

SUPPLEMENTAL

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: City Manager – Approval of purchase of industrial land parcel at
465 Crenshaw Boulevard, Torrance, California**

SUPPLEMENTAL MATERIAL: Item 12B – ATTACHMENT C – Purchase Agreement

The attached Real Property and Sale Agreement and Escrow Instructions (Purchase Agreement) refines the Letter of Intent (LOI), Attachment B to Item 12B, in three areas:

- The end of the due diligence period is specifically defined as close of business on November 24, 2009;
- The funding date for the purchase is defined to be before noon on December 17, 2009;
- The deed restrictions are specifically defined as follows (extracted from Exhibit B to the Purchase Agreement):

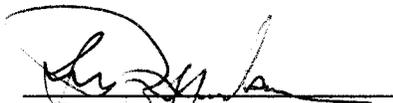
“Future use of the Property shall be restricted to industrial and/or commercial use only (including, without limitation, for the following permitted purposes: any uses for offices including for municipal governmental or administrative purposes, for retail and/or entertainment uses, for a regional transportation center and related uses, for an animal control center and/or animal hospital, for a life/fire/safety training center, for a community college campus, and/or for a fire station and related uses), and the Property shall not be used for any of the following purposes:

- (a) A residence, including but not limited to any mobile home or factory built housing, constructed or installed for use as residential human habitation. A permanent residence shall not include a hotel, motel, or other temporary habitation;*
- (b) A hospital for humans;*
- (c) A pre-school, kindergarten, elementary, junior high or high school;*
- (d) A day care center or playground for children; and*
- (e) Extraction of groundwater for drinking water purposes.”*

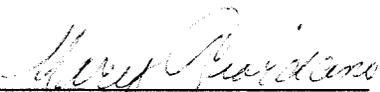
Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

CONCUR:



LeRoy J. Jackson
City Manager

By 
Mary K. Giordano
Assistant City Manager

**REAL PROPERTY PURCHASE AND SALE AGREEMENT AND ESCROW
INSTRUCTIONS**

THIS REAL PROPERTY PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is entered into as of September 1, 2009 (the “**Effective Date**”), by and between PPG INDUSTRIES, INC., a Pennsylvania corporation (the “**Seller**”), and CITY OF TORRANCE, a municipal corporation (the “**Buyer**”). In consideration of the mutual covenants and agreements contained in this Agreement, the Buyer and the Seller agree as follows:

1. **BASIC TERMS**

1.1 **Property**. The “Property” is defined in Section 2.1 below.

1.2 **Purchase Price**. The purchase price for the Property (the “**Purchase Price**”) is Seventeen Million Six Hundred Fifty Thousand Dollars (\$17,650,000)

1.3 **Escrow**. On or promptly after the date this Agreement is executed, an escrow (the “**Escrow**”) shall be opened with Chicago Title Company, with an address of 700 South Flower, Suite 800, Los Angeles, California, 90017, Attention: Patricia Schlageck, Telephone: (213) 488-4358, Facsimile: (213) 612-4138 (the “**Escrow Holder**”). This Agreement shall constitute both an agreement between the Seller and the Buyer and escrow instructions for Escrow Holder. The Seller and the Buyer shall promptly execute and deliver to Escrow Holder any additional escrow instructions requested by Escrow Holder which are consistent with the terms of this Agreement. Any additional instructions shall not modify or amend the provisions of this Agreement unless expressly agreed in writing by the Buyer and the Seller.

1.4 **Property and Document Review**. The Buyer shall have until November 25, 2009, 5:00 p.m. (Pacific Standard Time) (the “**Decision Date**”) to complete all of its inspections, investigations and reviews of the Property, including, but not limited to, the analysis of all environmental matters, any comment or public review, review of title and survey matters, physical inspection, review of zoning and use issues, final commitment for the issuance of the “Environmental Insurance Policy” (defined below), completion of the bond underwriting or any other purchase money financing process, and investigation into the adequacy of utilities and site drainage, all in accordance with Article 3 below.

1.5 **Closing Date**. Escrow shall close on or before December 17, 2009 or by mutual written agreement of the parties (the “**Closing Date**”). As used in this Agreement, “**Closing**” means the recordation date of the “Grant Deed with Covenant to Restrict Use of Property Environmental Restriction” (defined below) in the Official Records of Los Angeles County, California.

1.6 **Title**. The title company (the “**Title Company**”) shall be Chicago Title Company, with an address of 700 South Flower, Suite 800, Los Angeles, California 90017, Attention: Michael Slinger, Telephone: (213) 612-4131.

1.7 Seller's Address for Notices. All notices to be provided to the Seller shall be sent to the following addresses:

PPG Industries, Inc.
 One PPG Place
 Pittsburgh, Pennsylvania 15272
 Attn: Richard N. Marks,
 Manager, Corporate Real Estate
 Email: dmarks@ppg.com
 Telephone: (412) 434-2307
 Facsimile: (412) 434-3830

With a Copy to:
 Lamb & Kawakami LLP
 333 South Grand Avenue, Suite 4200
 Los Angeles, California 90071
 Attn: Kevin J. Lamb, Esq.
 Email: klamb@lamb-kawakami.com
 Telephone: (213) 630-5510
 Facsimile: (213) 630-5555

1.8 Buyer's Address for Notices. All notices to be provided to the Buyer shall be sent to the following addresses:

City of Torrance
 3031 Torrance Boulevard
 Torrance, California 90509
 Attn: LeRoy J. Jackson
 City Manager
 Email: mgiordano@TorranceCA.gov
 Telephone: (310) 618-5880
 Facsimile: (310) 618-5891

