ordinance.

(2) A legislative body that adopts a zoning ordinance pursuant to this section shall not subsequently reduce the density of any parcel subject to the ordinance.

(e) For purposes of this section:

(1) "High-quality bus corridor" means a corridor with fixed route bus service that meets all of the following criteria:

(A) It has average service intervals of no more than 15 minutes during the three peak hours between 6 a.m. to 10 a.m., inclusive, and the three peak hours between 3 p.m. and 7 p.m., inclusive, on Monday through Friday.

(B) It has average service intervals of no more than 20 minutes during the hours of 6 a.m. to 10 p.m., inclusive, on Monday through Friday.

(C) It has average intervals of no more than 30 minutes during the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

(2) “Transit-rich area” means a parcel within one-half mile of a major transit stop, as defined in Section 21064.3 of the Public Resources Code, or a parcel on a high-quality bus corridor.

(3) “Urban infill site” means a site that satisfies all of the following:

(A) A site that is a legal parcel or parcels located in a city if, and only if, the city boundaries include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel or parcels wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(B) A site in which at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses. For the purposes of this section, parcels that are only separated by a street or highway shall be considered to be adjoined.

(C) A site that is zoned for residential use or residential mixed-use development, or has a general plan designation that allows residential use or a mix of residential and nonresidential uses, with at least two-thirds of the square footage of the development designated for residential use.

(f) The Legislature finds and declares that provision of adequate housing, in light of the severe shortage of housing at all income levels in this state, is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

REDONDO BEACH GENERATING STATION (AES POWER PLANT) INFORMATION:

Current Approvals for AES Power Plant Site

The AES site has been operating as a public utility facility (electric generating plant) for several decades. Because this use was in operation prior to the current zoning, it does not have a conditional use permit for the full generating plant, even though it is an allowed use in the zone.

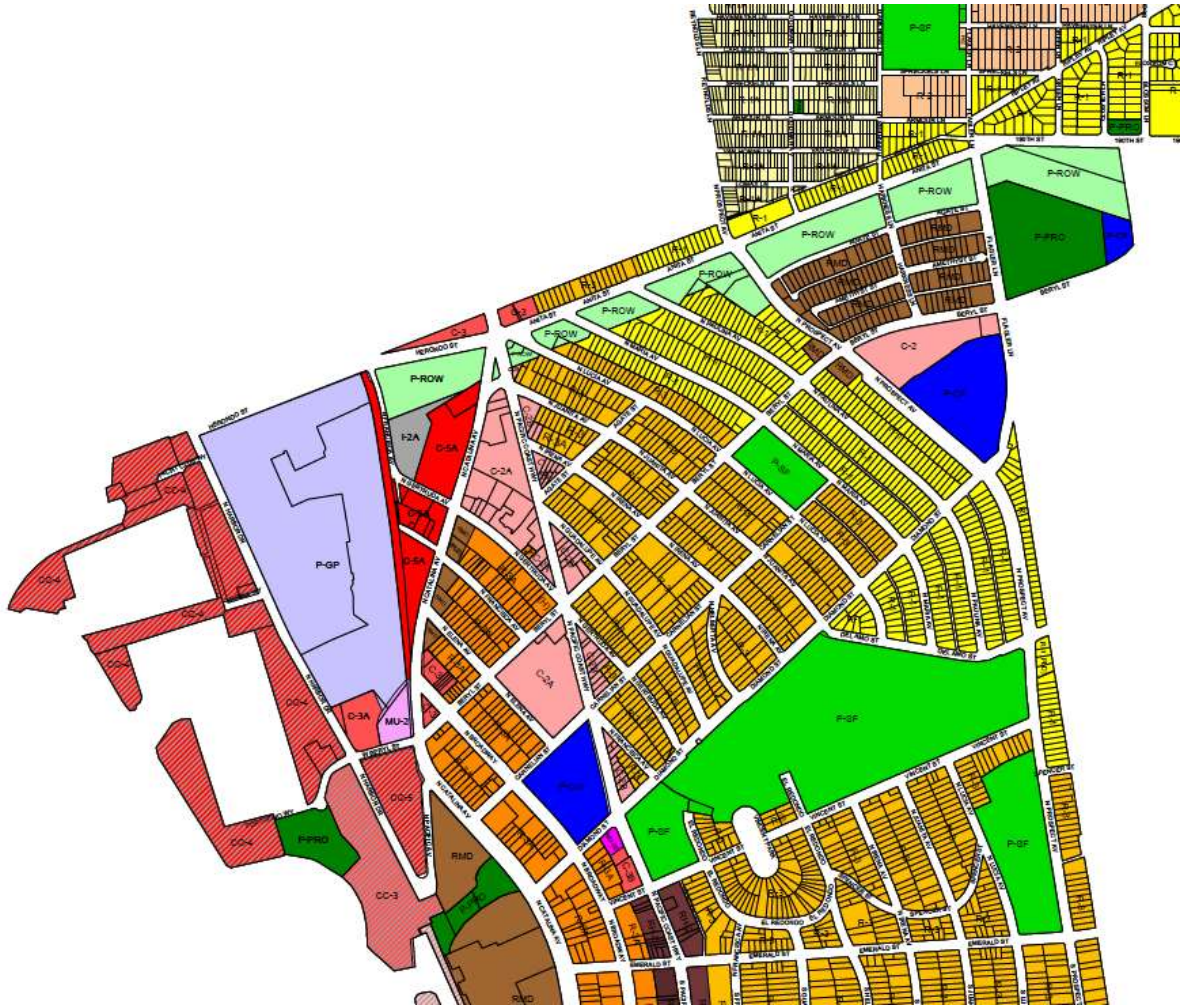
- On November 16, 2000 a conditional use permit was issued for the installation of selective catalytic reduction technology at the existing power plant.
- The City did issue an Emergency Coastal Development Permit for a dewatering system on August 17, 2017 that had a first permit extension through December 16, 2017 and a second permit extension through February 15, 2018.
- On April 15, 2019, AES applied for a Coastal Development Permit to authorize the repair activities performed on well numbers 2 and 3 in 2015, and to allow for further routine maintenance of the dewatering system on an ongoing basis. This application was deemed “incomplete” on May 14, 2019, noting additional information necessary. AES re-submitted on June 30, 2020, with a supplement to the application on September 14, 2020. The application was deemed complete on October 14, 2020. The City notified the applicant that the proposed project requires environmental review and requested proposals from firms. One firm submitted, and in the spring of 2021 the City prepared a draft agreement with the environmental consulting firm and a reimbursement agreement with AES. The representative from AES requested changes to the draft reimbursement agreement and the City Attorney’s office is reviewing those requests. Once the agreements are finalized and approved by City Council, the environmental review of the proposed project can commence.

Zoning

This site is located in the coastal zone, so it falls under the Coastal Land Use Plan Implementing Ordinance (Title 10, Chapter 5). Any zoning designation changes would not only have to be reviewed to determine if Article XXVII of the City Charter is triggered as a major change in allowable land use that would require a public ballot measure for said change, but any approved zoning amendment would require Coastal Commission Certification.

