

**FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "**Amendment**"), dated as of September 24, 2018, is entered into by and between the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS ("**Seller**" or the "**Successor Agency**") and PPF INDUSTRIAL, LLC, a Delaware limited liability company ("**Buyer**" or "**Developer**"). This Amendment is entered into with reference to the following facts:

A. Seller and Buyer entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions, effective as of March 20, 2018 (the "**Purchase Agreement**") attached hereto as Exhibit 1, pursuant to which Buyer agreed to acquire from Seller, among other items, (i) approximately 9.87 acres of land located at the southeast corner of Telegraph Road and Bloomfield Avenue; and (ii) approximately 8.49 acres of land on the north side of Telegraph Road east of Bloomfield Avenue ("**Property**"), as more particularly described in the Purchase Agreement. Each initially-capitalized term used but not defined herein shall have the meaning ascribed to such term in the Purchase Agreement.

B. Pursuant to Section 5.1 of the Purchase Agreement, Buyer had until June 1, 2018 to undertake its Initial Due Diligence and obtain its Project Plan Approvals, subject to Buyer's right to extend the Initial Due Diligence for up to four (4) additional thirty (30) day extensions, which were exercised by Buyer on May 25, 2018, June 28, 2018, July 27, 2018, and August 28, 2018. The parties now desire to extend the Due Diligence Period from October 1, 2018 to January 2, 2019.

C. During the Due Diligence Period, Buyer undertook certain investigations and studies in order to understand the potential development footprint for the Property. After various discussions and meetings with BreitBurn Energy Company ("**BEC**"), in order to create a viable site plan for the Property, it was determined that due to BEC's infrastructure requirements, the developable square footage must be reduced from 337,545 square feet, which was based on the square footage set forth in the original bid plans, to 294,779 square feet, which results in a loss of 12.7% of the expected floor area ratio. Accordingly, Buyer and Seller desire to reduce the Purchase Price by 12.7% to adjust, on a pro-rata basis, for the reduction in developable square footage.

D. Further, the parties desire to extend the Closing Date from December 31, 2018 to February 15, 2019.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

1. **Due Diligence Period.** The Due Diligence Period is hereby amended to terminate on January 31, 2019.

2. **Purchase Price.** The second sentence of Section 3.1 of the Purchase Agreement is hereby amended to provide that:

“The Purchase Price for Buyer’s acquisition of the Property shall be \$26,373,745, subject to the adjustments and reductions set forth in Section 3.2 hereinafter (the “**Purchase Price**”).”

3. **Closing.** The last sentence of Section 4.6 of the Purchase Agreement is hereby amended to provide that:

“The Closing Date shall occur on or prior to February 15, 2019 (the “**Outside Closing Date**”), which Outside Closing Date may be extended for thirty (30) days upon prior written notice from Buyer to Seller.”

4. **References to the Purchase Agreement.** After giving effect to this Amendment, each reference in the Purchase Agreement to “this Agreement”, “hereof”, “hereunder” or words of like import referring to the Purchase Agreement shall refer to the Purchase Agreement as amended by this Amendment.

5. **Miscellaneous.** The provisions of Article XV of the Purchase Agreement shall apply *mutatis mutandis* to this Amendment, and to the Purchase Agreement as modified by this Amendment, taken together as a single agreement, reflecting the terms therein as modified hereby.

6. **No Further Amendment.** Except as amended by the terms of this Amendment, the Purchase Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

“SELLER”:

**SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION/REDEVELOPMENT
AGENCY OF THE CITY OF SANTA FE SPRINGS**

By: _____

Name: _____

Its: _____

Successor Agency Chair

Successor Agency Clerk

Successor Agency Legal Counsel

“BUYER”

PPF INDUSTRIAL, LLC,
a Delaware limited liability company

By: PPF OP, LP,
a Delaware limited partnership,
Its: sole Member

By: PPF OPGP, LLC,
a Delaware limited liability company,
Its: General Partner

By: Prime Property Fund, LLC,
a Delaware limited liability company,
Its: sole Member

By: Morgan Stanley Real Estate Advisor, Inc.,
a Delaware corporation,
Its: Investment Adviser

By: _____
Name: _____
Title: _____

EXHIBIT 1
PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

**PURCHASE AND SALE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is made and entered into as of March 20, 2018, by and between the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs (“**Seller**” or the “**Successor Agency**”) and PPF Industrial, LLC, a Delaware limited liability company (“**Buyer**” or “**Developer**”) (Seller/Successor Agency and Buyer/Developer may be referred to hereinafter individually as a “**Party**” or collectively as the “**Parties**”), and shall be joint escrow instructions to the Escrow Holder, designated herein below.

RECITALS

A. The Successor Agency owns the following parcels of real property, located in the City of Santa Fe Springs, California (the “**City**”), which parcels were previously acquired by the Successor Agency’s predecessor for redevelopment purposes (collectively, the “**Property**”): (i) Approximately 9.87 acres of land located at the southeast corner of Telegraph Road and Bloomfield Avenue (legally described on Exhibit A-1 and depicted on Exhibit B-1, attached hereto); and (ii) approximately 8.49 acres of land on the north side of Telegraph Road east of Bloomfield Avenue (legally described on Exhibit A-2 and depicted on Exhibit B-2, attached hereto).

B. With the dissolution of redevelopment agencies in 2011, the Redevelopment Agency was dissolved and the Successor Agency was created in order to wind down the affairs of the former Redevelopment Agency. Pursuant to the California Health & Safety Code, the Successor Agency was required to draft a Long Range Property Management Plan (the “**LRPMP**”) to control the disposition of its real property assets, which included the Property, and which has been approved by the Successor Agency’s Oversight Board (“**OB**”) and the State of California Department of Finance (the “**DOF**”).

C. The LRPMP requires that the Successor Agency sell the Property for development.

D. Developer desires to purchase the Property from the Successor Agency and develop it in accordance with the City’s General Plan, zoning codes and other applicable laws, and consistent with the requirements of the California Environmental Quality Act, related State Guidelines and related local ordinances, and the Successor Agency desires to sell the Property to Developer for such development in accordance with the terms of this Agreement (the “**Project**”).

E. The conveyance of the Property pursuant to the terms and conditions of this Agreement is in the best interest of the surrounding community and the health, safety and welfare of the City’s residents, and in accord with the public purposes and provisions of applicable state and local laws.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I.

AGREEMENT TO SELL AND PURCHASE

1.1 Purchase and Sale. Seller agrees to sell and Buyer agrees to purchase the Property as described in accordance with the terms of this Agreement.

ARTICLE II.

DESCRIPTION OF PROPERTY & PROJECT

2.1 Project Description. Buyer and Seller currently contemplate that the Project shall include the construction of one (1) building of approximately 197,990 square feet on Site III, and the construction of six (6) buildings with a total of approximately 139,555 square feet on Site IV, both as depicted on Exhibit C-1.

2.2 Improvements and Personal Property. The Property shall include Seller's rights in all improvements, structures, fixtures, permits and entitlements on the land and all personal property, if any, which it acquired at the time of Seller's purchase of the Property ("**Seller's Improvements**" herein), but shall exclude all improvements, structures, and fixtures and personal property owned by Seller's predecessors in interest and others under the agreements identified in Section 2.3 below.

2.3 Reservation. The Seller's fee title of the Property is subject to a reservation of all oil, gas, and hydrocarbon substances lying below a depth of five hundred feet (500'). Seller's fee title is also subject to certain rights to use the surface of the Property for oil and gas operations pursuant to agreements collectively referred to hereinafter as "Existing Oil and Gas Agreements", which rights going forward are to be negotiated between Buyer and BreitBurn Energy Company ("**BEC**"), resulting in a new "Surface Rights Agreement", under which there will be established and defined certain parameters and rights for both the orderly surface development of the Property and existing and future oil and gas operations to be conducted by BEC.

2.3.1 Additional Exceptions. Additionally, the Property shall be conveyed to Buyer subject to the following:

2.3.2 All the title exceptions set forth in the Preliminary Title Report referred to in Section 6.2 hereinafter.

2.3.3 All other valid and existing assessments, conditions, easements, reservations, restrictions, licenses, agreements, leases, and exceptions affecting the Property, recorded or otherwise disclosed to Buyer.

ARTICLE III.

PURCHASE PRICE

3.1 Purchase Price. Buyer hereby agrees to purchase from Seller, and Seller agrees to sell to Buyer all Seller's right, title and interest in and to the Property upon the terms and conditions hereinafter set forth. The Purchase Price for Buyer's acquisition of the Property shall be \$30,200,000, subject to the adjustments and reductions set forth in Section 3.2 hereinafter (the "**Purchase Price**").

3.2. Oil Field Work. The Purchase Price shall be reduced by the mutually agreed upon estimated costs incurred by Buyer for the "**Oil Field Work**" as defined herein: (i) required oil pipeline and electrical relocations, and (ii) oil well reabandonments ordered by governmental agencies having

jurisdiction over such reabandonments, including but not necessarily limited to the California Department of Conservation, Division of Oil, Gas & Geothermal Resources (“DOGGR”). Buyer and Seller shall work together, reasonably and in good faith, to reduce the actual costs of such Oil Field Work. The mutual agreement of Buyer and Seller on a fixed sum price for such Oil Field Work shall be a condition precedent to Buyer’s and Seller’s respective obligations to Close of Escrow, as is hereinafter defined in Section 4.6.

ARTICLE IV.

ESCROW AND DEPOSIT OF FUNDS

4.1 Escrow and Escrow Holder. This Agreement shall be consummated through an escrow (“Escrow”) established with Chicago Title Company (“Escrow Holder”) and whose address and escrow officer is as follows:

Chicago Title Company
725 S. Figueroa Street, Suite 200
Los Angeles, California 90017
Attn: David Balassi

4.2 Opening of Escrow. Within three (3) days after execution of this Agreement, the Parties shall open an Escrow with the Escrow Holder by causing an executed copy of this Agreement to be deposited with Escrow Holder (the “Opening of Escrow”).

4.3 Escrow Instructions. Escrow Holder shall administer Escrow in conjunction with the escrow instructions set forth herein and is authorized to act thereunder insofar as closing this Escrow is concerned. However, Escrow Holder should only be obligated to comply with the escrow instructions or supplemental escrow instructions that will be a part of this Agreement. All other items of this Agreement are matters between the Parties. In addition, Buyer and Seller agree to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions of Escrow Holder, or other instruments as may reasonably be required by Escrow Holder in order to consummate the transaction contemplated by this Agreement, and shall provide the Escrow Holder with such other information, documents, and instruments as the Escrow Holder may reasonably require to enable it to close the transactions on the Closing Date. Any such supplemental instructions shall not conflict with, amend or supersede any portions of this Agreement, and must be reasonably acceptable to Buyer and Seller. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control. Within fifteen (15) days after execution of this Agreement, each party shall execute and deliver to the Escrow Holder any of its written instructions consistent with the terms of this Agreement.