With a Copy to:
 Garrett DeFrenza Stiepel LLP
 695 Town Center Drive, Suite 500
 Costa Mesa, California 92626
 Attn: Henry R. Stiepel
 Email: hstiepel@gdslaw.net
 Telephone: (714) 384-4303
 Facsimile: (714) 384-4320

1.9 Brokers. CB Richard Ellis (“**CBRE**”) has served as the Seller’s broker in this transaction. The Seller shall pay CBRE a commission at Closing pursuant to a separate agreement, but only if this transaction actually closes. Todd Taugner of The Klabin Company has served as Buyer’s broker (“**Buyer’s Broker**”). Buyer’s Broker shall be compensated by Buyer and not by Seller or CBRE. If this Agreement is terminated by either party for any reason whatsoever prior to Closing, no commission shall be payable. Neither named broker nor any other third party shall be a considered a third party beneficiary to this Agreement.

2. PURCHASE AND SALE

2.1 Agreement to Buy and Sell. Subject to all of the terms and conditions of this Agreement, the Seller agrees to sell and convey to the Buyer, and the Buyer agrees to acquire and purchase from the Seller that certain unimproved real property of approximately fifteen (15) acres totaling approximately 653,400 square feet of M2 zoned land, commonly known as 465 Crenshaw Boulevard, in the City of Torrance, County of Los Angeles, State of California, as more particularly described on Exhibit A attached hereto, together with all of Seller’s right, title and interest in and to all easements, rights and privileges appurtenant thereto, including without limitation all water and mineral rights thereto and any right, title and interest of Seller in and to adjacent streets, alleys or rights of way (all of which is called the “**Property**” in this Agreement).

2.2 Payment of Purchase Price. The Purchase Price (as defined in Section 1.2 above) shall be payable as follows:

2.2.1 Upon the execution of this Agreement, the Buyer shall deposit into Escrow the sum of Two Hundred Fifty Thousand Dollars (\$250,000) (the “**Initial Deposit**”) by cashiers check or wire transfer of federal funds. Unless the Buyer terminates this Agreement on or before the Decision Date, the Buyer shall deposit an additional Two Hundred Fifty Thousand Dollars (\$250,000) into Escrow, by cashiers check or wire transfer of federal funds (the “**Additional Deposit**”) on or before the fifth (5th) business day after the Decision Date. (The Additional Deposit, together with the Initial Deposit and any interest earned on such amounts, are collectively referred to in this Agreement as the “**Deposit.**”) Except as otherwise stated in this Agreement, the Deposit shall be nonrefundable to the Buyer after the Decision Date pursuant to Section 5.6, below. The Deposit shall be applied to the Purchase Price at Closing. If Buyer does not terminate this Agreement and the Escrow on or before the Decision Date, the failure of the Buyer to deposit the Additional Deposit into Escrow on or before the Decision Date shall be a material breach of this Agreement and, in such case, the Seller may terminate this Agreement in accordance with Sections 3.6 and 5.6, below.

2.2.2 On or before the Closing Date, the Buyer shall deposit into Escrow the balance of the Purchase Price (i.e., \$17,150,000), subject to adjustment by reason of any applicable prorations and the allocation of closing costs described below. The deposit required by this paragraph shall be made by cashier’s check or wire transfer of federal funds.

2.3 Title Matters.

2.3.1 General. If this Agreement is not terminated prior to Closing in accordance with the terms hereof, the Seller shall convey fee title to the Property to the Buyer by the Grant Deed with Covenant to Restrict Use of Property Environmental Restriction subject only to the “Permitted Exceptions” (defined below) pursuant to Article 5.

2.3.2 Title Insurance. At the Close of Escrow, the Seller shall pay all costs for and cause the Title Company to issue and deliver to the Buyer a CLTA standard coverage form policy of title insurance, with liability and limits in the amount of the Purchase Price, insuring title to the Property as vested in Buyer in fee simple absolute, subject only to the Permitted Exceptions (the “**Owner’s Policy**”). The Buyer may, at its option, require that the Owner’s Policy be an ALTA extended coverage policy instead of a CLTA standard coverage policy so long as that does not cause a delay to the Close of Escrow and the Buyer pays the additional cost therefor (including the cost of any survey required by the Title Company and the costs of any endorsements required by the Buyer, except any mechanics’ lien endorsements to the extent permitted by Buyer which endorsements shall be paid by Seller).

3. FEASIBILITY REVIEW PERIOD

3.1 Deliveries by Seller.

3.1.1 The Buyer acknowledges that the Seller’s broker is maintaining a password-protected extranet site (the “**Website**”) under which certain documents and other inspection items relating to the Property have been posted and as to which the Buyer has been

granted access. With respect to any document to be delivered to the Buyer under this Agreement, the posting of such documents on the Website site shall be the equivalent of delivery of such documents to the Buyer. In addition to documents provided on the Website, Buyer acknowledges that, prior to the Effective Date, it has already been provided by Seller's representatives with copies of the documents listed on Exhibit B attached hereto (collectively, "**Environmental Documents**").

3.1.2 Upon the execution of this Agreement, the Seller shall deliver to the Buyer a copy of a current standard coverage preliminary title report issued by the Title Company showing the condition of title to the Property, accompanied by legible copies of all documents referred to in the report (collectively, the "**PTR**").