Per the Redondo Beach Zoning Map, the AES site is zoned P-GP Generating Plant Zone. The power lines are located in the P-ROW Right-of-Way Zone. The regulations for public and institutional zones that apply to these zones are below. Currently, the uses allowed in the P-GP Zone are:

- Permitted Uses: parks, parkettes, open space, recreational facilities, beaches, and coastal bluffs
- Conditional Uses: public buildings in parks, recreation areas, open space areas, and beaches; public utility facilities



Portion of Redondo Beach Official Zoning Map Dated Feb 1, 2011

10-5.402 Definitions.

For the purposes of this chapter, certain words and terms used in this chapter are construed and defined in subsection (a) of this section. For the purpose of procedures relating to Coastal Development Permits, words and terms are defined in Section 10-5.2204 of this chapter.

(a) Definitions.

(139) **“Park and recreation facilities”** shall mean noncommercial parks, playgrounds, recreation facilities, and open spaces.

(147) **“Public building”** shall mean a building owned and operated by a public agency for recreational, cultural uses, or governmental functions.

(150) **“Public utility facility”** shall mean a building or structure used or intended to be used by any public utility including, but not limited to, any gas treatment plant, reservoir, tank or other storage facility, water treatment plant, well, reservoir, tank or other storage facility, electric generating plant, distribution or transmission sub-station, telephone switching or other communications plant, earth station or other receiving or transmission facility, any storage yard for public utility equipment or

vehicles and any parking lot for parking vehicles or automobiles to serve a public utility. The term “public utility” shall include every gas, electrical, telephone and water corporation serving the public or any portion thereof for which a certificate of public convenience and necessity has been issued by the State Public Utility Commission.

10-5.1100 Specific purposes, P public and institutional zones.

In addition to the general purposes listed in Section 10-5.102, the specific purposes of the P Public and Institutional zone regulations are to:

- (a) Provide lands for park, recreation and open space areas, schools, civic center uses, cultural facilities, public safety facilities, and other public uses which are beneficial to the community and visitors to the coastal zone;
- (b) Establish appropriate and flexible development standards for the development of necessary public uses and facilities;
- (c) Allow the Planning Commission and City Council to consider the most appropriate use of a site following discontinuance of a public or utility use without the encumbrance of a pre-determined zoning designation that may or may not provide appropriate regulations for the development of the site;
- (d) Ensure that public buildings and uses are designed to be compatible with other buildings and uses on the site and with the neighborhood in which they are located.
- (e) Maximize public access to the beaches, parks and other recreation and open space areas within the coastal zone.

(§ 1, Ord. 2905 c.s., eff. August 5, 2003)

10-5.1110 Land use regulations: P-CIV Civic Center zone, P-RVP Riviera Village parking zone, P-GP generating plant zone, P-ROW right-of-way zone, P-CF community facility zone, and P-PRO parks, recreation, and open space zone.

In the following schedule the letter “P” designates use classifications permitted in the specified zone and the letter “C” designates use classifications permitted subject to approval of a Conditional Use Permit, as provided in Section 10-5.2506. Where there is neither a “P” nor a “C” indicated under a specified zone, or where a use classification is not listed, that classification is not permitted. The “Additional Regulations” column references regulations located elsewhere in the Municipal Code.

Use Classifications	P-CIV	P-RVP	P-GP	P-ROW	P-CF	P-PRO	Additional Regulations See Section:
Public and Other Uses							

Use Classifications	P-CIV	P-RVP	P-GP	P-ROW	P-CF	P-PRO	Additional Regulations See Section:
Parks, parkettes, open space, recreational facilities, beaches, and coastal bluffs	P	P	P	P	P	P	10-5.1111(a), 10-5.1111(b), 10-5.1111(c)
Public buildings in parks, recreation areas, open space areas, and beaches	C	C	C	C	C	C	10-5.1111(a), 10-5.1111(b), 10-5.1111(c)
Adult education centers	—	—	—	—	C	—	
Agricultural and horticultural uses	C	—	—	C	C	C	10-5.1111(a), 10-5.1111(c)
Child day care centers	C	—	—	—	C	C	10-5.1111(a), 10-5.1111(c)
Community centers	C	—	—	—	C	C	10-5.1111(a), 10-5.1111(c)
Cultural institutions	C	—	—	—	C	C	10-5.1111(a), 10-5.1111(c)
Government maintenance facilities	C	—	—	—	C	C	10-5.1111(a)
Government offices	C	—	—	—	C	C	10-5.1111(a), 10-5.1111(c)
Public gymnasiums and athletic clubs	C	—	—	—	C	C	10-5.1111(a), 10-5.1111(c)
Hospitals	—	—	—	—	C	—	
Medical offices and health-related facilities	—	—	—	—	C	—	
Nurseries, wholesale and retail	C	—	—	C	C	C	10-5.1111(a), 10-5.1111(c)

Use Classifications	P-CIV	P-RVP	P-GP	P-ROW	P-CF	P-PRO	Additional Regulations See Section:
Performance art facilities	C	—	—	—	C	C	10-5.1111(a), 10-5.1111(c)
Parking lots	C	C	—	C	C	C	10-5.1111(a), 10-5.1111(c)
Public safety facilities	C	—	—	—	C	C	10-5.1111(a), 10-5.1111(c)
Public utility facilities	C	C	C	C	C	C	10-5.1614, 10-5.1111(a), 10-5.1111(c)
Schools, public and private	—	—	—	—	C	—	
Accessory uses/structures	P	P	—	P	P	P	10-5.1111(b), 10-5.1111(c)
Residential care facilities for the elderly (RCFE)	—	—	—	—	C*	—	10-5.1111(c), 10-5.1116, 10-5.1624

* On properties over one acre.

(§ 1, Ord. 2905 c.s., eff. August 5, 2003, as amended by § 10, Ord. 2971 c.s., eff. September 2, 2005 [effective date pending subject to litigation], § 2, Ord. 3148 c.s., eff. October 13, 2016, and § 3, Ord. 3150 c.s., eff. October 13, 2016)

10-5.1111 Additional land use regulations: P public and institutional zones.

(a) **Recreation and Parks Commission Review, P-PRO zone.** In the P-PRO parks, recreation, and open space zone, all applications for uses and development shall be referred to the Recreation and Parks Commission for its study and recommendations before submission to the appropriate decision-making body.

(b) **Recreational uses, P-ROW zone.** In the P-ROW right-of-way zone, recreational uses shall be limited to only passive type uses.

(c) **Accessory uses and structures.**

(1) **Development standards.** Permitted accessory uses and structures, including, but not limited to, storage sheds, maintenance buildings, lighting fixtures, view

decks, rest rooms, flag poles, and concession stands, shall be subject to the height, setback, and floor area ratio standards of the zone in which it is located, except that height and setback standards may be modified subject to Planning Commission Design Review. In zones where no height standard is specified, permitted accessory uses and structures exceeding a height of thirty (30) feet shall be subject to Planning Commission Design Review, except that flag poles, lighting fixtures, and similar structures which do not contain floor area and which exceed a height of thirty (30) feet may be approved by the Community Development Director. In zones where no maximum floor area ratio is specified, any building exceeding 1,000 square feet shall be subject to Planning Commission Design Review.