4.4 Deposit of Funds. The Final Purchase Price shall be paid as follows:

4.4.1 Within three (3) business days of Opening of Escrow, Buyer shall deposit into Escrow the sum of two hundred and fifty thousand dollars (\$250,000) to be applied to the account of Buyer against the Purchase Price on the Closing Date as defined below (the “Initial Deposit”). Fifty thousand dollars (\$50,000) of the Initial Deposit shall be nonrefundable to Buyer (the “Nonrefundable Deposit”), subject to Buyer’s reimbursement for certain costs as described below. In the event this Agreement is terminated by Buyer, the Nonrefundable Deposit shall be released to Seller, provided, however, the Nonrefundable Deposit shall be reduced by an amount equal to the out-of-pocket third-party costs and expenses incurred by Buyer in connection with its investigations (i.e. ALTA Surveys, Environmental Reports, etc.) (collectively, the “Third Party Due Diligence Costs”). Within three (3) days of the expiration of the “Due Diligence Period” as defined below, Buyer shall deposit into Escrow an additional five hundred thousand dollars

(\$500,000) (the “**Additional Deposit**”). The “**Initial Deposit**” and “**Additional Deposit**” are referred to collectively herein as the “**Deposit**”.

4.4.2 Buyer shall deposit the balance of the Purchase Price, less the Deposit, in Escrow in cash or by cashier’s check during business hours at least one (1) business day before the Closing Date.

4.5 Deposit Interest. Escrow Holder shall invest the Deposit in an interest-bearing account selected by Seller. Interest on the Deposit shall be for the benefit of Buyer and shall be credited towards payment of the Purchase Price or refunded and disbursed to Buyer regardless of the party that becomes entitled to the Deposit under this Agreement. Escrow Holder is hereby authorized to invest said funds with an institution of credibility with which the Escrow Holder deals with on a daily basis.

4.6 Close of Escrow. The “Close of Escrow” or “Closing Date” shall be, unless mutually agreed to by the Parties in writing, fifteen (15) days following satisfaction of the following, collectively: 1) expiration of the Due Diligence Period without Buyer having delivered a Disapproval Notice to Seller; 2) Project Plan Approvals by the City of Santa Fe Springs pursuant to the City of Santa Fe Springs Code of Ordinances and environmental review under the California Environmental Quality Act; 3) approval of a certified Remediation Action Plan from the Department of Toxic Substances Control or other state or federal agency with legal oversight authority (if required); 4) receipt of a certified Release of Groundwater Contamination from the Regional Water Quality Control Board (if required); and 5) approval by the Parties of the Oil Field Work and the agreed upon costs thereof. The Closing Date shall occur on or prior to December 31, 2018 (the “**Outside Closing Date**”), which Outside Closing Date may be extended for thirty (30) days upon prior written notice from Buyer to Seller.

ARTICLE V.

DUE DILIGENCE PERIOD

5.1 Due Diligence Period. Buyer shall have sixty (60) days after Seller has obtained all necessary approvals from the DOF and OB (collectively, the “**Initial Due Diligence**”) to (i) conduct or review surveys, investigations, studies and inspections and make or review such geologic, environmental and soils tests and other studies of the Property, (ii) review the Preliminary Title Report(s) and all documents provided by Seller, (iii) review all other applicable due diligence materials respecting the Property, (iv) obtain Project Plan Approvals from the City of Santa Fe Springs, which Approval shall include review under the California Environmental Quality Act (“CEQA”), plus all other approvals, if any, from other governmental agencies the approvals of which are required for Buyer’s proposed development for the Property, excepting therefrom building permits, beyond all applicable appeal periods (the “**Project Plan Approvals**”), and (v) review any other aspect of the ownership, development, operation, marketing, condition, feasibility, financing, legal, title, entitlement, land use, subdivision, of or relating to the Property. Buyer may provide Seller with notice to extend the Initial Due Diligence for up to four (4) additional thirty (30) day extensions as necessary to obtain Project Plan Approvals (each, a “**Due Diligence Extension**”; the “**Initial Due Diligence**” and “**Due Diligence Extension**” are collectively referred to as “**Due Diligence Period**”). Any extension of the Due Diligence Period beyond one hundred eighty (180) days shall require mutual agreement of the Parties. If Buyer, in its sole and absolute discretion, determines that the results of any information, inspection, test, examination or any investigation provided under this Agreement or performed or obtained during the Due Diligence Period fails to meet Buyer’s criteria for the purchase and operation of the Property, then Buyer shall have the option to terminate this Agreement and shall so advise Seller by written notice (“**Disapproval Notice**”), with a copy to Escrow Holder, given no later than 5:00 p.m. (Pacific Standard Time) on or before the last day of the Due Diligence Period. In the event Buyer provides the Disapproval Notice to Seller on or before the expiration of the Due Diligence Period, then this Agreement shall be deemed terminated, in which event: (i) Escrow Holder shall return the Deposit to Buyer, less the difference between the Nonrefundable Deposit and all Third Party Due Diligence Costs; (ii) Buyer and Seller shall each pay one-half of Escrow expenses

incurred to date of termination; and (iii) neither party shall have any right against the other arising out of such termination, except for any rights that expressly survive the termination of this Agreement. If Buyer fails to timely deliver the Disapproval Notice on or before the expiration of the Due Diligence Period, this Agreement shall remain in full force and effect, and Buyer shall have no further right to terminate the Agreement pursuant to this Section 5.1. Upon completion of the Due Diligence, Buyer shall provide to Seller all documentation and information related to the extent of Oil Field Work required on the Property and the Fixed Sum Price of completing the Oil Field Work.

5.2 Right to Enter and Conduct Due Diligence. At any time within the Due Diligence Period, Buyer and its agents and representatives, shall have the right at reasonable times and subject to the rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No invasive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the recompaction or removal of any disrupted soil or material as Seller may reasonably direct. None of Buyer or Buyer's authorized inspectors, agents and representatives ("**Buyer's Parties**") shall cause any adverse impact to the Property and to the extent reasonably practicable Buyer will restore the Property in a timely manner at Buyer's sole cost to the condition that existed immediately prior to the Buyer's Parties entry thereon. Prior to making any on-site inspections, Buyer shall notify the BEC by sending an electronic mail to BEC (jwashburn@brietburn.com) detailing the date, time, person(s) and work to be performed with a copy to Steve Carlson (carlson@mcandc.com), and Rick McGeagh (rick.mcgeagh@cbre.com).

5.3 Due Diligence Consultants. The Parties acknowledge that development of the Property was previously considered by prior developers, and certain expert consultants have prepared materials, and possess institutional knowledge, with respect to the development of the Property. In order to perform its due diligence investigations as quickly as possible, Buyer shall use its best, reasonable efforts to utilize such existing materials and consultants familiar with the Property.

5.4 Materials. Within five (5) days of the date hereof, Seller shall make available for inspection by Buyer and Buyer's Parties documents, reports, surveys, environmental assessments, engineering reports, building plans and blueprints in Seller's possession or under its control or that of its agents respecting the Property, including (but not limited to): (i) any Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties, (ii) any Natural Hazard Zone Disclosure Report, (iii) all lease agreements, if any, relating to any tenant or occupant then occupying the Property, and (iv) the Prior Diligence Materials (collectively "**Materials**"). During the Due Diligence Period, Buyer may review and evaluate the Materials to determine whether the Property is appropriate for Buyer's proposed use, in its sole discretion.

ARTICLE VI.

TITLE MATTERS AND TITLE INSURANCE

6.1 Condition of Title. It shall be a condition to the Close of Escrow that title to the Property be conveyed to Buyer by Seller by Grant Deed in form and substance reasonably acceptable to Buyer and Escrow Holder, a form of which is attached hereto as Exhibit "D" (the "**Grant Deed**"), duly acknowledged by Seller and subject only to (i) the conditions of title set forth in the Preliminary Title Report, referred to in Section 6.2 and which Buyer has not disapproved, (ii) those reservations and exclusions identified in Section 2.3, and (iii) other matters mutually agreed upon by the parties hereto ("**Approved Condition of Title**"). The final documents shall be delivered, when available, by Seller to Buyer for Buyer's approval in accordance with Article XI.

Seller covenants and agrees that during the term of this Escrow, it will not cause or permit title to the Property to differ from the conditions of title that Buyer shall have approved from time to time in accordance with this Section 6.1's Approved Condition of Title. Any liens, encumbrances, easements, conditions, covenants, restrictions, rights of way or other matters affecting the Approved Condition of Title which may appear of record or be revealed after the date of delivery of the Title Exceptions, referred to above, ("**Additional Title Exceptions**" herein) shall also be to Buyer's approval and must be eliminated or ameliorated to Buyer's satisfaction by Seller as a condition to the Close of Escrow.

6.2 Title Insurance. Seller will furnish Buyer within five (5) days of execution of this Agreement a Preliminary Title Report for its standard California Land Title Association ("**CLTA**") policy of title insurance (the "**Preliminary Title Report**") with legible copies or reasonable access to all documents relating to the items reported as exceptions in the Preliminary Title Report. Escrow Holder or other title insurance company acceptable to the Parties shall issue the Preliminary Title Report to both Buyer and Seller.

ARTICLE VII.

DISCLOSURE OF PHYSICAL CONDITIONS OF PROPERTY

7.1 Present Physical Condition of Property

7.1.1 Surface Rights: Oil Field Operations. Oil field exploration and production operations are taking place on the Property pursuant to the Existing Oil and Gas Agreements. In addition to the Existing Oil and Gas Agreements, which Buyer shall obtain from the Title Company, Seller shall make available to Buyer for inspection any pertinent documents, which are in Seller's possession, that relate to BEC's operations on the Property. Notwithstanding the foregoing, Seller has not made an independent investigation to determine the truth or accuracy of any and all documents and shall have no liability to Buyer for any inaccuracy, misrepresentation or omission of information. Seller makes no representation or warranty regarding the accuracy or completeness of any information contained in the Due Diligence Items, all such information being made available on an "AS-IS" basis.

7.1.2 Surface Rights Agreement Pipeline Easement Adjustments. The Surface Rights Agreement shall provide for facilities easements (referred to in the Surface Rights Agreement as "**Facilities Easements**") for power lines, communication lines, pipelines and these easements will be recorded as part of the Surface Rights Agreement. Buyer will construct said improvements as provided in the Surface Rights Agreement all as set forth in the Project Plan Approvals.