3.1.3 Within five (5) days of execution of this Agreement, the Seller shall provide the Buyer with:

(a) To the extent not previously posted on the Website or delivered as part of the Environmental Documents and provided Buyer shall be obligated thereunder after Closing, a list and copies of all contracts, insurance policies and service contracts currently in effect that benefit or burden the Property and a schedule of warranties and copies of those listed;

(b) Property tax bills and assessments for the Property for the past two (2) years;

(c) To the extent not previously posted on the Website or delivered as a part of the Environmental Documents, any and all physical inspection reports;

(d) Any leases, subleases and licenses currently in effect;
and

(e) To the extent not previously posted on the Website or delivered as part of the Environmental Documents, copies of any current litigation, arbitration, or claims affecting the Property or its prior use.

3.1.4 Without limiting Sections 3.1.1 and 3.1.3, within five (5) days of the execution of this Agreement, the Seller shall provide or make available to the Buyer copies of other non-privileged documents and materials that materially relate to the environmental condition of the Property and are in the Seller's possession or control, including, but not limited to, correspondence and data, relating to the Environmental Documents, as necessary for obtaining the Environmental Insurance Policy.

3.1.5 To the extent any of the above-referenced documents in Section 3.1.1, 3.1.3 and 3.1.4, are in existence on the Effective Date but not delivered to Buyer within five (5) days after the Effective Date, then the Decision Date shall be extended one (1) day for every day that such documents are not delivered. Seller will promptly provide Buyer with copies of any additional final reports, surveys, maps, orders and "no further action" letters that it receives from any governmental agencies that come into existence after the Effective Date; however, such documentation will not extend the Decision Date.

3.2 Buyer's Review of Title.

3.2.1 The Buyer shall have sixty (60) days following the Effective Date within which to deliver to the Seller written notice of the Buyer's disapproval or conditional approval of title as shown on the PTR ("**Disapproved Exceptions**"). However, Buyer shall have no obligation to deliver notice of any delinquent taxes or assessments, trust deeds, mortgages, security interests, mechanics' liens, judgments or any other consensual or non-consensual liens other than non-delinquent taxes or assessments (collectively, "**Deemed Disapproved Exceptions**"). Seller shall cause all Deemed Disapproved Exceptions to be removed from title to Buyer's satisfaction effective as of the Closing. The Buyer's failure to provide the notice on or before such date shall constitute the Buyer's approval of the condition of title as shown on the PTR other than any Deemed Disapproved Exceptions.

3.2.2 If the Buyer timely notifies the Seller of its Disapproved Exceptions, the Seller shall notify the Buyer in writing on or before the tenth (10th) day after Buyer's delivery of the notice of Disapproved Exceptions that: (a) the Seller has removed the Disapproved Exceptions from title (or met the Buyer's conditions for approval of a title exception); or (b) the Seller is covenanting to do so as of or before Closing; or (c) the Seller will not remove (or meet the conditions of approval of) the specified Disapproved Exceptions. Failure to address Disapproved Exceptions in any notice, or failure to give such a notice, shall constitute the Seller's statement that it will not remove or otherwise address the Disapproved Exceptions (other than any Deemed Disapproved Exceptions which shall be removed as of the Closing whether or not notice is thereof given).

3.2.3 If the Seller does not remove or covenant to remove (or meet or covenant to meet the conditions of approval of) any Disapproved Exceptions (including any Deemed Disapproved Exceptions), the Buyer shall have the right to terminate this Agreement on or before the Decision Date or to waive its objection to the Disapproved Exceptions in question and proceed to Closing as the Buyer's sole and exclusive remedy. The Buyer's failure to provide written notice of termination on or before the Decision Date shall constitute the Buyer's waiver of its disapproval of the Disapproved Exceptions (other than any Deemed Disapproved Exceptions). In the case of the Buyer's waiver (or deemed waiver) of Disapproved Exceptions, the Seller shall have no obligation to remove or otherwise address the Disapproved Exceptions (other than any Deemed Disapproved Exceptions) from title and such waived Disapproved Exceptions shall be deemed approved (other than any Deemed Disapproved Exceptions). If the Buyer elects to terminate this Agreement, the last sentence of Section 3.5 shall apply.

3.2.4 In this Agreement, the term "**Permitted Exceptions**" means: (a) installments of general and special real property taxes and assessments not then delinquent; (b) any encumbrance arising from the acts or omissions of the Buyer; and (c) any other exception showing on the PTR (or on any updated PTR pursuant to Section 3.2.5, below) other than the Disapproved Exceptions that the Seller removes or covenants to remove.

3.2.5 Buyer shall have three (3) business days to approve or disapprove any new title matters not identified in the PTR but later discovered or disclosed during Escrow in a supplemental PTR, title commitment, or survey, and Seller shall have three (3) business days to respond in accordance with Section 3.2.2 and Buyer shall have three (3)

business days following receipt of Seller's response to take action in accordance with Section 3.2.3. The Decision Date, and, if necessary, the Closing Date shall be extended if required to give Buyer the approval periods described above for such new title matters.

3.3 Buyer's Review of the Property and Agreements.

3.3.1 Review of Agreements. The Buyer shall have until the Decision Date to review the documents and other materials delivered pursuant to Section 3.1 (other than Section 3.1.2, which is governed by Section 3.2). If on the basis of the review, the Buyer, in its sole, subjective and absolute discretion, determines that the Property is not feasible or suitable for the Buyer's purchase or intended use, then on or before the Decision Date, the Buyer may terminate this Agreement in accordance with Section 3.5 below. The Buyer's failure to provide a written termination notice on or before the Decision Date shall constitute the Buyer's approval of each document and each other material described in Section 3.1 (whether or not it was actually reviewed by the Buyer).