(d) **Preservation of public beach.** The beach and coastal bluffs south of Torrance Boulevard and west of Esplanade shall be maintained and preserved for public beach, open space and public recreational use. Notwithstanding Section 10-5.1110, the beach and coastal bluffs shall not be permitted to be developed with any of the uses listed other than beaches, coastal bluffs, and accessory uses and structures as listed in subsection (b) of Section 10-5.1110. The existing beach parking lot west of Esplanade at the southerly boundary of the City shall also be retained.

(§ 1, Ord. 2905 c.s., eff. August 5, 2003, as amended by § 10, Ord. 2971 c.s., eff. September 2, 2005 [effective date pending subject to litigation], and § 1, Ord. 3107 c.s., eff. February 8, 2013)

10-5.1114 Development standards: P-GP generating plant zone.

(a) **Floor area ratio.** The floor area ratio shall be determined subject to Planning Commission Review.

(b) **Building height.** Height of buildings or structures shall be determined subject to Planning Commission Review.

(c) **Stories.** The number of stories of any building shall be determined subject to Planning Commission Review.

(d) **Setbacks.** Setbacks shall be determined subject to Planning Commission Review.

(e) **General regulations.** See Article 3 of this chapter.

(f) **Parking regulations.** See Article 5 of this chapter.

(g) **Sign regulations.** See Article 6 of this chapter.

(h) **Landscaping regulations.** See Article 7 of this chapter.

(i) **Coastal Development Permits.** See Article 10 of this chapter.

(j) **Procedures.** See Article 12 of this chapter.

(k) **Water Quality Measures.** See Chapter 7, Title 5 of the Redondo Beach Municipal Code.

(§ 10, Ord. 2971 c.s., eff. September 2, 2005 [effective date pending subject to litigation])

10-5.1115 Development standards: P-ROW right-of-way zone.

(a) **Floor area ratio.** The floor area ratio (FAR) of all buildings on a lot shall not exceed 0.1. (See definition of “floor area ratio” in Section 10-2.402.)

(b) **Building height.** No building or structure shall exceed a height of fifteen (15) feet. (See definition of “building height” in Section 10-2.402.)

(c) **Stories.** No building shall exceed one story. (See definition of “story” in Section 10-2.402.)

(d) **Setbacks.**

(1) There shall be a minimum setback of twenty (20) feet from any property line abutting a street.

(2) There shall be a minimum setback of five (5) feet from any property line not abutting a street.

(e) **General regulations.** See Article 3 of this chapter.

(f) **Parking regulations.** See Article 5 of this chapter.

(g) **Sign regulations.** See Article 6 of this chapter.

(h) **Landscaping regulations.** See Article 7 of this chapter.

(i) **Coastal Development Permits.** See Article 10 of this chapter.

(j) **Procedures.** See Article 12 of this chapter.

(k) **Water Quality Measures.** See Chapter 7, Title 5 of the Redondo Beach Municipal Code.

(§ 10, Ord. 2971 c.s., eff. September 2, 2005 [effective date pending subject to litigation])

10-5.1614 Public utility facilities.

(a) **Purpose.** The purpose of this section is to ensure that new public utility facilities and additions to existing facilities are compatible with surrounding properties and consistent with the public health, safety, and welfare of the City. While these regulations recognize the authority of applicable state agencies, it is the intent of the City to exercise any and all authority that it may have now or in the future under the California Constitution or general law with regard to the construction of any improvements or the making of any other changes to any public utility facility in the City. Inasmuch as it cannot be predicted with reasonable certainty at this time which such improvements, facilities or changes may be proposed to be made in the future, the source of the authority of the applicable state agency thereover and, consequently, the authority of the City thereover, it is necessary to write this section in general terms and allow its application to vary with the facts and the law governing each case.

(b) **Criteria.** Application for a Conditional Use Permit for a public utility facility, as required by the provisions of subsection (c), shall be subject to the following development criteria in addition to all other applicable land use and development standards in this chapter:

(1) The site for the proposed construction, reconstruction, erection, alteration, or placement shall be of adequate size and shape to accommodate the proposed use, yards, courts, walls, fences, and landscaping buffers, parking, and other required features.

(2) Adequate street access shall be provided to carry the quantity and kind of traffic generated by the proposed use and designed to provide adequate ingress and egress for fire-fighting equipment or other safety equipment.

(3) The proposed use shall have no adverse effect upon any abutting property, the neighborhood, or the City, and the proposed use shall protect the public health, safety, convenience, interest, and general welfare. In order to insure this provision and to comply with the purposes and intent of this chapter and the General Plan, any development standards or conditions may be imposed to create orderly and proper uses, as determined by the Planning Commission/Harbor Commission or City Council. Whenever a referenced municipal code section uses the term Planning Commission or Harbor Commission, it shall mean for the purposes of this Section 10-5.1614 the Planning Commission unless the subject property is within the Harbor-Pier area as defined in subsection (a) of Section 10-5.2512, in which case it shall mean the Harbor Commission.

(4) The applicant may be required, as a condition of approval, to dedicate land for street or park purposes where indicated on the General Plan and to restrict areas perpetually as open space for common use by appropriate covenants.

(5) A time limit for development may be imposed as provided in subsection (j) of Section 10-5.2506 (Conditional Use Permits).

(c) **Conditional Use Permit required.** Subject to the following provisions, a public utility facility shall be a conditionally permitted use in any zone. The City Engineer may require that an application for such Conditional Use Permit be referred to the Public Works Commission for review, report and recommendation prior to action thereon by the Planning Commission or Harbor Commission, as the case may be.

(1) A Conditional Use Permit shall be required for the construction, reconstruction, erection, alteration or placement of any improvement or the making of any other physical change in or to any public utility facility; provided, however, that where such improvement, facility or change is to be made pursuant to any order of the Public Utilities Commission, the South Coast Air Quality Management District, the Regional Water Quality Control Board or other state or regional agency having jurisdiction to make and enforce such order, the Planning Commission/Harbor Commission, or the City Council on appeal shall not make any decision or impose any condition in conflict with any such order or any condition thereof unless, in the opinion of the City Attorney, the City is not preempted therefrom under Article 11, Section 7 of the California Constitution by the enactment of general laws or the subject of such order is a municipal affair under Article 11, Section 5 of said Constitution.