7.1.3 Oil Field Conditions.

7.1.3.1 Oil Field Infrastructure and Abandoned Wells. Development of the Property will require the relocation of oil field infrastructure, the details of which are to be negotiated between the Buyer and BEC. Also, the Property has active, idle and abandoned oil wells. Development of the Property may require the reabandonment of a number of wells pursuant to present standards, regulations and laws. In addition, BEC previously abandoned five (5) wells to facilitate development of the Project, and the Successor Agency and BEC have agreed that BEC will be reimbursed for the cost of such abandonment, out of the net proceeds of the sale of the Property at the time of Close of Escrow. Buyer shall have no responsibility for the reimbursement to BEC of the cost for the abandonment of the five (5) wells. Buyer is responsible (at Buyer's cost, subject to a credit of the Purchase Price) for relocating the oil field infrastructure pursuant to the Surface Rights Agreement in order to develop the Property.

7.1.3.2 Abandoned Pipelines and Structures. There may exist buried pipelines and other structures (“**Abandoned Pipelines**”) on the Property. Buyer should be able to discover and remove (at Buyer’s cost, subject to a credit of the Purchase Price) any Abandoned Pipelines that may affect the building of structures on the Property, but Seller makes no warranty that the Property is free and clear of all such items.

7.1.3.3 Environmental Remediation. Further, Buyer and Seller acknowledge that the Property may require environmental remediation including the removal of buried fuel storage tanks and other possible buried structures, as well as the removal of any soil contaminated by possible tank leaks, abandonment the Abandoned Pipelines and the abandoned wells. Buyer shall undertake such remediation, the cost of which would be deducted from the Purchase Price. Buyer shall determine the amount necessary to perform the work described in this Article VII, plus the amount for possible cost overruns and contingencies. The Parties shall negotiate in good faith to reach agreement on the amount to be offset against the Purchase Price, including the amount to be withheld for cost overruns and contingencies. Seller shall not withhold approval of such amounts unreasonably.

7.1.4 Soils.

7.1.4.1 Seller shall make available to Buyer any environmental reports as Seller has in its possession. Buyer will conduct an independent investigation of the soils and other environment conditions as may be required such that Buyer is satisfied with the environmental status of the Property.

7.1.4.2 Buyer’s Methane Test. It is understood by the parties that the City of Santa Fe Springs requires methane tests for nearly all construction within its jurisdiction. Buyer shall have the right to conduct methane tests at its own expense on the Property and shall submit to Seller the proposed scope of work of Buyer’s testing agent in order to not cause any environmental damage or interference with Seller’s or BEC’s operations. Seller shall have five (5) days to approve Buyer’s scope of work and permit Buyer to commence with the testing. Failure of Seller to approve within such five (5) day period shall be deemed Seller’s approval of Buyer’s scope of work.

ARTICLE VIII.

CONDITIONS PRECEDENTS

The purchase and sale of the Property under this Agreement shall be subject to the satisfaction of the conditions precedent set forth in this Article VIII (unless waived in writing by the party or parties to whom the benefit of such condition runs) on or before the Closing Date or such earlier date as is specified in this Agreement.

8.1 Conditions to Buyer's Obligations.

8.1.1 Title Policy. The Escrow Holder shall have issued, or be irrevocably committed to issue, its standard CLTA Owner's Standard Coverage Policy of Title Insurance (the "**Title Policy**") insuring Buyer as the owner of the Property and in an amount equal to the Purchase Price subject only to: (i) liens for real property taxes shown as exceptions in the Title Report provided that the taxes are not delinquent; (ii) the standard exclusions to coverage under the Title Policy;; (iii) any other lien or encumbrance which is caused or approved by Buyer prior to the Close of Escrow; (iv) any title exceptions which are not objected to by Buyer prior to the expiration of the Due Diligence Period (other than matters first arising after the expiration of the Due Diligence Period); and (v) all utility easements of record which do not interfere with the present or planned use of the Property (collectively, the "**Permitted Exceptions**").

8.1.2 Representations and Warranties. Each of the representations and warranties by Seller contained in Section 10.1 shall be true and correct in all material respects as of the date made and continue to be true and correct in all material respects as of the Close of Escrow.

8.1.3 Delivery of Closing Documents. Execution, delivery and acknowledgement as appropriate by Seller of the closing documents set forth in Section 11.3 and other necessary closing documents as may be reasonably requested by Buyer or Escrow Holder.

8.1.4 Seller Performance. Seller shall have duly performed in all material respects each and every undertaking, covenant and agreement required to be performed by Seller under this Agreement prior to or at the Close of Escrow.

8.1.5 Litigation. At Close of Escrow, there shall be no material suits or claims that are pending against the Property or against Seller or Buyer with respect to the Property or this Agreement.

8.1.6 Remediation Plan. Buyer shall have obtained a certified Remediation Action Plan from the Department of Toxic Substances Control or other state or federal agency with legal oversight authority (if required);

8.1.7 RWOCB. Buyer shall have received a certified Release of Groundwater Contamination from the Regional Water Quality Control Board (if required);

8.1.8 Oil Field Work. Buyer shall have obtained the approval to perform the Oil Field Work and the Parties shall have agreed on costs thereof and the mechanism for payment of such costs out of the Purchase Price.

8.2 Conditions to Seller's Obligations.

8.2.1 Delivery of Purchase Price. The Purchase Price shall have been delivered by or on behalf of Buyer to Escrow Holder.

8.2.2 Representations and Warranties. Each of the representations and warranties by Buyer contained in Section 10.2 shall be true and correct in all material respects as of the date made and continue to be true and correct in all material respects as of the Close of Escrow.

8.2.3 Delivery of Closing Documents. Execution, delivery and acknowledgement as appropriate by Buyer of the closing documents set forth in Section 11.3 and other necessary closing documents as may be reasonably requested by Seller or Escrow Holder.

8.2.4 Buyer Performance. Buyer shall have duly performed in all material respects each and every undertaking, covenant and agreement required to be performed by Buyer under this Agreement prior to or at the Close of Escrow.

8.2.5 Litigation. At Close of Escrow, there shall be no material suits or claims that are pending against the Property or against Seller or Buyer with respect to the Property or this Agreement.

8.3 Good Faith Approvals and Termination. Both parties' obligations to perform acts or to approve, disapprove, or conditionally approve documents, materials or other matters called for in this entire Agreement shall be in good faith, and the parties shall use their best efforts to obtain the necessary approvals called for from third parties. A party's failure to act in good faith or to use its best efforts shall constitute a material breach.

8.4 Election to Remove Defects. Seller shall have the right to remove any defects, which are conditions to Buyer's performance under the Agreement in accordance with the following procedure:

(a) In the event that Buyer disapproves any matter on which this Agreement is conditioned for Buyer's benefit, or if there is a breach of any covenant or warranty by Seller discovered by Buyer before Close of Escrow, Buyer shall give Seller written notice specifying the items breached or disapproved within ten (10) calendar days of discovery.

(b) Seller may, at Seller's sole election, make an election to correct those matters, within fifteen (15) days of receipt of Buyer's written notice by giving Buyer written notice of Seller's election. (This election period may be extended a reasonable time if Seller reasonably needs further time to investigate the facts and issues raised by Buyer's written notice, but in no event shall be extended by a period of more than 15 calendar days.)

(c) If Seller elects to correct the matter, Seller shall do so within ninety (90) days from delivery of Buyer's written notice. Seller shall for this purpose be entitled to postpone Close of Escrow for no more than ninety (90) days.

(d) If Seller elects not to correct or fails to correct all those matters within the correction period, Buyer has the election of (1) terminating the Agreement without any liability on the part of either party except as set forth below or (2) accepting the Property with a reduction of the price in amount agreed upon by the Parties to account for the for the uncorrected matter. If Buyer terminates this Agreement under this paragraph, Buyer shall be entitled to the prompt return of the Deposit and interest thereon, less half (1/2) of the Escrow cancellation fees and costs and title company charges incurred. Seller shall pay half (1/2) of the Escrow cancellation fees and costs and title company charges incurred.

The parties agree to provide Escrow Holder with written, mutual cancellation instructions should the provisions of this paragraph become applicable.

ARTICLE IX.

RELEASES/INDEMNITY SITE CONDITION

9.1 Environmental Laws. For purposes of this Agreement, "Environmental Laws" shall mean all federal, state or local statutes, regulations, ordinances, codes or rules as such have been or may hereafter be enacted, adopted, amended or supplemented and all common law causes of action relating to the protection of human health or the environment, including without limitations the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 7401, et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601, et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. Section 300f, et seq.), the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. Section 136, et seq.) and the Clean Air Act, as amended (42 U.S.C. 7401, et seq.), and private rights of action for nuisance, trespass, or damages to property or persons.

9.2 Hazardous Materials. For the purposes of this Agreement, Hazardous Materials shall be deemed to mean asbestos, polychlorinated biphenyls, petroleum or by-products thereof, radioactive materials, or any chemical, material or substance included in the definitions of "hazardous substances", "hazardous materials", "hazardous waste", "toxic substances" and/or words of similar import under any federal, state and local laws, ordinances, rules and regulations whether present or future, relating to and/or dealing with the protection of the environment and/or human health and safety and/or applicable to the generation, handling, manufacture, installation, treatment, storage, use, transportation, discharge, disposal, presence and/or release into the air, soil, water at, above or below ground level (whether accidental or intentional) of such substances or materials.

9.3 As-Is Acceptance of Property. Buyer acknowledges the potential need for environmental remediation of the Property, potential existence of Hazardous Materials contamination and other development constraints, and notwithstanding any contrary provisions of this Agreement or otherwise, Buyer shall and does agree to take the Property in its current condition AS-IS, WITH ALL FAULTS, all defects and conditions whatsoever then existing on the Property, including any Hazardous Materials (as defined herein above), vaults, debris, pipelines, wells, sumps or other structures that are or may be located in, on, under, or around the Property, whether known or unknown. Buyer assumes all responsibility for any and all such defects, faults, and conditions and shall be responsible for any and all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials, existing within the Property. Except as otherwise set forth in this Agreement, Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. Buyer acknowledges that any liability of Seller for the environmental condition of the Property, including liability for any Environmental Law, shall be extinguished, except a condition resulting directly from the Seller's gross negligence, willful or intentional misconduct, and that Seller shall have no liability for further remediating any environmental condition of the Property, unless otherwise required by any Environmental Laws.

9.5 Buyer's Release of Seller. Notwithstanding any contrary provisions of this Agreement or otherwise, upon the Close of Escrow Buyer shall release Seller, its officers, directors, shareholders, affiliates, subsidiaries, heirs, and successors from any and all claims, liabilities, expenses, costs, or damages that Buyer may incur arising from the presence of any Hazardous Materials (as defined herein above) which are or may be located in, on, under, or around the Property, whether or not caused by Seller or any predecessor-in-interest of Seller. Buyer expressly preserves its rights against other parties and does not release, or waive its rights to contribution against, any other party.