3.3.2 Inspection of the Property.

(a) Review. On or before the Decision Date, the Buyer shall have the right to prepare, obtain, review (or shall choose not to prepare obtain or review) and approve, among other things, all reports of investigations of the Property, including such soils, geological, engineering and environmental tests and reports, Physical Testing (defined below) results, and other inspections of the Property as the Buyer shall deem necessary, in Buyer's sole, subjective and absolute discretion, in order to determine whether the Property is suitable for the Buyer's intended use, and shall have investigated all applicable zoning requirements, federal, state and local laws, ordinances, rules, regulations, permits, licenses, approvals and orders.

(b) Nonexclusive License. The Seller hereby grants to the Buyer and its agents, employees, representatives or contractors (collectively, the "**Buyer's Agents**") a nonexclusive license to enter onto the Property solely for the purpose of conducting the Buyer's inspection of the Property to determine if the Property is suitable for the Buyer's purposes (the "**Inspection**"). Any Inspection work shall be at the sole cost and expense of the Buyer. The license created under this paragraph shall be irrevocable until the Closing Date (or on the date this Agreement is terminated, if earlier than the Closing Date). At least forty-eight (48) hours prior to any entry and Inspection, the Buyer shall deliver to the Seller written notice of its intention to enter the Property to conduct such Inspection and the proposed date and time of such entry. The Buyer may enter the Property only on the dates and at the times contained in such notices, and the Seller shall have the right to have one or more of its representatives or agents accompany the Buyer and the Buyer's Agents at all times while the Buyer or the Buyer's Agents are on the Property.

(c) Physical Testing. Notwithstanding the foregoing, without first obtaining the Seller's prior written consent, the Buyer shall only conduct a visual inspection, with no right to conduct any physical testing, boring, sampling or removal of any portion of the Property (collectively, "**Physical Testing**"). If the Buyer wishes to conduct any Physical Testing of the Property, the Buyer shall submit a work plan to the Seller for the Seller's

prior written approval, which the Seller may modify, limit or disapprove in its reasonable discretion. If the Seller approves a work plan, all Physical Testing shall comply strictly with the work plan that has been approved by the Seller (including any modifications and/or limitations), and if the Seller does not approve a work plan, the Buyer shall not conduct any Physical Testing of the Property. If the Buyer intends to conduct any Physical Testing, the Buyer shall, prior to commencing any such Physical Testing, provide the Seller with sufficient evidence to show that the Buyer and the Buyer's Agents who are to enter upon the Property are adequately covered by policies of insurance insuring the Buyer and the Seller against any and all liability arising out of the Buyer's or the Buyer's Agents' entry upon the Property, and the Inspection and Physical Testing of the Property, including without limitation any loss or damage to the Property, with coverage in the amount not less than \$5,000,000.00 per occurrence and with no exclusions related to pollution. If the Buyer or the Buyer's Agents conduct any activities on the Property that exceed the previously agreed upon scope of Buyer's "Inspection" or a work plan for the Physical Testing approved by the Seller in accordance with this paragraph, that shall be a material breach of this Agreement, the Seller may terminate this Agreement in accordance with the terms of Section 3.6, and keep the Deposit as liquidated damages pursuant to Section 5.6.

(d) Indemnification. The Buyer agrees to hold harmless, defend and indemnify and hereby releases the Seller, and its officers, partners, directors, employees, contractors, agents, shareholders, subsidiaries, affiliates and its and their respective successors and assigns (collectively, the "**Indemnitees**") and the Property from and against any and all claims, demands, causes of actions, losses, liabilities, liens, encumbrances, costs or expenses (including reasonable attorneys' fees and litigation costs) arising out of, connected with or incidental to any injuries to persons (including death) or property (real or personal) by reason of the work or activities conducted on the Property by the Buyer and/or the Buyer's Agents. The provisions of this paragraph shall not be limited in any way by any other terms of this Agreement, including Section 5.6 of this Agreement.

(e) Condition of the Property. In no event shall the Buyer and/or the Buyer's Agents have the right to place any materials or equipment on the Property (including signs or other advertising material) until after the Closing has occurred. The Buyer shall, at its sole cost and expense, clean up the Property, in whatever manner necessary, after the Buyer's and/or the Buyer's Agents' entry so that the Property shall be returned to the same condition that existed prior to the Buyer's and/or the Buyer's Agents' entry. Notwithstanding the foregoing, any waste materials resulting from Buyer's and/or Buyer's Agents' Physical Testing shall be promptly removed from the Property and properly disposed by Buyer at Buyer's cost, and Seller shall have no responsibility for removal or disposal of such waste materials.

(f) Copies of Due Diligence Materials. The Seller shall promptly be provided with a copy of any and all physical data and sampling results and all non-confidential and non-proprietary information, materials, data and reports that the Buyer and/or the Buyer's Agents discover, obtain or generate in connection with or resulting from its Inspection and work under Section 3.3.2(c), above.

3.4 Environmental Insurance. Subject to the provisions of this Section 3.4, issuance of an environmental insurance policy acceptable to both parties and effective as of the Closing Date shall be a condition for the benefit of both parties to close Escrow. Subject to the