(2) Notwithstanding the provisions of subsection (c)(1) of this section, a Conditional Use Permit shall not be required for the following activities:

a. Repair or maintenance of any public utility facility;

b. Construction, erection or alteration of any building, or adjacent parking facilities therefor, used solely for the purpose of a business office to serve a public utility. (Note: Planning Commission Design Review of such exempt public utility facilities, however, may be required by other provisions of this Code);

c. Any construction, reconstruction, erection, alteration, or placement of any telephone or electric power line or gas or water pipeline located in any public or private right-of-way or across any private property installed pursuant to a utility service agreement;

d. Any work of improvement on such a facility which has a value, as determined by the City's Chief Building Official, for building permit purposes of \$50,000.00 or less and which, as found and determined by the Community Development Director, will not have an appreciable adverse effect on the occupants of surrounding properties or on the general public and which is not inconsistent with the City's General Plan;

e. Any construction, reconstruction, erection, alteration or placement of any meters or measuring devices adjacent to customer residences or other facilities;

f. Any construction, reconstruction, erection, alteration or placement of any safety devices, such as pipeline pressure regulators or voltage regulators;

g. Emergency activities, such as, but not limited to, repair of downed power lines, broken gas or water lines or repair of existing equipment within an established distribution system which must be undertaken in order to avoid an immediate threat to human health or property.

(§ 1, Ord. 2905 c.s., eff. August 5, 2003, as amended by § 1, Ord. 3102 c.s., eff. February 8, 2013, and § 1, Ord. 3107 c.s., eff. February 8, 2013)

[REDACTED]

From: Barbara Epstein [REDACTED]
Sent: Tuesday, October 12, 2021 10:19 AM
To: CityClerk; Bill Brand; Todd Loewenstein; Nils Nehrenheim; Zein Obagi; Christian Horvath; horvath.RBD3@gmail.com; Laura Emdee; Michael Webb; Mike Witzansky; Joe Hoefgen; Cameron Harding
Subject: 10/12. Agenda Item N-1. AES Power Plant.
Follow Up Flag: Follow up
Flag Status: Completed

CAUTION: Email is from an external source; Stop, Look, and Think before opening attachments or links.

I cannot be with you tonight, so please accept my position on the AES Power Plant.

On June 14, 2021, the AES Power Plant once again exhibited its criminally irresponsible disregard for the health and quality of life toward the people of Redondo Beach and neighboring Hermosa. At approximately 2:00 PM the plant began to emit an unbearable roar that continued for several minutes. The sound was similar to a jumbo jet revving its engines for the take-off, disturbing the meeting I was in three miles away. The roar shook the community, causing alarm and distress.

For me, this was enough.

The State Of California, and it's agencies created to protect the public interests, has clearly "gone rogue," serving only the business interests of this obsolete, illegal, plant.

The State has ignored the wishes of the people of Redondo, its elected officials, its marine environment, air quality, and quality of life in this area.

The State has acted falsely and irresponsibly and violated its own policies set in 2010.

Therefore I proposed the AES Plant be ordered closed, by the City of Redondo Beach, as a public nuisance and an ongoing source of pollution.

It is time to explore eminent domain as a remedy.

Thank You

Barbara Epstein
Redondo Beach

I propose that the City of Redondo Beach Sent from my iPad

[REDACTED]

From: Eleanor Manzano
Sent: Tuesday, October 12, 2021 11:49 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: Fw: City Council Agenda Item AES Plant
Attachments: AES environmental liabilities passed on to new owners 10-K March 2021 (1).jpg; AES fine- violations 03-26-21 (1).pdf; RB AES Lobbying firm two months 2021- 90000.pdf; AES commits to 21 acres open space.jpg; RB Leo and covid issues CoStar_Redondo_May_19_2020_ - AES.pdf

[REDACTED]

From: E J [REDACTED]
Sent: Tuesday, October 12, 2021 11:04 AM
To: Eleanor Manzano <Eleanor.Manzano@redondo.org>
Subject: City Council Agenda Item AES Plant

*CAUTION: Email is from an external source; **Stop, Look, and Think** before opening attachments or links.*
Dear Eleanor

Can you please include these items as Blue Folder items of interest for the AES Agenda item on tonight's City Council docket

Thank you

Eugene J Solomon
District 2



Coronavirus Forces Buyer to Rethink Power Plant Redevelopment Plans Outside Los Angeles

Exclusive: Sale Generated Near-Record Sale Price for Coastal Land



PaxCap Investors CEO at power plant in Redondo Beach, California..it could be transformed into open space with some commercial use.

By Jacquelyn Ryan and [Lou Hirsh](#)
CoStar News

May 19, 2020 | 4:11 P.M.

The buyer of a Los Angeles County power plant property is pausing to reexamine how to redevelop one of the largest sites on the Southern California coast following uncertainties created by the coronavirus pandemic.

Developer Leo Pustilnikov, a partner in SLH Investments of Los Angeles, acquired the 51-acre [Redondo Beach](#) power plant site this year with plans to create a development including creative offices, shops and restaurants, a hotel and open space.

Pustilnikov told CoStar News in an email Monday he may now change some of his proposed plans in light of recent events that have shut down much of the economy, especially business tied to retail and hospitality.

When the property went on the market in early 2016, it garnered an extremely competitive response, according to Carlos Vigon, CEO of private equity firm Paxcap Investors who was part of the team representing AES and Pustilnikov in the deal.

"When we market a property, a successful launch you get 20 to 30 maybe 50 buyers with signed confidentially agreements," he told CoStar News in a phone interview. "This yielded 200 qualified buyers with confidential agreements. The money was from all over the world, ultra high-net syndicates, private equity, even pensions paired with operators, everything, all the big names and big players you'd recognized."

In the end, Pustilnikov was the only buyer willing to purchase the property without development

The redevelopment of the power plant site has been a high-profile issue in the city over the past decade, which has included two failed ballot measures seeking residents' approval for various redevelopment plans that include commercial and public space. City officials have been seeking to close the plant and put the space to better use for years.

Before the sale, the city of Redondo Beach had been working with natural gas plant operator AES Corp. to create a coastal park and restore wetlands on portions of the site after the anticipated closing of the power plant in 2023, according to a city staff report.

The coronavirus pandemic has brought much most of the commercial real estate market to a standstill as businesses close, both temporarily and permanently, in response to stay-at-home orders meant to stem the spread of the virus. Retail and hospitality revenues have plummeted while many office users have extended work-from-home options far into the future or even forever. The uncertainty has developers across almost all commercial property sectors pausing or canceling speculative plans until the economic future becomes clearer.

The Redondo Beach property provides a significant opportunity to a developer, as [one of the largest pieces of prime coastal land](#) to sell in Los Angeles County's recent history. But it also came with an expensive land price for the area.

Pustilnikov bought the site in two separate deals from AES, which still operates the plant as a backup power system. He did not disclose financial terms of his recent purchases but two sources familiar with the deal who were unauthorized to speak on the issue said the developer paid roughly \$150 million for the 51-acre power plant site in March.

At that price for 1100 N. Harbor Drive, which was previously undisclosed, the sale would amount to about \$2.94 million an acre in the South Bay of Los Angeles County. According to CoStar records, that price is among the highest per acre of land for any sale of more than 50 acres in Los Angeles County for two decades.

The sale is topped by developer Tishman Speyer's \$200 million purchase of 64 acres for the Campus at Playa Vista back in 2007, before the Playa Vista neighborhood became the booming tech hub it is today. That sale price amounted to roughly \$3.13 million per acre.