9.6 Waiver of Civil Code § 1542. Buyer hereby acknowledges that it has read and is familiar with the provisions of California Civil Code § 1542 (“Section 1542”), which are set forth below:

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

Buyer hereby waives the provisions of Section 1542, and of any statute, principle of common law or case law which would limit the scope of the foregoing waiver and release, in connection with matters which are the subject of the foregoing waiver and release.

AG Buyer's Initials

9.7 Natural Hazards. BUYER ACKNOWLEDGES THAT “NATURAL HAZARDS” DESCRIBED IN THE FOLLOWING CALIFORNIA CODE SECTIONS (THE “NATURAL HAZARD LAWS”) MAY AFFECT THE PROPERTY: GOVERNMENT CODE SECTIONS 8589.4; 8589.3; GOVERNMENT CODE SECTIONS 51183.4, 51183.5 (FIRE HAZARD SEVERITY ZONE); PUBLIC RESOURCE CODE SECTION 2621.9 (EARTHQUAKE FAULT ZONE); PUBLIC RESOURCE CODE SECTION 2694 (SEISMIC HAZARD ZONE); AND PUBLIC RESOURCE CODE SECTION 4136 (WILDLAND AREA). BUYER ACKNOWLEDGES AND AGREES THAT BUYER HAS HAD THE OPPORTUNITY TO INDEPENDENTLY EVALUATE AND INVESTIGATE WHETHER ANY OR ALL OF SUCH NATURAL HAZARDS AFFECT THE PROPERTY AND SELLER SHALL HAVE NO LIABILITIES OR OBLIGATIONS WITH RESPECT THERETO. WITHOUT LIMITING THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT BUYER KNOWINGLY AND INTENTIONALLY WAIVES ANY DISCLOSURES, OBLIGATIONS OR REQUIREMENTS OF SELLER WITH RESPECT TO NATURAL HAZARDS, INCLUDING, WITHOUT LIMITATION, ANY DISCLOSURE OBLIGATIONS OR REQUIREMENTS UNDER THE AFOREMENTIONED CODE SECTIONS OR UNDER CALIFORNIA CIVIL CODE SECTION 1102(C). BUYER REPRESENTS THAT BUYER HAS EXPERIENCE ACQUIRING AND CONDUCTING DUE DILIGENCE, AND THAT THIS WAIVER HAS BEEN NEGOTIATED AND IS AN ESSENTIAL ASPECT OF THE BARGAIN BETWEEN THE PARTIES.

ARTICLE X.

REPRESENTATIONS AND WARRANTIES

10.1 Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Buyer which, to the best of Successor Agency's knowledge are true in all respects as of the date hereof and shall be true in all respects on the date of Close of Escrow and shall survive the Close of Escrow, each of which said representations is material and relied upon by Buyer (the continued truth and accuracy of which constitutes a condition precedent to Buyer's obligations hereunder). Seller represents and warrants to Buyer:

10.1.1 Authority of Seller. Seller is Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs, duly organized and validly existing under the laws of the State of California.

10.1.2 Legal Power. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof.

10.1.3 No Default. To the best knowledge of Seller, there is no default of any contracts, documents, agreements, or obligations not otherwise disclosed herein.

10.1.4 Delivery of Documents. Seller has and will make available to Buyer copies of all materials in Seller's possession, as provided in Section 5.4, above.

10.1.5 No Lawsuits Pending. To the best of Seller's knowledge, there are no lawsuits against Seller or its predecessors in interest that could affect Buyer's ownership, title or development of the Property after the Close of Escrow.

10.1.6 No Governmental Order for Further Work. Seller has no actual knowledge of any order or directive of any City, county, state, or federal authority, that any work of repair, maintenance, or improvements be performed on the Property other than those disclosed by this Agreement and documents, materials and other items delivered to Buyer.

10.1.7 No Violation or Condemnation. Seller has no actual knowledge, other than disclosed by this Agreement, of any present violation of any law, including, any Environmental Law, ordinance, rule, or administrative or judicial order affecting the Property, nor any condemnation, zoning change, or other proceeding or action (including legislative action) pending, threatened, or contemplated by any governmental body, authority, or agency which will affect the Property as of the date of execution of this Agreement.

10.1.8 Soil Conditions; Hazardous Materials.

10.1.8.1 Seller has disclosed and will make available to Buyer at Seller's offices during normal business hours upon reasonable notice to Seller all information available to Seller or actually known to Seller, including but not limited to the information referred to in Section 7.1.3, including all documents and materials relating to the existence, release or emission of Hazardous Materials (including petroleum hydrocarbon/crude oil) in or on the Property (or relating to governmental actions, approvals or investigations with respect thereto).

10.1.8.2 To Seller's actual knowledge, Seller: (i) Is unaware of any breach of any environmental laws on the Property or any part thereof; (ii) does not know whether any part of the Property has ever been used as a landfill, dump, toxic waste disposal Property or storage area; (iii) does not know whether there are any underground storage tanks at the Property, whether any such tanks were previously removed, or, with respect to removed tanks, at the time of removal, any contaminated soil was removed; and (iv) does not know whether the Property is free of any Hazardous Materials that would trigger response or remedial action under any environmental laws or any existing common law theory based on nuisance or strict liability. These representations are limited to matters of which Seller has actual knowledge, and Buyer acknowledges that Seller has not made any affirmative investigation as to environmental issues affecting the Property in connection with this Agreement.

10.1.9 Termination Due to Sale to Others. Seller represents and warrants to Buyer that during the term of this Agreement, Seller will not enter into an agreement to sell any or all of the Property to another Buyer, and that Seller has not previously sold, transferred or conveyed the Property, or granted to any other person or entity any right or interest in all or any part of the Property and Seller has not entered into any executory contracts for the sale of all or any part of the Property (other than this Agreement), nor do there exist any rights of first refusal or options to purchase the Property, other than this Agreement.

10.1.10 Leases. To Seller's actual knowledge, there are no leases or other agreements (whether oral or written) affecting or relating to the rights of any party with respect to the possession of

the Property or any portion thereof, as of the Effective Date or which will be in effect after the Close of Escrow, except for existing oil and gas agreements.

10.1.11 Bond and Assessments. To Seller's actual knowledge and except for matters of record as of the date hereof, there are no bonds or assessments or charges for any public improvements or utilities made against the Property which remain unpaid (or which will remain unpaid by Seller as of the Closing Date).

10.1.12 DOF, OB, and Successor Agency. Seller does not require any approvals or consents from the DOF, the OB, the Successor Agency, the City or any other party in order to sell the Property and effectuate the transactions contemplated by this Agreement, and Seller further represents and warrants that it has the power and authority to sell the Property to Buyer.

All representations and warranties contained in this Agreement shall be deemed remade as of and will survive the Closing Date, except in the event of a change in circumstances not within the control of Seller affecting any representations or warranties set forth herein, in which case Seller shall provide written notice to Buyer regarding such changed circumstances within a reasonable time following such change (not to exceed five (5) Business Days following the date the Successor Agency obtains actual knowledge of the changed circumstance), and prior to the Close of Escrow. As used herein, "actual knowledge" of Seller refers to the actual knowledge of Seller's employees and agents directly involved in the negotiation and/or drafting of this Agreement, those responsible for the acquisition or maintenance of the Property, the Successor Agency's attorney and the clerk to the Successor Agency.

10.2 Buyer's Representations and Warranties. Buyer represents and warrants to Seller that the following shall be true as of (1) the date that Buyer delivers the documents, materials or other items for Seller's written approval or disapproval, and (2) as of the Closing Date:

10.2.1 Authority of Buyer. Buyer is a the legal entity (or are the legal entities) as set forth in the first paragraph of this Agreement, and Buyer has the legal right, power and authority to enter into this Agreement and all the instruments referenced herein.

10.2.2 All Requisite Actions Taken. All requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transaction contemplated hereby. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority or other party is required.

10.2.3 Legal Power. The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

10.2.4 Buyer's Full Review. Buyer has obtained and fully reviewed all documents, materials and other matters which it deems necessary or appropriate with respect to the Property and the transaction contemplated herein.

10.3 Warranties to Survive Delivery of Deed. All warranties, covenants, and other obligations contained herein shall survive delivery of the Grant Deed.

ARTICLE XI.

CLOSING OF ESCROW

11.1 Place of Closing. The place for the Closing of Escrow shall take place at the Escrow Holder's office.

11.2 Close of Escrow. This Escrow shall close as outlined in Section 4.6 of this Agreement, unless Buyer and Seller mutually agree in writing otherwise.

11.3 Delivery of Documents Through Escrow.

11.3.1 Seller's Documents. On the date of Close of Escrow, Seller shall deliver or cause to be delivered to Buyer through Escrow the following:

11.3.1.1 The Grant Deed in the form approved by Buyer.

11.3.1.2 The Title Policy issued by Escrow Holder in the full amount of the purchase price, insuring title vested in Buyer, subject only to the printed provisions of the policy and the exceptions approved by Buyer under Paragraph 6.1.

11.3.1.3 Possession of the Property, subject to all possessory claims disclosed to and approved or waived by Buyer under this Agreement.

11.3.1.4 A certificate in the form attached as Exhibit "E" or any other documentation required under Section 1445 of the Internal Revenue Code to evidence that Seller is not a "foreign person or entity" within the meaning of the Foreign Investment and Real Property Tax Act of 1980.

11.3.1.5 General Assignment and Bill of Sale. Seller shall deliver to Escrow Holder an assignment and bill of sale ("General Assignment"), duly executed by Seller in the form of, and upon the terms contained in, Exhibit "F" attached hereto and incorporated herein.

11.3.1.6. Seller's Authorization. Seller shall deliver to Escrow Holder all authorizations of Seller necessary to authorize Seller to execute, deliver, and perform its obligations under this Agreement, in form and substance reasonably acceptable to Buyer, executed by Seller's authorized parties.

11.3.2 Buyer's Documents. Buyer shall deliver or cause to be delivered to Seller through Escrow the following:

10.3.2.1 On the Closing Date, the Purchase Price, minus any applicable Deposit, as determined under Article III, in cash or in immediately available funds.

11.3.3 Prorations and Expenses.

11.3.3.1 Real Property taxes and interest on assessments assumed by Buyer shall all be prorated as of the Closing Date on the basis of a thirty (30) day month. The real property taxes shall be prorated based upon the current tax rate applicable for the period being prorated. Delinquent taxes shall not be prorated, however, and Seller shall pay on or before the Closing Date all delinquent taxes and any associated interest and penalties, if any. If Seller does not pay all delinquent taxes on or before the Closing Date, said delinquent taxes shall be paid at the Close of Escrow from the funds accruing to Seller. Bonds or assessments of record shall be prorated as of the Closing Date and will be assumed by Buyer, subject to review and approval of the Buyer within ten (10) days of notice thereof.