remaining provisions of this Section 3.4, Buyer shall, at its own expense, obtain pollution legal liability insurance (the “**Environmental Insurance Policy**”) for cleanup costs and bodily injury/property damage related to “unknown conditions” and bodily injury/property damage/re-opener/changes-in-law related to “known conditions” on terms and conditions set forth on the pro forma manuscript attached hereto as Exhibit C (the “**Quote**”) from Great American Insurance Group (the “**Insurer**”), including a term of ten (10) years, a policy coverage amount of \$10,000,000, a self-insured retention of \$100,000, the designation of Seller as an additional named insured (at Seller’s option), subject to the limitations therein, and a single premium of \$119,000. So long as the Environmental Insurance Policy is issued at the Closing providing coverage equal to or More Favorable than the Quote, then the condition of the issuance of an “acceptable” environmental insurance policy as set forth above will have been satisfied. Buyer shall use its commercially reasonable best efforts to obtain a “More Favorable” (defined below) quote from Insurer, in particular with respect to limiting the Pollutant Exclusion Endorsement, and Seller shall provide reasonable assistance and cooperation to Buyer in such efforts as set forth below in this Section 3.4. “**More Favorable**” means an Environmental Insurance Policy issued by a Qualified Insurer (as defined below) that (i) has an equal or higher limit than the Quote, and (ii) eliminates the Contaminants listed on the Pollution Exclusion Endorsement of the Quote without the addition of any additional Contaminants, and (iii) does not in any way limit or adversely affect Buyer’s coverage under or the right to make a Claim under the Environmental Insurance Policy. A “**Qualified Insurer**” shall mean a licensed insurance company with a Best’s Rating of no less than A- with at least five (5) years of continuous experience in the underwriting and issuance of environmental insurance policies. Further, Buyer agrees that should Buyer obtain a More Favorable insurance quote whether from Insurer or another Qualified Insurer, then Buyer agrees to purchase such a policy at a cost not to exceed \$119,000; provided however, Seller, in its sole and absolute discretion, may elect to pay the excess premium cost of any premium greater than \$119,000 on such a More Favorable policy. During Escrow, Seller shall cooperate with the Insurer and with Buyer’s toxicologist (Enviro Tox Services, Inc.) and Buyer’s environmental insurance consultant (Alliant Insurance) to timely and completely respond to the underwriting process of the Insurer in order to effectuate the issuance of the Environmental Insurance Policy as of the Close of Escrow, including, without limitation, the delivery of the Environmental Documents and, if Seller elects to be named as an “additional named insured” on the Environmental Insurance Policy, completion of any applications and questionnaires the Insurer may require of Seller for same. If requested by Buyer, Seller shall participate in any discussions or communications Buyer may have with Insurer or other prospective Qualified Insurers.

3.5 Feasibility Review and Buyer’s Termination. From the Effective Date until the Decision Date, Buyer shall have the right to determine, in Buyer’s sole, subjective and absolute discretion, whether the Property is feasible to purchase and for Buyer’s proposed use, which determination shall include but not be limited to the analysis of all environmental matters, any comment or public review, review of title and survey matters (subject to Section 3.2, above), physical inspection (including, if elected pursuant to Section 3.2.2, any Physical Testing), review of zoning and use issues, final commitment for the issuance of the “Environmental Insurance Policy” (defined above), completion of the bond underwriting or any other purchase money financing process, and investigation into the adequacy of utilities and site drainage. If based on the foregoing, the Buyer determines, in its sole, subjective and absolute discretion, that the Property is not suitable for the Buyer’s intended use, then on or before the Decision Date, the

Buyer may terminate this Agreement by delivering a written notice of such election to Seller (a “**Termination Notice**”). If Buyer does not deliver the Termination Notice to Seller on or before the Decision Date, Buyer shall be deemed to have elected to proceed with the purchase subject to the remaining terms and conditions of this Agreement, and Buyer shall, within five (5) business days thereafter, deposit the Additional Deposit with Escrow Holder. If Buyer timely delivers the Termination Notice, then the Initial Deposit plus interest thereon shall be immediately returned to Buyer, the Buyer shall deliver to the Seller a duly executed and acknowledged quitclaim deed as described in Section 6.13 below, the parties shall share all title and escrow charges and neither party shall thereafter have any further rights or obligations under this Agreement unless such obligations survive termination as expressly provided in this Agreement.

3.6 Seller’s Termination. If the Seller elects to terminate this Agreement as provided in Section 2.2.1, above, or as a result of a material breach of the Buyer’s obligations hereunder (provided Seller has then substantially performed all obligations on Seller’s part to be performed prior to such breach), then, on or before the applicable date, or within ten (10) business days after the date of the material breach with Buyer having failed to cure such breach during such time (whichever is applicable), the Seller shall give the Buyer and Escrow Holder written notice that the Seller elects to terminate this Agreement. The Seller’s failure to provide the notice by the specified deadline shall constitute the Seller’s waiver of the Seller’s right to terminate this Agreement for reasons for which that deadline applied and a waiver of any condition to Closing relating to such deadline, but not as to other reasons for which later deadlines apply. In the event the Seller elects to terminate this Agreement pursuant to this Section, subject to Section 5.6, the Escrow Holder shall return to the depositor thereof any funds and interest thereon accrued while in Escrow and materials previously placed in Escrow and remaining in Escrow; the Buyer shall deliver to the Seller a duly executed and acknowledged quitclaim deed as described in Section 6.13 below; the Buyer shall pay all title and escrow charges; and neither party shall thereafter have any further rights or obligations under this Agreement unless expressly provided otherwise in this Agreement.

3.7 No Processing. Until the Closing, without Seller’s prior written consent (which approval shall not be unreasonably withheld), the Buyer shall not make any application to any governmental agency for any permit, approval, license or other entitlement for the Property (other than bond or other purchasing money financing) or the use or development of the Property.