The sale price, which sits below its previous price of \$250 million in 1998, reflects a discount for the anticipated costs and effort involved in remediation of the property to make it appropriate for

development and the time and effort to be spent getting entitlements approved for the site. The city of Redondo Beach has placed a development value of approximately \$265 million on the site, according to a city staff report.

Now, any plans that Pustilnikov has for the site would have to wait until the power plant is decommissioned, which is scheduled for 2023 but could come sooner depending on a decision by the state water board this year. He could face a steep battle to get entitlements and rezoning from the city and its voters, too.

AES first tried to get development approvals through a March 2015 ballot initiative known as Measure B that would have rezoned the property and allowed for a redevelopment of up to 600 residences, 85,000 square feet of commercial space, a 250-room hotel and 10 acres of open space. The company spent roughly a half a million dollars to support the measure but Redondo Beach voters narrowly defeated it.

That initiative followed a 2013 effort, known as Measure A, brought by a councilman and a resident group that would have redeveloped the power plant with commercial real estate and parks, which would have made up about 40% of the site. AES spent about \$300,000 to defeat that measure and, in turn, its sponsors became the most vocal opponents of Measure B.

But Vigon said Pustilnikov saw the lack of entitlements on the site as an opportunity when he decided to move forward with the purchase. He has struck a few contingent deals with the city and the energy company to provide park land to the community or allow the city to purchase some of the acreage from him, according to the [Daily Breeze](#). The power company has also agreed to provide some funding toward cleaning up the site.

Pustilnikov told the Breeze that developer Ely Dromy is his partner in the power plant purchase.

Vigon added that he and some on the brokerage team felt a personal calling to find the right use and buyer of the site, which has a complicated reputation among South Bay residents who are familiar with its large concrete barrier walls muraled with whales and sea life.

"It was an iconic eyesore," Vigon said with a laugh. "This is here and it's a way of life. Here, we saw an opportunity to play a role in that site being restored to its natural state, and re-purposed with sustainability and community interests in mind."

☒ **REPORT OF LOBBYIST EMPLOYER**

(Government Code Section 86116)

1/6

or

☐ **REPORT OF LOBBYING COALITION**

(2 Cal. Code of Regs. Section 18616.4)

FORM 635
1993

IMPORTANT: Lobbying Coalitions must attach a completed Form 635-C to this Report.

REPORT COVERS PERIOD FROM 04/01/2021 **THROUGH** 06/30/2021

CUMULATIVE PERIOD BEGINNING 01/01/2021

TYPE OR PRINT IN INK

For information required to be provided to you pursuant to the Information Practices Act of 1977, see [Information Manual on Lobbying Disclosure Provisions of the Political Reform Act](#).

FOR OFFICIAL USE ONLY

A

B

NAME OF FILER:

AES US Services,LLC

BUSINESS ADDRESS: (Number and Street)

(City)

(State)

(Zip Code)

TELEPHONE NUMBER:

Indianapolis

IN

46204

PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD

(See instructions on reverse.)

Governor's Office,State Water Board,CA Public Utilities Commission,CA Independent System Operator,CA Energy Commission re: energy, reliability, and once through cooling issues; CA Air Resources Board re: Climate change issues; Legislature Re: Once through cooling issues

☐ If more space is needed, check box and attach continuation sheets.

SUMMARY OF PAYMENTS THIS PERIOD

A. Total Payments to In-House Employee Lobbyists (Part III, Section A, Column 1)	\$	<u>0.00</u>
B. Total Payments to Lobbying Firms (Part III, Section B, Column 4)	\$	<u>90000.00</u>
C. Total Activity Expenses (Part III, Section C)	\$	<u>0.00</u>
D. Total Other Payments to Influence (Part III, Section D)	\$	<u>0.00</u>

GRAND TOTAL (A + B + C + D above)	\$	<u>90000.00</u>
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E. Total Payments in Connection with PUC Activities (Part III, Section E)	\$	<u>0.00</u>
---	----	-------------

F. Campaign Contributions: ☒ Part IV completed and attached ☐ No campaign contributions made this period

VERIFICATION

I have used all reasonable diligence in preparing this Report. I have reviewed the Report and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on (Date)
08/02/2021

At (City and State)
Indianapolis IN

By (Signature of Employer or Responsible Officer)
Mark Miller

Name of Employer or Responsible Officer (Type or Print)
Mark Miller

Title
Vice President

PERIOD COVERED: 04/01/2021 06/30/2021NAME OF FILER: AES US Services,LLC**PART II - PARTNERS, OWNERS, AND EMPLOYEES WHOSE "LOBBYIST REPORTS" (FORM 615) ARE ATTACHED TO THIS REPORT** (See instructions on reverse.)

Name and Title	Name and Title

☐ If more space is needed, check box and attach continuation sheets.
PART III - PAYMENTS MADE IN CONNECTION WITH LOBBYING ACTIVITIES**A. PAYMENTS TO IN-HOUSE EMPLOYEE LOBBYISTS**

(See instructions on reverse. Also enter the Amount This Period (Column 1) on Line A of the Summary of Payments section on page 1.)

(1)
Amount This
Period(2)
Cumulative Total
To Date

\$ 0.00

\$ 0.00

B. PAYMENTS TO LOBBYING FIRMS (Including Individual Contract Lobbyists)

Name and Address of Lobbying Firm/Independent Contractor	(1) Fees & Retainers	(2) Reimbursements of Expenses	(3) Advances or Other Payments (attach explanation)	(4) Total This Period	(5) Cumulative Total to Date
Weideman Group Sacramento, CA 95814	90000.00	0.00	0.00	90000.00	90000.00
Carter, Wetch & Associates Sacramento, CA 95814	0.00	0.00	0.00	0.00	0.00

TOTAL THIS PERIOD (Column 4)

Also enter the total of Column 4 on Line B of the Summary of Payments section on page 1.

\$ 90000.00

☐ If more space is needed, check box and attach continuation sheets

PERIOD COVERED: 04/01/2021 06/30/2021NAME OF FILER: AES US Services,LLC**C. ACTIVITY EXPENSES** (See instructions on reverse.)

Date	Name and Address of Payee	Name and Official Position of Reportable Persons and Amount Benefiting Each	Description of Consideration	Total Amount of Activity
			\$	\$

☐ If more space is needed, check box and attach continuation sheets.

 TOTAL SECTION C (Activity Expenses)
 Also enter the total of Section C on Line C of
 the Summary of Payments section on page 1.

\$ 0.00

D. OTHER PAYMENTS TO INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION
☒ NOTE: State and local government agencies do not complete this section. Check box and complete Attachment Form 640 instead.

1. PAYMENTS TO LOBBYING COALITIONS (NOTE: You must attach a completed Form 630 to this Report.)

\$ 0.00

2. OTHER PAYMENTS

\$ 0.00

 TOTAL SECTION
 D (1 + 2) Also
 enter the total of
 Section D on Line
 D of the Summary
 of Payments
 section on page 1.

\$ 0.00

E. PAYMENTS IN CONNECTION WITH ADMINISTRATIVE TESTIMONY IN RATEMAKING PROCEEDINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION

Also, enter the total of Section E on Line E of the Summary of Payments section on page 1. (See instructions on reverse.)