11.3.3.2 Seller shall pay all costs and expenses of clearing title, preparing, executing, acknowledging, and delivering the Grant Deed, the Title Policy (as stated in Paragraph 6.2), and shall pay all transfer taxes. Seller shall pay all recording fees. Buyer shall pay all the title policy costs over and above the Title Policy, and all fees and costs resulting from any new financing. Buyer and Seller shall each pay one-half (1/2) of the Escrow fee.

11.3.3.3 Buyer shall deposit in Escrow before the Closing Date the amounts it owes for prorations and expenses; and Seller's share of prorations and expenses shall be deducted from sums due to Seller at Close of Escrow.

11.4 Broker's Commission. Seller shall pay through Escrow at the Close of Escrow and conditioned on the Close of Escrow brokerage commissions as follows, which amount may be paid through Escrow:

To Seller's Broker the sum equal to five percent (5%) of the Final Purchase Price. The commission is payable to CBRE, Inc. as Seller's representative

whose address is: CBRE, Inc.
 2221 Rosecrans Ave, Suite 100
 El Segundo California 90245
 United States
 Attn: Rick McGeagh

Buyer and Seller hereby acknowledge that no other brokerage commission or finder's fee is payable with regard to this transaction; and the Buyer and Seller each ("Indemnitor") agree to indemnify and hold the other harmless from and against all liability, claims, demand, damages, or costs of any kind arising from or connected with any broker's or finder's fee or commission or charge claimed to be due any person arising from Indemnitor's conduct with respect to this transaction, other than the commissions and finders fees authorized in this Paragraph.

ARTICLE XII.

LIQUIDATED DAMAGES

12.1 Default and Termination.

11.1.1 Default by Buyer: Deposit as Liquidated Damages. IN THE EVENT THE SALE OF THE PROPERTY AS CONTEMPLATED HEREUNDER IS NOT CONSUMMATED BECAUSE OF A DEFAULT UNDER THIS AGREEMENT SOLELY ON THE PART OF BUYER, FIFTY-THOUSAND DOLLARS OF THE BUYER'S DEPOSIT SHALL BE PAID TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE THEREFORE, BY PLACING THEIR SIGNATURES BELOW, THE PARTIES ACKNOWLEDGE THAT THE DEPOSIT (PLUS INTEREST) HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER IN THE EVENT OF A DEFAULT SOLELY ON THE PART OF BUYER.

Buyer's Initials

AG

Seller's Initials

ARTICLE XIII

BUYER'S REMEDIES

13.1 Buyer's Remedies. If this transaction fails to close on account of a default by Seller under this Agreement, Purchaser shall be entitled either (a) to enforce Seller's obligations to convey the Property by delivering written notice to Seller pursuant to an action for specific performance, or (b) to terminate this Agreement by delivering notice to Seller and Escrow Holder, receive from Escrow Holder a prompt refund of the Deposit, and recover from Seller all of Purchaser's actual out-of-pocket third-party costs incurred as part of Purchaser's due diligence efforts hereunder in an amount not to exceed Seventy Five Thousand Dollars (\$75,000). Buyer understands and acknowledges that Seller's ability to make any such payment is subject to the approval of the OB and the DOF. Purchaser's remedies hereunder are in addition to the right to receive the return of the Deposit to the extent it is not applied to the Purchase Price in connection with Purchaser's action for specific performance.

ARTICLE XIV
RISK OF LOSS AND INSURANCE

14.1 **Condemnation.** If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain with respect to the Property or any portion of the Property, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding ("Condemnation"), and if such Condemnation would: (i) materially and adversely affect the use or operation of the Property, (ii) have the effect of decreasing the square footage of the buildable area at the Property, or (iii) reduce or eliminate access to the Property, then Buyer may either (a) terminate this Agreement, or (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Buyer will be entitled to keep, all awards for the Condemnation that accrue to Seller; provided, however, if any award is rendered specifically to compensate Seller for Seller's lost goodwill, such an award shall belong to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Buyer's written consent. Seller must notify Buyer of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of such notice, and Buyer must exercise its option(s) as provided in this Section 14.1 within fifteen (15) days after receipt of such notice. If necessary, the Closing Date will be extended to give Buyer the full fifteen (15)-day period to make such election. Notwithstanding the foregoing, if any condemnation action is commenced prior to the Closing Date, Buyer shall have the right to terminate this Agreement and to receive the return of the Deposit, as well as a sum equal to Buyer's out-of-pocket costs incurred in connection with this transaction. Seller hereby waives any right Seller may have to condemn the Property or any portion thereof.

14.2 **Insurance.** Buyer shall maintain a commercial general liability insurance policy with respect to Developer's activities on or about the Property with liability limits of at least Two Million and no/100 Dollars (\$2,000,000.00) per occurrence and shall cause Seller to be named as an additional insured by way of endorsement thereto. Buyer shall also maintain Automobile Insurance with liability limits of at least One Million no/100 Dollars (\$1,000,000.00) per accident for owned, non-owned, and hired autos and Workers Compensation Insurance as required by law.

14.2.1 **Nature of Insurance.** All Liability Insurance and Automobile Liability Insurance policies required herein shall be issued by carriers that: (a) are listed in the then current "Best's Key Rating Guide—Property/Casualty—United States & Canada" publication (or its equivalent, if such publication ceases to be published) with a minimum financial strength rating of "A-" and a minimum financial size category of "VII" (exception may be made for the State Compensation Insurance Fund when not specifically rated); and (b) are authorized to do business in the State. Buyer may provide any insurance under a "blanket" or "umbrella" insurance policy, provided that: (i) such policy or a certificate of such policy shall specify the amount(s) of the total insurance allocated to the Property and the Project, which amount(s) shall equal or exceed the amount(s) required by this Agreement and shall not be reduced for claims made for other properties or projects; and (ii) such policy otherwise complies with this Agreement.

14.2.2 **Policy Requirements and Endorsements.** All insurance policies as required by this Agreement shall contain (by endorsement or otherwise) the following provisions:

(a) **Insured.** Liability Insurance and Automobile Liability Insurance policies shall name the Successor Agency as "additional insured." The coverage afforded to the Successor Agency shall be at least as broad as that afforded to Buyer and may not contain any terms, conditions, exclusions, or limitations applicable to the Seller that do not apply to Buyer.

(b) Primary Coverage. All policies shall be written as primary policies, respecting the Buyer. Any insurance or self-insurance maintained by the Buyer shall be excess of all insurance required under this Agreement and shall not contribute with it.

(c) Contractual Liability. Liability Insurance policies shall contain contractual liability coverage, for the Seller's indemnity obligations under this Agreement.

14.2.3 Deliveries to the Seller. Evidence of Developer's maintenance of all insurance policies required by this Agreement shall be delivered to Seller prior to the Close of Escrow. No later than three (3) days before any insurance required by this Agreement expires, is cancelled or its liability limits are reduced or exhausted, Developer shall deliver to Seller evidence of such Party's maintenance of all insurance this Agreement requires. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be cancelled, except after thirty (30) calendar days' advance written notice of cancellation or non-renewal has been given to Seller by certified mail, return receipt requested. Phrases such as "endeavor to" and "but failure to mail such Notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any certificates or policies of insurance applicable to the Parties pursuant to this Agreement.

14.2.4 Waiver of Certain Claims. Buyer shall cause each insurance carrier providing any Liability Insurance, Worker's Compensation Insurance, or Automobile Liability Insurance under this Agreement to endorse their applicable policy(ies) with a Waiver of Subrogation with respect to the Seller if not already in the policy.

14.2.5 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions under insurance policies required by this Agreement shall be declared to and approved by Seller. The insurer under each such insurance policy shall eliminate such deductibles or self-insured retentions as respects the Seller.

14.2.6 Insurance Independent of Indemnification. The insurance requirements of this Agreement are independent of the Parties' indemnification and other obligations under this Agreement and shall not be construed or interpreted in any way to satisfy, restrict, limit, or modify the Parties' indemnification or other obligations or to limit the parties' liability under this Agreement, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall the provision of such insurance preclude Seller from taking such other actions as are available to it under any other provision of this Agreement or otherwise at law or in equity.

ARTICLE XV.

GENERAL PROVISIONS

15.1 Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use their best efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

15.2 Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

15.3 No Obligations to Third Parties. Except as otherwise provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties thereto, to any person or entity other than the parties hereto.

15.4 Exhibits and Schedules. The Exhibits and Schedules, if any, attached hereto and referred to herein are hereby incorporated herein by this reference.

15.5 Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

15.6 Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

15.7 Confidentiality of Transaction. All notices and publication to third parties and all other publicity concerning the transaction contemplated in this Agreement shall be jointly planned and coordinated by and between Buyer and Seller. None of the parties shall act unilaterally in this regard without the prior written approval of the others; however, this approval shall not be unreasonably withheld. All information, documents, materials, matters, negotiations, tests, reports, opinions, Purchase Price, broker's commissions and other matters shared with the other party under the terms of this Agreement shall remain confidential, except as provided by law.

15.8 Attorneys' Fees. In the event either Buyer or Seller brings any suit or other proceeding with respect to the matter or enforcement of this Agreement, the prevailing party (as determined by the court, agency, other authority, or reference judge before which such suit or proceeding is commenced) shall, in addition to such other relief as may be awarded, be entitled to recover attorneys' fees, expenses and costs of investigation as actually incurred (including, without limitation, attorneys' fees, expenses and costs of investigation in appellate proceedings, costs incurred in establishing the right of indemnification, or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code of the United States of America.).