4. ADDITIONAL AGREEMENTS OF THE PARTIES

4.1 Representations and Warranties.

4.1.1 Buyer’s Representations and Warranties. The Buyer represents, warrants and covenants to and agrees with the Seller as follows:

(a) Buyer’s Investigation; “As Is” Purchase. Except as otherwise expressly provided in this Agreement:

(1) There are no representations or warranties of any kind whatsoever, express or implied, made by the Seller in connection with this Agreement,

the purchase of the Property by the Buyer, the physical condition of the Property, the status of zoning or whether the Property is appropriate for the Buyer's intended use;

(2) The Buyer is not relying on any statement or representation of the Seller, its agents or its representatives nor on any information supplied by the Seller, its agents or its representatives;

(3) The Buyer, in entering into this Agreement and in completing its purchase of the Property, is relying entirely on its own Investigation of the Property;

(4) On or before the Decision Date, the Buyer will be aware (or will have chosen not to be aware) of: all title matters; zoning regulations; other governmental requirements; site and physical conditions; status of entitlements or the ability to obtain entitlements for the Buyer's intended use; potential costs and procedures for developing the Property and constructing the Buyer's intended improvements thereon; "Hazardous Materials" (defined below) located in, on, under, about, to, through or from the Property; the environmental condition of the Property; soils conditions; status of permits or licenses for the Property; the suitability of the Property for the Buyer's intended use; other matters affecting the use and condition of the Property; and any other contingency or other matter whatsoever; and

(5) The Buyer shall purchase the Property in its "as is" condition as of the date of Closing.

(b) Authority. The Buyer has the power and authority to own the Property and to consummate the transactions contemplated by this Agreement. This Agreement and all instruments, documents and agreements to be executed by the Buyer in connection with this Agreement are or when delivered shall be duly authorized, executed and delivered by the Buyer and are valid, binding and enforceable obligations of the Buyer. Each individual executing this Agreement on behalf of the Buyer represents and warrants to the Seller that he or she is duly authorized to do so.

(c) Consents. The Buyer is not required to obtain any additional consents or approvals to consummate the transactions contemplated in this Agreement.

(d) Delivery. Buyer has delivered or will deliver or make available all relevant Environmental Documents, to the extent received, to the insurance company underwriting and issuing the Environmental Insurance Policy.

4.1.2 Seller's Representations, Warranties and Covenants. Seller represents, warrants and covenants to and agrees with the Buyer as follows:

(a) Authority. Subject to Section 4.6, the Seller has the power and authority to own the Property and to consummate the transactions contemplated by this Agreement; this Agreement and all instruments, documents and agreements to be executed by the Seller in connection with this Agreement are or when delivered shall be duly authorized, executed and delivered by the Seller and are valid, binding and enforceable obligations of the

Seller; and each individual executing this Agreement on behalf of the Seller represents and warrants to the Buyer that he or she is duly authorized to do so.

(b) Contracts; Leases. There are no leases, licenses or occupancy agreements binding upon the Property or contracts of any kind relating to the management, occupancy, leasing, operation, maintenance, ownership or repair of the Property that will survive the Closing.

(c) Compliance with Laws and Codes. Seller has not received any written notice advising or alleging that, and Seller has no actual knowledge that, the Property or any portion thereof, and the use and operation thereof, are not in compliance with all applicable municipal and other governmental laws, ordinances, rules, regulations, codes, licenses, permits and authorizations.

(d) Litigation. There are no pending, or, to Seller's actual knowledge, threatened, judicial, municipal or administrative proceedings affecting the Property or that would adversely affect Buyer's use or ownership of the Property, or in which Seller is or will be a party by reason of Seller's ownership or prior operation of the Property.

(e) Full Disclosure Information. To Seller's actual knowledge, the Environmental Documents do not contain any misstatement of a material fact or omit to state a material fact necessary to prevent the statements made therein from being materially misleading. To Seller's actual knowledge, after reasonable inquiry, the documents Seller has delivered to Buyer and/or its representatives (listed on attached Exhibit B or subsequently delivered to Buyer on or before the Decision Date) or that are available on the Website are all the documents in Seller's possession or control that are material to the underwriting and issuance of the Environmental Insurance Policy.

4.1.3 Reaffirmation. The representations and warranties of the Buyer and the Seller in Section 4.1 are true and correct as of the date of this Agreement and shall be true and correct as of the Closing. The Closing shall constitute the Buyer's and the Seller's reaffirmation of those representations and warranties as of the Closing. The Seller shall be entitled to rely upon the Buyer's representations and warranties in Section 4.1.1(a), notwithstanding any inspection or investigation of the Property that was made or could have been made by the Buyer. Buyer shall only be entitled to rely on Seller's representations and warranties made hereunder for a period of two (2) years following the Closing, at which time they shall become null and void; provided that any representation set forth in other Sections of this Agreement that is also a covenant shall survive until that obligation is fulfilled.

4.2 Environmental Condition.

4.2.1 Site-Wide Investigation. Seller has completed the removal of certain soils on the Property pursuant to an approved soil removal plan (the "**Removal Action Workplan**"). Prior to the Closing, Seller will comply with all obligations thereunder, including backfill and compaction of excavations created during the implementation of the Removal Action Workplan (collectively, the "**Backfill Compaction**"). Seller shall use only clean soil stockpiles from the Property and clean imported fill for the Backfill Compaction, and shall, upon