\$ 0.00

PERIOD COVERED: 04/01/2021 06/30/2021NAME OF FILER: AES US Services,LLC

PART IV -- CAMPAIGN CONTRIBUTIONS MADE (Monetary and non-monetary campaign contributions of \$100 or more made to or on behalf of state candidates, elected state officers and any of their controlled committees, or committees supporting such candidates or officers must be reported in A or B below.)

- A. If the contributions made by you during the period covered by this report, or by a committee you sponsor, are contained in a campaign disclosure statement which is on file with the Secretary of State, report the name of the committee and its identification number, if any, below.

Name of Major Donor or Recipient Committee Which
Has Filed A Campaign Disclosure Statement:

Identification Number if
Recipient Committee: _____

- B. Contributions of \$100 or more which have not been reported on a campaign disclosure statement, including contributions made by an organization's sponsored committee, must be itemized below.

Date	Name of Recipient	I.D. Number if Committee	Amount
04/23/2021	Robert Garcia for Lt. Governor 2016	1420194	\$ 2500.00
06/24/2021	Robert Garcia Office Holder Account	1359161	\$ 1000.00
06/24/2021	Robert Garcia for Lt. Governor 2016	1420194	\$ 250.00
			\$
			\$
			\$
			\$
			\$
			\$
			\$

☐ If more space is needed, check box and attach continuation sheets.

NOTE: Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

Attachment Form 640

(Attachment to Form 635 or Form 645)

CALIFORNIA
1993 FORM**640**

5/6

PERIOD COVERED: 04/01/2021--06/30/2021NAME OF FILER: AES US Services,LLC

For Use By: A state or local government agency that qualifies as a lobbyist employer or a \$5,000 filer. Refer to the instructions on the cover page before completing this attachment.

Other Payments to Influence Legislative or Administrative Action:

1. Total payments for overhead expenses related to lobbying activity. <u>Report as a lump sum.</u>	\$ 0.00
2. Total payments to Lobbying Coalitions. <u>Report as a lump sum.</u> (Form 630 must be attached)	\$ 0.00
3. Total payments of less than \$250 during the calendar quarter for lobbying activity (excluding overhead). <u>Report as a lump sum.</u>	\$ 0.00
4. Total payments of more than \$250 during the calendar quarter for lobbying activity (excluding overhead). Such payments must be itemized below.	\$ 0.00
5. Grand total of "Other Payments to Influence Legislative or Administrative Action." Also enter this total on the appropriate line of the Summary of Payments section on Page 1 of Form 635 or Form 645.	\$ 0.00

Itemize below payments of \$250 or more made during the quarter for lobbying activity. Provide the name and address of the payee, the amount paid during the quarter, and the cumulative amount paid to the payee since January 1 of the biennial legislative session covered by the report.

Also itemize dues or similar payments of \$250 or more made to an organization that makes expenditures equal to 10% of its total expenditures or \$15,000 or more in a calendar quarter to influence legislative or administrative action. Provide the organization's name and address, the amount paid to the organization during the quarter, and the cumulative amount paid to the organization since January 1 of the biennial legislative session covered by the report.

Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1
	\$	\$
	\$	\$
	\$	\$
Subtotal of all payments itemized above	\$ 0.00	

☐ If more space is needed, check box and attach continuation sheets.

TEXT ANNOTATION

PAGE 2

Schedule F635P3B

Reference No: F635P3B.sJlyl37XG88z

A portion of this payment is for services rendered in a prior quarter.

Los Angeles Regional Water Quality Control Board

March 26, 2021

Jose Perez
AES Redondo Beach, LLC
1100 N. Harbor Dr.
Redondo Beach, CA 90277

Via Certified Mail
Return Receipt Requested
Claim No. 7019 2970 0001 1914 2937

SETTLEMENT OFFER NO. R4-2021-0022; OFFER TO PARTICIPATE IN THE EXPEDITED PAYMENT PROGRAM RELATING TO VIOLATIONS OF THE NPDES PERMIT FOR AES REDONDO BEACH, LLC, REDONDO BEACH GENERATING STATION, 1100 N. HARBOR DRIVE, REDONDO BEACH, CALIFORNIA (ORDER NO. R4-2016-0222, NPDES PERMIT NO. CA0001201, CI NO. 0536)

Dear Jose Perez:

This letter is to notify AES Redondo Beach, LLC (hereinafter "Permittee" or "you") of alleged violations of the California Water Code identified in the State Water Resources Control Board's water quality data system and to allow the Permittee to participate in the Los Angeles Regional Water Quality Control Board's (Regional Water Board) Expedited Payment Program for Effluent and/or Reporting Violations (Expedited Payment Program) to address mandatory minimum penalties that must be assessed pursuant to California Water Code sections 13385 and 13385.1.

NOTICE OF VIOLATION:

Based on information in the California Integrated Water Quality System (CIWQS) as of March 26, 2021, the Regional Water Board alleges that the Permittee has violated the effluent limitations, reporting violations, or California Water Code provisions identified in the Notice of Violation (NOV) attached as Exhibit "1". The Permittee will have the opportunity to address the alleged violations as discussed below.

STATUTORY LIABILITY:

Subdivisions (h) and (i) of California Water Code section 13385 require the assessment of a mandatory minimum penalty of three thousand dollars (\$3,000) for specified serious and chronic effluent limit and reporting violations. For the purposes of subdivision (h) of section 13385, failure to file a discharge monitoring report required pursuant to sections 13383 for each complete period of 30 days following the deadline for submitting the report constitutes a serious violation. The Permittee is also subject to discretionary administrative civil liabilities of up to ten thousand dollars (\$10,000) for each day in which

LAWRENCE YEE, CHAIR | RENEE PURDY, EXECUTIVE OFFICER

the violation occurs, plus ten dollars (\$10) for each gallon discharged but not cleaned up in excess of 1,000 gallons. These mandatory minimum penalties and discretionary administrative civil liabilities may be assessed by the Regional Water Board beginning with the date that the violations first occurred.¹ The formal enforcement action that the Regional Water Board uses to assess such liability is an administrative civil liability complaint, although the Regional Water Board may instead refer such matters to the Attorney General's Office for prosecution. If referred to the Attorney General for prosecution, the Superior Court may assess up to twenty-five thousand dollars (\$25,000) per violation. In addition, the Superior Court may assess up to twenty-five dollars (\$25) per gallon discharged but not cleaned up in excess of 1,000 gallons.

OFFER TO PARTICIPATE IN EXPEDITED PAYMENT PROGRAM:

The Permittee can avoid the issuance of a formal enforcement action and settle the alleged violations identified in the attached NOV by participating in the Regional Water Board's Expedited Payment Program. Details of the proposed settlement are described below and addressed in the enclosed documents.

To promote the resolution of these violations, the Regional Water Board makes this Conditional Offer. The Permittee may accept this offer, waive the Permittee's right to a hearing, and pay the mandatory minimum penalty of \$6,000 for the violations described in the NOV. If the Permittee elects to do so, subject to the conditions below, the Regional Water Board will accept that payment in settlement of any enforcement action that would otherwise arise out of the violations identified in the NOV. Accordingly, the Regional Water Board will forego issuance of a formal administrative complaint, will not refer the violations to the Attorney General, and will waive its right to seek additional discretionary civil liabilities for the violations identified in the NOV.