15.9 Time of the Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

15.10 Entire Agreement. This Agreement supersedes any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

15.11 Notices. All notices under this Agreement shall be effective within (i) one (1) day of personal delivery to Buyer or Seller, as the case may be, or (ii) one (1) days of telecopier or electronic mail transmission with a hard copy deposited by overnight courier or United States mail, registered or certified, or (iii) one (1) business day after deposit with an overnight courier service (e.g., Federal Express), or (iv) three (3) business days after deposit in the United States mail, registered, certified, postage fully prepaid and addressed to the respective parties as follows:

To Buyer:

Prime Property Fund, LLC
1999 Avenue of the Stars, Suite 2400
Los Angeles, California 90067
Attention: Mr. Aaron Greeno
Telephone: (310) 788-2229
Email: aaron.greeno@morganstanley.com

Prime Property Fund, LLC
555 California St.
21st Floor, San Francisco, CA 94104

Attention: Braden Wilhelm, Esq.
Telephone: (415) 576-8972
Email: braden.wilhelm@morganstanley.com

Kearny Real Estate
1875 Century Park East, Ste 380
Attn: c/o Jeff Dritley
Los Angeles, CA 90067
Telephone: (310) 203-1845
Email: jdritley@kearny.com

Kearny Real Estate
1875 Century Park East, Ste 380
Los Angeles, CA 90067
Attention: Hoonie Kang
Telephone No.: (310) 203-1847
Email: hkang@kearny.com

Holland & Knight LLP
400 S. Hope Street, 8th Floor
Los Angeles, CA 90071
Attention: Douglas Praw
Telephone: (213) 896-2588
Email: doug.praw@hklaw.com

To Seller: Successor Agency Manager
Santa Fe Springs City Hall
11710 Telegraph Rd.
Santa Fe Springs, CA 90670
Telephone: 562-868-0511
Facsimile: 562-868-7112
Email:

With a copy to: Yolanda M. Summerhill, Successor Agency Attorney
Jones & Mayer
3777 N. Harbor Blvd.
Fullerton, CA 92835
Telephone: (714) 446-1400
Facsimile: (714) 446-1448
Email: yms@jones-mayer.com

Mr. Stephen Carlson
McGranahan Carlson & Company
8212 Billowvista Dr
Playa del Rey, CA 90293
Email: carlson@mcandc.com

Rick McGeagh, Senior Vice President
CBRE Brokerage Services

2221 Rosecrans Avenue, Suite 100
El Segundo, CA 90245
Email: rick.mcgeagh@cbre.com

To Escrow Holder and Chicago Title Company
725 S. Figueroa Street, Suite 200
Los Angeles, California 90017
David Balassi

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

15.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

15.14 Assignment. This Agreement shall not be assigned by any party hereto to any person or entity without the express written consent of Seller. In the event Buyer provides written consent of Assignment, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

15.15 Computation of Period. All periods of time referred to in this Agreement shall include all Saturdays, Sundays, and state or national holidays, unless the period of time specifies business days, provided that if the date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday, or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday, or state or national holiday.

15.16 Interpretation. Buyer and Seller hereto acknowledge and agree that each has been given the opportunity to review this Agreement with legal counsel independently, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Buyer and Seller have equal bargaining power, and intend the plain meaning of the provisions herein; there are no secret or code words. In the event of an ambiguity in or dispute regarding the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the draftsman.

15.17 Survivability. All covenants of Buyer or Seller which are intended hereunder to be performed in whole or in part after Close of Escrow and all representations and warranties (to the extent set forth above), and indemnities by either Buyer or Seller to the other, shall survive Close of Escrow and delivery of the deed, and be binding upon and inure to the benefit of the respective Parties.

15.18 Third Party Reports. In the event the Close of Escrow does not occur, Buyer agrees to provide Seller with copies of any reports, maps, studies or other information (including draft reports and government data) generated or compiled with respect to the Property or the Developer's investigations. Such third party work product, if any, is delivered on an "AS-IS, WITH ALL FAULTS, ERRORS, AND OMISSIONS" basis and Buyer does not make, and hereby disclaims, any representations or warranties as to the accuracy or completeness of any such work product.

15.19 Authority. Any individual signing this Agreement on behalf of a partnership or other business entity represents that he or she is authorized by such entity and has the power to enter into this Agreement and by such person's act such partnership or other business entity is bound hereto. Any individual signing this Agreement in the capacity of a trustee or co-trustee represents that he or she is authorized under the appropriate trust documents to enter into this Agreement and by such person's act such trust is bound hereto.

15.20 Buyer covenants and agrees for itself, its successors, its assigns, Buyer, for himself and his successors and assigns, agrees that in the construction by Buyer of the Project and/or any improvements, it shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first-
above written.

“Buyer”


PPF Industrial, LLC,
a Delaware limited liability company

By: PPF OP, LP,
a Delaware limited partnership,
its Member

By: PPF OPGP, LLC,
a Delaware limited liability company,
its General Partner

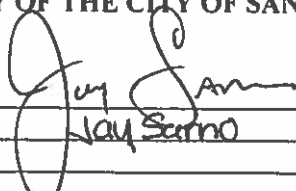
By: Prime Property Fund, LLC,
a Delaware limited liability company,
Its Member

By: Morgan Stanley Real Estate Advisor, Inc.,
a Delaware corporation,
its Manager

By: 
Name: Alexander Greene
Title: Executive Director

“Seller”

**SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION/REDEVELOPMENT
AGENCY OF THE CITY OF SANTA FE SPRINGS**

By: 
Name: Jay Sarno
Its: _____

Acceptance by Escrow Holder:

First American Title Insurance Company hereby acknowledges that it has received a fully executed counterpart of the foregoing Purchase and Sale Agreement and agrees to act as Escrow Holder there under and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

Dated: _____

By: _____

Its: _____

EXHIBIT A

MC & C Site III

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 1 OF TRACT NO. 1797, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 348 PAGES 21, 22 AND 23 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF MURRAY AVENUE, VACATED AS PARCEL XE IN EXHIBIT "A" OF THAT CERTAIN RESOLUTION NO. 424, RECORDED JULY 18, 1979 AS INSTRUMENT NO. 79-78862 OF OFFICIAL RECORDS OF SAID COUNTY, LYING NORTHERLY OF THE CENTER LINE AND ITS EASTERLY PROLONGATION OF PARK AVENUE, 60.00 FEET WIDE, AS SHOWN ON THE MAP OF SAID TRACT NO. 1797, EXCEPT THAT PORTION OF MURRAY AVENUE BEING DESCRIBED AS FOLLOWS:

BEGINNING AT SAID NORTHEAST CORNER OF LOT 1; THENCE SOUTH 0°20'15" EAST 51.21 FEET ALONG SAID EASTERLY LOT LINE; THENCE SOUTH 88°31'37" EAST 80.03 FEET TO THE EASTERLY LINE OF MURRAY AVENUE; THENCE NORTH 0°20'15" WEST 57.00 FEET TO THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 1, SAID LINE ALSO BEING THE SOUTHERLY LINE OF TELEGRAPH ROAD (20.00 FEET WIDE), AS SHOWN ON SAID TRACT NO. 1797; THENCE SOUTH 88°47'37" WEST 81.00 FEET ALONG SAID EASTERLY PROLONGATION TO THE POINT OF BEGINNING.

ALSO EXCEPTING AND RESERVING UNTO SANTA FE ENERGY COMPANY, ITS SUCCESSORS OR ASSIGNS, ALL MINERALS WHATSOEVER, PETROLEUM, OIL, ASPHALTUM, GAS AND/OR HYDROCARBON SUBSTANCES, INCLUDING, BUT NOT LIMITED TO, HELIUM AND CARBON DIOXIDE, WITHIN OR UNDERLYING THE HERETOFORE DESCRIBED REAL PROPERTY, AT A DEPTH OF MORE THAN 300 FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT OF PROSPECTING, DRILLING, REDELLING, MINING, PRODUING AND/OR REMOVING THE SAME THEREFROM AND THEREUNDER, PROVIDED THAT EXCEPT AS SET FORTH IN THAT CERTAIN MINERAL RESERVATION AGREEMENT DATED DECEMBER 27, 1989, AND RECORDED DECEMBER 28, 1989 AS INSTRUMENT NO. 89-781740 OF OFFICIAL RECORDS, IN THE LOS ANGELES COUNTY RECORDER'S OFFICE, SANTA FE ENERGY COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT OF SURFACE ENTRY NOR RIGHT TO DISTURB THE SURFACE OF SAID REAL PROPERTY NOR OTHER RIGHT TO ENTER AT ANY POINT ON SAID REAL PROPERTY WITHIN 300 FEET BELOW THE SURFACE THEREOF FOR ANY PURPOSE, WHETHER TO EXPLORE, TO EXTRACT AND/OR REMOVE SAID OIL, GAS AND/OR HYDROCARBON OR MINERAL SUBSTANCES OR OTHERWISE.

PARCEL 2:

LOTS 8, 9, 30 AND 31 IN BLOCK 31 OF THE TOWNSHIP OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 248 PAGE 37 OF MISCELLANEOUS RECORDS OF SAID COUNTY.

RESERVING THEREFROM ALL RIGHTS TO OIL, GAS, AND HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE THE PROPERTY FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES, MINERALS, OR OTHER EXTRACTABLE SUBSTANCES ("OIL AND GAS PRODUCTION ACTIVITIES") FROM THE PROPERTY IN ACCORDANCE WITH EXISTING OIL AND GAS PRODUCTION ACTIVITIES AGREEMENTS, ANY PAYMENTS, RENTS, ROYALTIES, OR OTHER MONIES PAID UNDER ANY EXISTING BONA FIDE LEGAL LEASE AGREEMENTS SHALL BE THE SOLE PROPERTY OF GRANTEE, AS RESERVED IN DEED RECORDED SEPTEMBER 21, 2006 AS INSTRUMENT NO. 06-208107 OF OFFICIAL RECORDS.

**EXHIBIT A
MC & C Site III**

(Continued)

PARCEL 3:

LOTS 12 AND 13 IN BLOCK 52 OF SANTA FE SPRINGS, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 26, PAGE 37 OF MISCELLANEOUS RECORDS OF SAID COUNTY.

EXCEPT THEREFROM ANY MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES ON AND UNDER THE PROPERTY OF MORE THAN 500 FEET BELOW THE SURFACE, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN A DEED RECORDED DECEMBER 30, 2005 AS INSTRUMENT NO. 05-3231892 OF OFFICIAL RECORDS.

PARCEL 4:

LOTS 1 THROUGH 26, INCLUSIVE, IN BLOCK 53 OF TOWNSITE OF SANTA FE SPRINGS, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 26, PAGE 37 ET SEQ. OF MISCELLANEOUS RECORDS OF SAID COUNTY.

APN: 8011-018-900; 8011-018-901; 8011-018-902; 8011-018-903; 8011-018-904; 8011-018-905; 8011-018-906; 8011-018-911

EXHIBIT "A"

MC& C Site IV

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS.

PARCEL 1:

LOTS 1, 2, 3, 4, 5, 6, 29 AND 30 IN BLOCK 46 OF SANTA FE SPRINGS, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 26 PAGES 37 TO 40 INCLUSIVE OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EAST HALF OF VACATED ALLEY ADJOINING SAID LOTS 1, 2, 3, 4, 5 AND 6 ON THE WEST AND THAT PORTION OF THE WEST HALF OF THE VACATED ALLEY ADJOINING SAID LOTS 29 AND 30 ON THE EAST, TOGETHER WITH THAT PORTION OF THE SOUTH HALF OF FIRST STREET ADJOINING SAID LOTS 1 AND 30 ON THE NORTH.