completion of the Backfill Compaction, obtain a certificate from a licensed soil engineer that the fill and compaction was completed pursuant to industry acceptable standards (the “**Compaction Certificate**”). Seller has completed the Human Health Risk Assessment (“**HHRA**”), and the HHRA Report has been submitted to the Department of Toxic Substances Control (“**DTSC**”) for its approval and a copy has been delivered to Buyer as part of Seller’s delivery of the Environmental Documents. Seller has prepared and submitted to DTSC a Removal Action Completion Report for the soil removal action, a copy of which has been delivered to Buyer as part of Seller’s delivery of the Environmental Documents. Seller shall prepare a final Site-Wide Investigation Report (the “**SWI Report**”), which Seller represents is the remaining task required before Seller can apply for closure of the site-wide investigation overseen by the DTSC. Promptly following the completion of the SWI Report, Seller will file its application with DTSC to obtain a “no further action” letter (the “**NFA**”) from the DTSC and use its commercially reasonable best efforts to obtain the NFA and satisfy any post-closure conditions of the NFA as soon as possible. Seller’s statements in this Section 4.2.1 of future undertakings that are to be completed before the Closing (i.e., the Backfill Compaction) shall be both covenants of Seller and conditions to Buyer’s obligation to close Escrow. Seller’s statements in this Section 4.2.1 of future undertakings that are not to be completed before the Closing, including, without limitation, satisfaction of any post-closure conditions of the NFA, shall be covenants of Seller that shall survive the Closing.

4.2.2 Ground Water Wells. Seller has installed and sampled seven (7) groundwater wells on the Property as part of the site-wide investigation overseen by DTSC (collectively, the “**Wells**”). Seller represents that it has been informed by DTSC that DTSC does not consider Seller to be a contributor to Hazardous Materials present in groundwater beneath and downgradient of the Property, as disclosed in the Environmental Documents. Seller has obtained DTSC approval for closure of and has subsequently closed four of the Wells, and will use its best efforts to obtain approval from DTSC to close the remaining three Wells as soon as is reasonably possible (preferably prior to the Closing Date). If DTSC requires that certain Wells remain open past the Closing Date, Seller will retain responsibility for the monitoring and closure of such Wells, and shall use its commercially reasonable best efforts to obtain DTSC approval to close the Wells as soon as possible following the Closing and, thereafter, commence and complete closure (the “**Post-Closing Obligations**”). The Post-Closing Obligations shall be covenants of Seller that shall survive the Closing, and Buyer shall have the right to enforce such obligations through specific performance, other injunctive relief, or damages for non-performance of a contractual obligation.

4.2.3 Development. In the event the Buyer desires to begin grading the Property prior to the issuance of the NFA, Seller agrees to use its reasonable efforts to cooperate with Buyer to obtain a “shallow soils NFA” from DTSC that would permit such grading. Seller also agrees that should it prove necessary to avoid interference with Buyer’s reasonable development of the Property, Seller will seek permission from DTSC preferentially to close any open Wells or, in the absence of permission to close, to relocate any of the open Wells and will perform such closure and/or relocation at Seller’s cost. The foregoing shall be covenants of Seller that shall survive the Closing.

4.2.4 Cooperation. The Buyer agrees to use its commercially reasonable efforts, and to take all necessary actions, at no cost, expense or liability to Buyer, to

cooperate with Seller in promptly obtaining the NFA and approval for the closure of the Wells. All post-Closing costs and fees incurred by Buyer in connection with procuring the NFA, the closure of the Wells and/or the relocation of any of the Wells will be promptly repaid by the Seller or, if not promptly paid, shall be deducted from the "Holdback" (defined below) and released to Buyer; provided, however, such post-Closing costs and fees shall (a) be limited to the review of documents and consultation in connection with specific matters and tasks (rather than costs for ongoing monitoring) and (b) not exceed \$50,000 in the aggregate.

4.2.5 Access. If required for any Post-Closing Obligations, then concurrently with the Closing, Seller and Buyer will record a Site Access and Indemnity Agreement in the form attached hereto as Exhibit D ("**Access Agreement**"). On or before the Closing, the parties shall determine whether the Access Agreement will be necessary for Seller's performance of any Post-Closing Obligations.

4.2.6 Holdback. As a sign of its intention to use its best efforts to obtain the NFA, Seller agrees to a \$500,000.00 holdback from the Purchase Price, together with interest thereon (collectively, the "**Holdback**") until the NFA is obtained. If Seller does not obtain the NFA letter within the later of the following to occur (the, "**NFA Deadline**") (i) three years from Closing or (ii) one year following the closure of all Wells to the extent Seller is required by a governmental agency, to retain any Wells on the Property after the Closing, then Buyer shall have the option (to be exercised at any time after the NFA deadline until the NFA letter is issued) to (a) require Escrow to release the Holdback to Buyer and assume processing for issuance of the NFA letter or (b) exercise any other remedies at law or equity. If Buyer elects disbursement of the Holdback and assumes the processing, then the Holdback shall be liquidated damages as to Seller's failure to obtain the NFA on or before the NFA Deadline, in which event Seller will have no further obligations, including but not limited to obtaining the NFA, complying with post-closure conditions of the NFA, and completing the Well closures (if any), and Seller shall receive a complete general release from Buyer in the form attached hereto as Exhibit E (the "**General Release Agreement**"), including as to all obligations under Seller's indemnity under Section 4.3.2., below. Buyer shall thereafter use its commercially reasonable best efforts to obtain the NFA. The form of an escrow agreement (the "**Holding Escrow Agreement**") pursuant to which Escrow Holder will act as the escrow agent for the Holdback is attached hereto as Exhibit F. In the event Escrow Holder is unwilling to act as the escrow agent, the Holding Escrow will be handled by Commerce Escrow or another mutually agreed upon escrow agent.