The Expedited Payment Program does not address or resolve liability for any violation that is not specifically identified in the NOV regardless of the date that the violation occurred.

PERMITTEE'S OPTIONS FOR RESPONSE TO OFFER:

If you accept this offer, please complete and return the enclosed "Acceptance of Conditional Resolution and Waiver of Right to Hearing; (proposed) Order" (Acceptance and Waiver) on or before **April 26, 2021**.

¹ Please note that there are no statutes of limitation that apply to administrative proceedings to assess mandatory minimum penalties. See *City of Oakland v. Public Employees' Retirement System*, (2002) 95 Cal.App.4th 29, 48; 3 Witkin, Cal. Procedure (4th ed. 1996) Actions, §405(2), p. 510.)

If the Permittee chooses to contest any of the violations alleged in the NOV, please identify the specific violation and the basis for the challenge (factual error, affirmative defense, etc.) on or before the due date specified above.

Responses contesting any of the violations alleged in the NOV shall be submitted as a pdf via email or CD to Lala Kabadaian, lala.kabadaian@waterboards.ca.gov, (213) 620-6370, and submitted by you under penalty of perjury.

The Regional Water Board staff will evaluate the contested violation and take one of two actions:

- 1) The Regional Water Board staff will determine that the violation is not supported, expunge the alleged violation from the CIWQS database, take no further action against the Permittee for the alleged violation, and notify the Permittee of that determination. The Permittee will be given thirty (30) days from the date of receipt of the Regional Water Board staff determination to complete and return the Acceptance and Waiver for the remainder of the violations; or
- 2) The Regional Water Board staff will determine that the alleged violation is meritorious and will notify the Permittee of that determination. The Permittee will be given thirty (30) days from the date of the receipt of the Regional Water Board staff determination to complete and return the Acceptance and Waiver.

If the Permittee chooses not to make a payment in response to the Regional Water Board staff's determination, the Permittee should expect to be contacted regarding formal enforcement action that will be initiated with regard to the contested violations. In a formal enforcement action, the liability amount sought and/or imposed may exceed the liability amount set forth in this Conditional Offer. Moreover, the cost of enforcement is a factor that can be considered in assessing the liability amount.

CONDITIONS FOR REGIONAL WATER BOARD ACCEPTANCE OF RESOLUTION:

Federal regulations require the Regional Water Board to publish and allow the public thirty (30) days to comment on any settlement of an enforcement action addressing NPDES permit violations (40 C.F.R. section 123.27(d)(2)(iii)). Upon receipt of the Permittee's Acceptance and Waiver, the Regional Water Board staff will publish a notice of the proposed resolution of the violations.

If no comments are received within the 30-day comment period, and unless there are new material facts that become available to the Regional Water Board, the Regional Water Board Executive Officer will execute the Acceptance and Waiver as a stipulated order assessing the uncontested mandatory minimum penalty amount pursuant to Water Code sections 13385 and 13385.1.

If, however, significant comments are received in opposition to the settlement, this offer may be withdrawn. In that case, the Permittee's waiver pursuant to the Acceptance and Waiver will also be treated as withdrawn. In that case, the violations will be addressed in

a liability assessment proceeding. At the liability assessment hearing the Permittee will be free to make arguments as to any of the alleged violations, and the Permittee's agreement to accept this conditional offer will not in any way be binding or used as evidence against the Permittee. The Permittee will be provided with further information on the liability assessment proceeding.

In the event the Acceptance and Waiver is executed by the Regional Water Board Executive Officer, full payment of the assessed amount shall be due within thirty (30) calendar days after the date the Acceptance and Waiver is executed. In accordance with California Water Code section 13385(n)(1) and California Water Code section 13385.1(c)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to sections 13385 and 13385.1 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the \$6,000 liability shall be paid by cashiers or certified check made out to the "State Water Pollution Cleanup and Abatement Account". Failure to pay the full penalty within the required time period may subject the Permittee to further liability.

Should you have questions about this Conditional Offer of Notice of Violation, please contact Enforcement Unit staff Lala Kabadaian at (213) 620-6370 / lala.kabadaian@waterboards.ca.gov or Ching Yin To at (213) 620-6373 / ching-yin.to@waterboards.ca.gov regarding this matter.

Sincerely,

 Digitally signed by Hugh Marley
Date: 2021.03.25 15:32:44 -07'00'


Hugh Marley
Assistant Executive Officer

Enclosures:

Exhibit "1" – Notice of Violation
Acceptance of Conditional Resolution and Waiver to Right of Hearing; (proposed)
Order

cc: (via email)
Kailyn Ellison, Office of Enforcement, State Water Resources Control Board
Lisa Bond, RWG Law
Nicholas R. Ghirelli, RWG Law

EXHIBIT “1” – NOTICE OF VIOLATION
Effluent Limit Violations

Violation Date	Monitoring Period	Violation Type	Parameter	Reported Value	Permit Limit	Units	Pollutant Category	% Exceeded	Serious/ Chronic	Water Code Section 13385	Penalty
12/10/19	4th Quarter 2019	Monthly Avg.	Zinc*	32.4	30	µg/L	2	8%	Chronic	(i)1	\$0
02/29/20	1st Quarter 2020	Monthly Avg.	TSS**	35.5	30	mg/L	1	18%	Chronic	(i)1	\$0
03/31/20	1st Quarter 2020	Monthly Avg.	TSS**	35.1	30	mg/L	1	17%	Chronic	(i)1	\$0
04/30/20	2nd Quarter 2020	Monthly Avg.	TSS**	37	30	mg/L	1	23%	Chronic	(i)1	\$3,000
06/30/20	2nd Quarter 2020	Inst. Max.	pH**	9.09	9.0	s.u.	OEVI	1%	Chronic	(i)1	\$3,000

Total: \$6,000

*Violation occurred from Outfall 002

**Violation occurred from INT-001A

Settlement Offer No. R4-2021-0022
CI No. 0536, NPDES Permit No. CA0001201

**ACCEPTANCE OF CONDITIONAL RESOLUTION
AND WAIVER OF RIGHT TO HEARING; (proposed) ORDER**

AES Redondo Beach, LLC
Settlement Offer No. R4-2021-0022
NPDES Permit No. CA0001201

By signing below and returning this Acceptance of Conditional Resolution and Waiver of Right to Hearing (Acceptance and Waiver) to the Los Angeles Regional Water Quality Control Board (Regional Water Board), AES Redondo Beach, LLC (Permittee) hereby accepts the "Offer to Participate in Expedited Payment Program" and waives the right to a hearing before the Regional Water Board to dispute the allegations of violations described in the Notice of Violation (NOV), which is attached hereto as Exhibit "1" and incorporated herein by reference.