EXCEPT FROM SAID LOTS 1, 5 AND 6, ALL OIL, GAS, MINERAL AND OTHER HYDROCARBON SUBSTANCES IN, ON AND UNDER SAID LAND AS SET OUT IN THAT CERTAIN GRANT DEED, RECORDED MARCH 4, 1980 AS INSTRUMENT NO. 80-216991, OF OFFICIAL RECORDS OF LOS ANGELES COUNTY.

ALSO EXCEPT FROM SAID LOT 29, ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND, LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE THEREOF, IN FAVOR OF LEON BEAUMON, BY DEED RECORDED FEBRUARY 9, 1981 AS INSTRUMENT NO. 81-144399, OF OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO SANTA FE ENERGY COMPANY, ITS SUCCESSORS OR ASSIGNS, ALL MINERALS WHATSOEVER, PETROLEUM, OIL, ASPHALTUM, GAS AND/OR HYDROCARBON SUBSTANCES, INCLUDING, BUT NOT LIMITED TO, HELIUM AND CARBON DIOXIDE, WITHIN OR UNDERLYING THE HERETOFORE DESCRIBED REAL PROPERTY, AT A DEPTH OF MORE THAN 500 FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT OF PROSPECTING, DRILLING, REDRILLING, MINING, PRODUCING AND/OR REMOVING THE SAME THEREFROM AND THEREUNDER; PROVIDED THAT EXCEPT AS SET FORTH IN THAT CERTAIN MINERAL RESERVATION AGREEMENT DATED DECEMBER 27, 1989, AND RECORDED DECEMBER 28, 1989 AS INSTRUMENT NO. 89-208714, OFFICIAL RECORDS, IN THE LOS ANGELES COUNTY RECORDER'S OFFICE, SANTA FE ENERGY COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT OF SURFACE ENTRY NOR RIGHT TO DISTURB THE SURFACE OF SAID REAL PROPERTY NOR OTHER RIGHT TO ENTER AT ANY POINT ON SAID REAL PROPERTY WITHIN 500 FEET BELOW THE SURFACE THEREOF FOR ANY PURPOSE, WHETHER TO EXPLORE, TO EXTRACT AND/OR REMOVE SAID OIL, GAS AND/OR HYDROCARBON OR MINERAL SUBSTANCES OR OTHERWISE.

PARCEL 2:

LOTS 18, 19, 20, 21, 22, 23, 24 AND 25 OF TRACT NO. 17977, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 549 PAGES 21, 22 AND 23 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THE NORTH HALF OF FIRST STREET, ADJOINING SAID LOTS 22, 24 AND 25 ON THE SOUTH; TOGETHER WITH THE SOUTH HALF OF FIRST STREET, ADJOINING SAID LOT 20 ON THE NORTH; TOGETHER WITH THE 20.00 FOOT ALLEY, ADJOINING SAID LOT 22 ON THE EAST; TOGETHER WITH THE 20.00 FOOT ALLEY, ADJOINING SAID LOT 25 ON THE WEST; TOGETHER WITH THE 20.00 FOOT ALLEY, ADJOINING SAID LOT 23 ON THE SOUTH; TOGETHER WITH THE 20.00 FOOT ALLEY, ADJOINING SAID LOT 19 ON THE NORTH; TOGETHER WITH THE EAST HALF OF THE 20.00 FOOT ALLEY, ADJOINING SAID LOTS 19 AND 20 ON THE WEST; TOGETHER WITH THE WEST HALF OF THE 20.00 FOOT ALLEY, ADJOINING SAID LOT 21 ON THE EAST; TOGETHER WITH THE WEST HALF OF THE 20.00 FOOT ALLEY, ADJOINING SAID LOTS 19 AND 20 ON THE EAST AND THE EAST HALF OF A 20.00 FOOT ALLEY, ADJOINING SAID LOT 18 ON THE WEST.

EXHIBIT A
MC & C Site IV
(Continued)

ALSO EXCEPTING AND RESERVING UNTO SANTA FE ENERGY COMPANY, ITS SUCCESSORS OR ASSIGNS, ALL MINERAL WHATSOEVER, PETROLEUM, OIL, ASPHALTUM, GAS AND/OR HYDROCARBON SUBSTANCES, INCLUDING, BUT NOT LIMITED TO, HELIUM AND CARBON DIOXIDE, WITHIN OR UNDERLYING THE HERETOFORE DESCRIBED REAL PROPERTY, AT A DEPTH OF MORE THAN 500 FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT OF PROSPECTING, DRILLING, REDRILLING, MINING, PRODUCING AND/OR REMOVING THE SAME THEREFROM AND THEREUNDER; PROVIDED THAT EXCEPT AS SET FORTH IN THAT CERTAIN MINERAL RESERVATION AGREEMENT DATED DECEMBER 27, 1989, AND RECORDED DECEMBER 28, 1989 AS INSTRUMENT NO. 89-2087140, OFFICIAL RECORDS, IN THE LOS ANGELES COUNTY RECORDER'S OFFICE, SANTA FE ENERGY COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT OF SURFACE ENTRY NOR RIGHT TO DISTURB THE SURFACE OF SAID REAL PROPERTY NOR OTHER RIGHT TO ENTER AT ANY POINT ON SAID REAL PROPERTY WITHIN 500 FEET BELOW THE SURFACE THEREOF FOR ANY PURPOSE, WHETHER TO EXPLORE, TO EXTRACT AND/OR REMOVE SAID OIL, GAS AND/OR HYDROCARBON OR MINERAL SUBSTANCES OR OTHERWISE.

PARCEL 3:

LOTS 7, 8, 9, 10 AND 11 OF TRACT NO. 5326, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 58 PAGES 56 AND 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

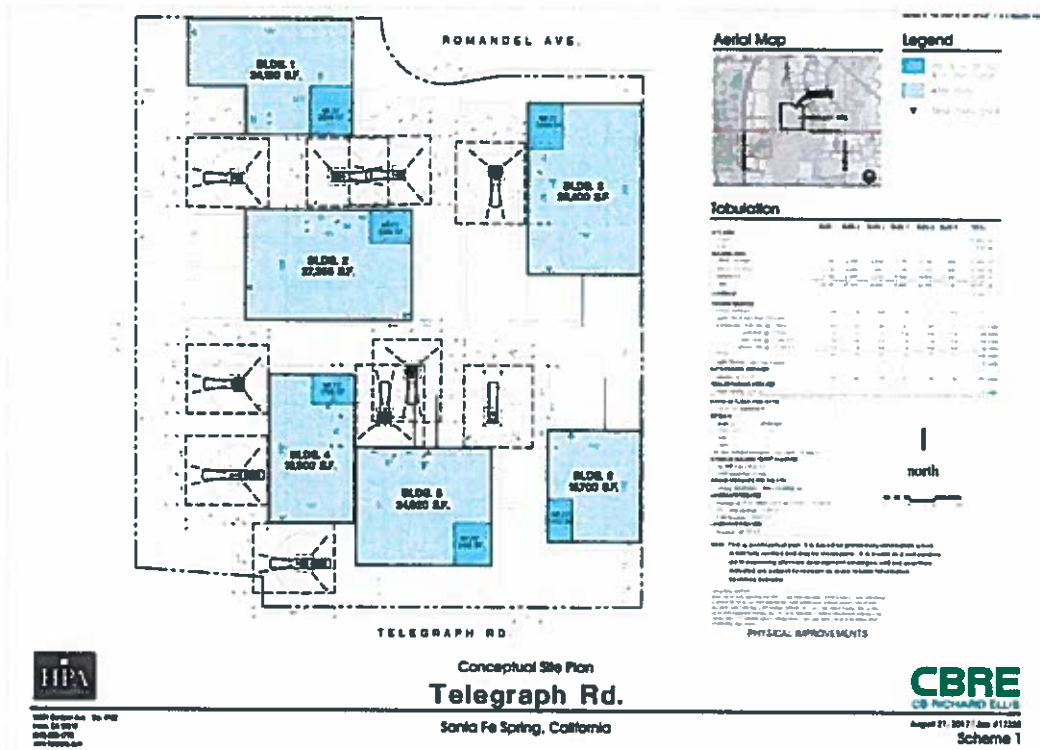
EXCEPT FROM SAID LOTS 8 AND 11, ALL OIL, GAS, MINERAL AND OTHER HYDROCARBON SUBSTANCES IN, ON AND UNDER SAID LAND, AS SET OUT IN THAT CERTAIN GRANT DEED, RECORDED MARCH 4, 1980 AS INSTRUMENT NO. 80-216991, OF OFFICIAL RECORDS.

ALSO EXCEPTING AND RESERVING UNTO SANTA FE ENERGY COMPANY, ITS SUCCESSORS OR ASSIGNS, ALL MINERALS WHATSOEVER, PETROLEUM, OIL, ASPHALTUM, GAS AND/OR HYDROCARBON SUBSTANCES, INCLUDING, BUT NOT LIMITED TO, HELIUM AND CARBON DIOXIDE, WITHIN OR UNDERLYING THE HERETOFORE DESCRIBED REAL PROPERTY, AT A DEPTH OF MORE THAN 500 FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT OF PROSPECTING, DRILLING, REDRILLING, MINING, PRODUCING AND/OR REMOVING THE SAME THEREFROM AND THEREUNDER; PROVIDED THAT EXCEPT AS SET FORTH IN THAT CERTAIN MINERAL RESERVATION AGREEMENT DATED DECEMBER 27, 1989, AND RECORDED DECEMBER 28, 1989 AS INSTRUMENT NO. 89-2087140, OFFICIAL RECORDS, IN THE LOS ANGELES COUNTY RECORDER'S OFFICE, SANTA FE ENERGY COMPANY, ITS SUCCESSORS OR ASSIGNS, SHALL HAVE NO RIGHT OF SURFACE ENTRY NOR RIGHT TO DISTURB THE SURFACE OF SAID REAL PROPERTY NOR OTHER RIGHT TO ENTER AT ANY POINT ON SAID REAL PROPERTY WITHIN 500 FEET BELOW THE SURFACE THEREOF FOR ANY PURPOSE, WHETHER TO EXPLORE, TO EXTRACT AND/OR REMOVE SAID OIL, GAS AND/OR HYDROCARBON OR MINERAL SUBSTANCES OR OTHERWISE.