The Permittee agrees that the NOV shall serve as a complaint pursuant to Article 2.5 of the California Water Code and that no separate complaint is required for the Regional Water Board to assert jurisdiction over the alleged violations through its Chief Prosecutor. The Permittee agrees to pay the penalties required by California Water Code section 13385 in the sum of \$6,000 (Expedited Payment Amount) which shall be deemed payment in full of any civil liability pursuant to California Water Code sections 13385 and 13385.1 that otherwise might be assessed for the violations described in the NOV. The Permittee understands that this Acceptance and Waiver waives its right to contest the allegations in the NOV and the amount of civil liability for such violations.

The Permittee understands that this Acceptance and Waiver does not address or resolve liability for any violation that is not specifically identified in the NOV.

Upon execution by the Permittee, the completed Acceptance and Waiver shall be returned to:

Lala Kabadaian, Enforcement I Unit
Expedited Payment Program
Los Angeles Regional Water Quality Control Board
320 West 4th Street, Suite 200
Los Angeles, CA 90013

The Permittee understands that federal regulations set forth by title 40, Code of Federal Regulations, section 123.27(d)(2)(iii) require the Regional Water Board to publish notice of and provide at least thirty (30) days for public comment on any proposed resolution of an enforcement action addressing NPDES permit violations. Accordingly, the Acceptance and Waiver, prior to execution by the Regional Water Board Executive Officer, will be published as required by law for public comment.

If no comments are received within the notice period that causes the Regional Water Board Executive Officer to question the Expedited Payment Amount, the Regional Water Board Executive Officer will execute the Acceptance and Waiver.

Settlement Offer No. R4-2021-0022
CI No. 0536, NPDES Permit No. CA0001201

The Permittee understands that if significant comments are received in opposition to the Expedited Payment Amount, the offer on behalf of the Regional Water Board to resolve the violations set forth in the NOV may be withdrawn. In that circumstance, the Permittee will be advised of the withdrawal and an administrative civil liability complaint may be issued and the matter may be set for a hearing before the Regional Water Board. For such a liability hearing, the Permittee understands that this Acceptance and Waiver executed by the Permittee will be treated as a settlement communication and will not be used as evidence in that hearing.

The Permittee further understands that once the Acceptance and Waiver is executed by the Regional Water Board Executive Officer, the full payment required by the deadline set forth below is a condition of this Acceptance and Waiver. In accordance with California Water Code sections 13385(n)(1) and 13385.1(c)(1), funds collected for violations of effluent limitations and reporting requirements pursuant to sections 13385 and 13385.1 shall be deposited in the State Water Pollution Cleanup and Abatement Account. Accordingly, the \$6,000 liability shall be paid by a cashiers or certified check made out to the "State Water Pollution Cleanup and Abatement Account". The payment must be submitted to the State Water Resources Control Board no later than thirty (30) calendar days after the date the Acceptance and Waiver is executed by the Regional Water Board Executive Officer.

Please mail the check to:

State Water Resources Control Board
ATTN: ACL PAYMENT
Division of Administrative Services, Accounting Branch
1001 I Street, 18th Floor, [95814]
P.O. Box 1888
Sacramento, California 95812-1888

I hereby affirm that I am duly authorized to act on behalf of and to bind the Permittee in the making and giving of this Acceptance and Waiver.

AES Rendon Beach, LLC

By: Jose A. Perez
(Signed Name)

4.5.2021
(Date)

Jose A. Perez
(Printed or Typed Name)

Operations Manager
(Title)

IT IS SO ORDERED PURSUANT TO CALIFORNIA WATER CODE SECTION 13385

By: _____
Renee Purdy
Executive Officer

(Date)

settlements. In September 2015, AES Southland Development, LLC and AES Redondo Beach, LLC filed a lawsuit against the California Coastal Commission (the "CCC") over the CCC's determination that the site of AES Redondo Beach included approximately 5.93 acres of CCC-jurisdictional wetlands. The CCC has asserted that AES Redondo Beach has improperly installed and operated water pumps affecting the alleged wetlands in violation of the California Coastal Act and Redondo Beach Local Coastal Program. Potential outcomes of the CCC determination could include an order requiring AES Redondo Beach to perform a restoration and/or pay fines or penalties. AES Redondo Beach believes that it has meritorious arguments concerning the underlying CCC determination, but there can be no assurances that it will be successful. On March 27, 2020, AES Redondo Beach, LLC sold the site to an unaffiliated third-party purchaser that assumed the obligations contained within these proceedings. On May 26, 2020, CCC staff sent AES a NOV directing AES to submit a Coastal Development Permit ("CDP") application for the removal of the water pumps within the alleged wetlands. AES has submitted the CDP to the permitting authority, the City of Redondo Beach ("the City"), with respect to AES's plans to disable or remove the pumps. The NOV also directed AES to submit technical analysis regarding additional water pumps located within onsite electrical vaults and a CDP application for their continued operation. AES has responded to the CCC, providing the requested analysis and seeking further discussion with the agency regarding the CDP. On October 14, 2020, the City deemed the CDP application to be complete and indicated a public hearing will be required, at which time AES must present additional information and analysis on the pumps within the alleged wetlands and the onsite electrical vaults. In January 2017, the Superintendencia del Medio Ambiente ("SMA") issued a Formulation of Charges asserting that Alto Maipo is in violation of certain conditions of the Environmental Approval Resolution

Eileen, Jonathan, Karen:

Thank you for the time last Wednesday to meet with the AES Southland team to discuss the Redondo Beach plant. We wanted to follow up our discussion by providing you with some additional information regarding the efforts AES is leading to decommission the Redondo plant in a fashion that maximizes benefits to the local community. We understand a more formal process where we can submit comments will commence at some point, but wanted to get you a rough idea of our plan for the community now in case you need it for board member briefings. The key components of our plan are as follows:

Land Re-use Potential | ~50 Acres | Public Open Space, Commercial

<!--[if !supportLists]-->· Approximately 50 Acres on the waterfront in the Redondo harbor will be converted from industrial use to public open space, new commercial, office and/or attractive public gathering spaces. The reuse process is underway and will continue this year; it is not proposed to be delayed to 2023. AES and the buyer are already working with the Department of Toxic, Substance and Control on the clean-up.

<!--[if !supportLists]-->· AES will legally restrict the future use of property as part of its transfer to the buyer and guarantee up to 21 acres of open space with the rest of the redevelopment subject to approval by a public vote.

Needed Funding for Public Benefits | AES to Fund Early Work to Secure Public Benefit

<!--[if !supportLists]-->· AES will fund up to \$14 million for:

<!--[if !supportLists]-->o <!--[endif]-->Site Clean-up

<!--[if !supportLists]-->o <!--[endif]-->Transmission line removal

<!--[if !supportLists]-->o <!--[endif]-->Early transition to public open space

<!--[if !supportLists]-->· Revenue from keeping the Redondo Beach plant “available” for another 3 years in the energy and resource adequacy markets as a reserve resource to keep the lights on during peak hours or in a Public Safety Power Shutoff (PSPS) event will help fund the on-going, early work to redevelop the property to the uses above.

Power Plant Retirement | New Revenues for Early Investments in Public Benefits