PARCEL 4:

THAT PORTION OF ROMANDEL AVENUE, 60 FEET WIDE, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP OF TRACT NO. 17977, AS PER MAP RECORDED IN BOOK 549 PAGES 21 TO 23 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING BETWEEN THE SOUTHERLY BOUNDARY LINE OF THE LINE OF THE LAND DESCRIBED AS PARCEL XIII IN EXHIBIT "A" OF THAT CERTAIN RESOLUTION NO. 4243, RECORDED JULY 18, 1979 AS INSTRUMENT NO. 79-788602, OF OFFICIAL RECORDS OF SAID COUNTY, AND THE WESTERLY PROLONGATION OF A LINE PARALLEL WITH AND DISTANT NORTHERLY 30 FEET, MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF LOT 23 OF SAID TRACT NO. 17977.

EXHIBIT B



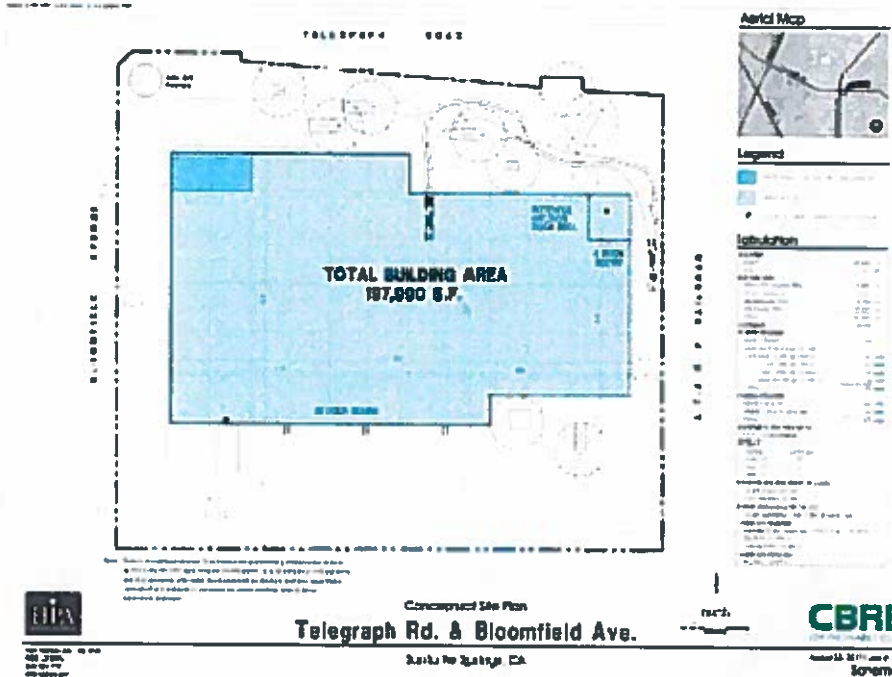


EXHIBIT C

<i>Site III - SFC Bloomfield & Telegraph Road, Santa Fe Springs</i>						
Building #	Square Footage	Office SF	Ceiling Clear	Loading DH/GL	Fire Sprinkler	Fenced Yard
1.	197,990	10,000	32'	22:2	ESER	Y

<i>Site IV - Telegraph / Romandel, Santa Fe Springs</i>						
Building #	Square Footage	Office SF	Ceiling Clear	Loading DH/GL	Fire Sprinkler	Fenced Yard
1.	24,180	3,000	24'	3:1	.60/3,000	P
2.	27,355	3,000	24'	3:1	.60/3,000	N
3.	29,400	4,000	24'	4:1	.60/3,000	N
4.	18,900	2,500	24'	3:1	.60/3,000	P
5.	24,020	3,000	24'	3:1	.60/3,000	N
6.	15,700	2,500	24'	2:1	.60/3,000	N

**EXHIBIT D
FORM OF GRANT DEED**

RECORDING REQUESTED BY:)
WHEN RECORDED, MAIL TO:)
)
Douglas A. Praw, Esq.)
Holland & Knight LLP)
400 South Hope Street, 8th Floor)
Los Angeles, California 90071)
)
MAIL TAX STATEMENTS TO:)
)
_____)
_____)
_____)
_____)

Space Above for Recorder's Use

Assessor's Parcel # _____

The undersigned Grantor declares:
Documentary Transfer Tax is: \$ _____

- _____ 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.

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

_____,
a _____

hereby GRANTS to:

_____,
a _____

all right, title and interest in and to that certain real property located in the City of _____, County of _____, State of California, described more particularly in Exhibit "A" attached hereto.

SUBJECT, HOWEVER, TO:

1. All easements, encumbrances, covenants, conditions, restrictions, reservations, rights-of-way and other matters of whatever kind and nature shown of record; and
2. Installments of non-delinquent general and special real property taxes and assessments.

Date: _____

a _____

By: _____

Name: _____

Title: _____

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Notary Public

Commission Expiration Date _____

[SEAL]

EXHIBIT A
PROPERTY DESCRIPTION

**EXHIBIT E
FORM OF FIRPTA AFFIDAVIT**

**FOREIGN INVESTMENT AND REAL PROPERTY TAX
AFFIDAVIT**

STATE OF _____ §
COUNTY OF _____ § **KNOW ALL PERSONS BY THESE PRESENTS:**

Section 1445 of the Internal Revenue Code provides that a transferee (Purchaser) of a U.S. real property interest must withhold tax if the transferor (Seller) is a foreign person. To inform the Purchaser that withholding of tax is not required upon the disposition of a U.S. real property interest by _____, the undersigned hereby certifies the following on behalf of said entity:

1. _____, is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).
2. The taxpayer identification number of _____, is _____.
3. The office address of _____, is:

I understand that this certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is a true and correct document on behalf _____.

SELLER:

By: _____

SUBSCRIBED AND SWORN TO before me this ____ day of _____, 2018.

Notary Public, State of _____
My Commission expires: _____

EXHIBIT F
FORM OF GENERAL ASSIGNMENT AND BILL OF SALE

Form of Assignment and Assumption Agreement

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT, dated _____, 20__, by and between (a) _____, a
_____ (“Assignor”), and (b) _____, a
_____ (“Assignee”).

WHEREAS, Assignor and Assignee entered into that certain Purchase and Sale Agreement and Escrow Instructions dated _____, 20__, as the same may have been amended prior to the date hereto (as amended, the “Agreement”), for the sale and purchase of certain “Property”, consisting of certain “Real Property” (as more particularly described in Exhibit A), “Personal Property”, and “Intangible Property” (capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in the Agreement);

WHEREAS, _____ (“Property Owner”) is the owner of the Real Property, Personal Property and Intangible Property;

WHEREAS, Assignor has the power and authority to convey the Real Property, Personal Property and Intangible Property pursuant to _____;

WHEREAS, Assignor desires to assign unto Assignee all of Assignor’s right, title and interest in and to the Intangible Property (as hereinafter defined) as hereinafter provided; and

WHEREAS, Assignee desires to acquire the Intangible Property and assume the duties and obligations first arising on or after, the date hereof, of Assignor with respect to the Intangible Property.

NOW, THEREFORE, in accordance with the Agreement and in consideration of the sum of Ten Dollars (\$10.00), the sufficiency and receipt of which are hereby acknowledged, the parties do hereby covenant and agree as follows and take the following actions:

1. Assignor does hereby assign, transfer, set over and deliver unto Assignee all of the Assignor’s and Property Owner’s right, title and interest in and to the following property to the extent the same is transferable by Assignor (collectively, “Intangible Property”):

(a) any and all leases, tenancies, licenses and other rights of occupancy or use of or for any portion of the Real Property or the Personal Property (including all amendments, renewals and extensions thereof), in effect as of the date of this Assignment and Assumption Agreement and more particularly described on Exhibit A attached hereto, and incorporated by this reference (collectively, “Leases”);

(b) any and all contracts and agreements of any kind for the management, repair or operation of the Property (other than Leases) in effect as of the date of this Assignment and Assumption Agreement and more particularly described on Exhibit B attached hereto, and incorporated by this reference (collectively, “Contracts”);

(c) any and all licenses, permits, authorizations, certificates of occupancy and other approvals that are in effect as of the date of this Assignment and Assumption Agreement and necessary

for the current use and operation of the Property and more particularly described on Exhibit C attached hereto, and incorporated by this reference (collectively, "Permits"); and

(d) any and all other intangible property, including, but not limited to, warranties, telephone exchange numbers, architectural or engineering plans and specifications, and development rights that exist as of the date of this Assignment and Assumption Agreement and relate to the Real Property or the Personal Property (collectively, "General Intangibles").

Intangible Property shall not be deemed to include any rights to use the name, website or domain name under which the Property was operated, which name is not being transferred hereby. "Intangible Property" means the Leases, Contracts, Permits and General Intangibles.

2. EXCEPT AS OTHERWISE SET FORTH IN THE AGREEMENT, THE INTANGIBLE PROPERTY IS BEING ASSIGNED "AS IS", "WHERE IS", AND "WITH ALL FAULTS" AS OF THE DATE OF THIS ASSIGNMENT AND ASSUMPTION AGREEMENT, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. EXCEPT AS OTHERWISE SET FORTH IN THE AGREEMENT, ASSIGNOR SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE INTANGIBLE PROPERTY OR ASSIGNOR'S TITLE THERETO. EXCEPT AS OTHERWISE SET FORTH IN THE AGREEMENT, ASSIGNEE IS HEREBY THUS ACQUIRING THE INTANGIBLE PROPERTY BASED SOLELY UPON ASSIGNEE'S OWN INDEPENDENT INVESTIGATIONS AND INSPECTIONS OF THAT PROPERTY AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED BY ASSIGNOR OR ASSIGNOR'S AGENTS OR CONTRACTORS.

3. Assignee hereby accepts the foregoing assignment of the Intangible Property and hereby assumes all duties and obligations of Assignor first arising on or after the date hereof with respect to the Leases, Contracts and Permits for the period on and after the date of this Assignment and Assumption Agreement.

4. This Assignment and Assumption Agreement shall be (a) binding upon, and inure to the benefit of, the parties to this Assignment and Assumption Agreement and their respective heirs, legal representatives, successors and assigns, and (b) construed in accordance with the laws of the jurisdiction in which the Real Property is located, without regard to the application of choice of law principles, except to the extent such laws are superseded by federal law.

5. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor has signed and delivered this Assignment and Assumption Agreement as of the ____ day of _____, 20__.

ASSIGNOR:

By: _____

Print Name: _____

Title: _____

IN WITNESS WHEREOF, Assignee has signed and delivered this Assignment and Assumption Agreement as of the ____ day of _____, 20__.

ASSIGNEE:

By: _____

Print Name: _____

Title: _____

Exhibit A to Assignment and Assumption Agreement

List of Leases

Exhibit B to Assignment and Assumption Agreement

List of Contracts

Exhibit C to Assignment and Assumption Agreement

List of Permits