4.2.7 Deed Restriction. Buyer agrees that the grant deed with covenant to restrict use of property environmental restriction (the "**Grant Deed with Covenant to Restrict Use of Property Environmental Restriction**") conveying the Property to Buyer shall be in the form of Exhibit G attached hereto, and shall at a minimum include the following environmental restriction: "The use of the Property shall be restricted to industrial, and/or commercial use only (but including, without limitation, for the following permitted purposes: in any event, office and/or municipal governmental or administrative purposes, retail and/or entertainment purposes, regional transportation center and related purposes, for an animal control center and/or animal hospital, for a life/fire/safety training center, for a community college campus, and/or a fire station and related purposes), and the Property shall not be used for any of the following purposes: (a) a residence, including but not limited to any mobile home or factory

built housing, constructed or installed for use as residential human habitation (provided that a fire station shall be an allowed use); (b) a hospital for humans; (c) a pre-school, kindergarten, elementary, junior high or high school; (d) a day care center or playground for children; or (e) extraction of groundwater for drinking water purposes.” If DTSC or another governmental agency exercising its appropriate jurisdiction requires an additional or broader environmental restriction, Buyer agrees that the grant deed shall include such restriction.

4.3 Hazardous Materials.

4.3.1 Definitions

(a) “**Claims**” means any and all claims, rights, losses, liabilities, judgments, costs, damages, injuries, penalties, enforcement actions, fines, taxes, remedial actions, removal and disposal costs, investigation and remediation costs and expenses (including, without limitation, reasonable attorneys’ fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs), sums paid in settlement of claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or of any relationship, acts, omissions, misfeasances, malfeasance, suits, actions, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises and expenses, of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, whether now existing, existing prior to the date of this Agreement or arising after the date of this Agreement, or which could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, each as though fully set forth at length in this Agreement.

(b) For the purposes of this Agreement, “**Hazardous Material**” means (i) any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof which is or may be hazardous to human health or safety or to the environment due to its ignitibility, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, pyhtotoxicity, reproductive toxicity, infectiousness, radioactivity, or other harmful or potentially harmful properties or effects, including, without limitation, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), Freon and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now, or become in the future, listed, defined, or regulated in any manner by any “Environmental Law” (defined below) based upon, directly or indirectly, such properties or effects, and (ii) any substance, product, waste or other material otherwise defined in this paragraph as a Hazardous Material, which may give rise to any liability under any Environmental Law or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court.

(c) For the purposes of this Agreement, “**Environmental Law**” means any and all federal, state or local statute, law, regulation, standard, guideline, code, ordinance, rule, resolution, order, decree, directive, permit, permit condition or court decision (all as currently in effect and/or as amended, enacted, issued or adopted in the future), which regulate the use, generation, handling, storage, treatment, transport, decontamination, clean-up,

removal, encapsulation, enclosure, abatement, disposal, release or migration of any Hazardous Material, or which due to the presence or potential presence of Hazardous Material(s) are or become applicable to the Property or persons or entities who own, occupy, use, visit or work on the Property. Environmental Law includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6921, et seq., the Toxic Substance Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Sections 136 et seq., the California Hazardous Waste Control Act, Health and Safety Code Sections 25100, et seq., the California Hazardous Substance Account Act, Health and Safety Code Sections 25300, et seq., the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Sections 25249.5, et seq., California Health and Safety Code Sections 25280, et seq. (Underground Storage of Hazardous Substances), California Health and Safety Code Sections 25500 et seq. (Hazardous Materials Release Response Plans and Inventory), the California Porter-Cologne Water Quality Control Act, Water Code Sections 13000 et seq., and any other federal, state or local statute, law, regulation, standard, guideline, code, ordinance, rule, resolution, order, decree, directive, permit, permit condition or court decision regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect, all as amended or hereafter amended.

4.3.2 Seller Indemnification. Seller agrees that it is not released from and agrees to indemnify, defend, protect and hold Buyer, including its employees, and its elected representatives, harmless solely from and against any and all Claims that would otherwise be covered by the Environmental Insurance Policy but for the Pollutant Exclusion Endorsement to be attached to the Environmental Insurance Policy (the “**Reserved Claims**”). The indemnity set forth in this Section 4.3.2 shall: (a) not exceed ten million dollars of Claims in the aggregate; (b) expire on the earlier of (i) the date the Pollutant Exclusion Endorsement is removed from the Environmental Insurance Policy (or if the Pollutant Exclusion Endorsement is not deleted in its entirety and contaminants remain listed on the Pollutant Exclusion Endorsement, then the indemnity shall continue only as to Claims based on contaminants not removed) or (ii) ten (10) years from the Closing; (c) only cover liabilities arising directly from Seller’s operations on the Property; (d) not cover groundwater Claims except for Claims arising out of the former fuel underground storage tank operated by Seller; (e) not cover clean-up costs except to the extent of costs resulting from any clean-up required to meet current standards for industrial use by any governmental agency exercising its jurisdiction (excluding the City of Torrance, or any agency, authority or special purpose government entity created by or affiliated with the City of Torrance, or any governmental agency that is responding to any request or solicitation by the City of Torrance or any agency, authority or special purpose government entity created by or affiliated with the City of Torrance); and (f) be personal to the Buyer and not assignable. Seller’s liability for all Reserved Claims will be first dollar (i.e., not subject to the equivalent of the \$100,000 self insured retention under the Environmental Insurance Policy). Seller’s indemnity of Buyer for the Reserved Claims as set forth in this Section 4.3.2 shall survive the Closing.

4.3.3 Indemnification. If this transaction closes and the Buyer acquires title to the Property, the Buyer, on behalf of itself and its successors, assigns and successors in interest, hereby agrees to indemnify, protect, defend and hold harmless the Seller

and its Indemnitees from, and releases, acquits, forever discharges and waives any right to pursue the Seller and/or its Indemnitees for, any and all Claims (including, but not limited to, Claims arising under any Environmental Law), direct or indirect, arising out of, related in any way to, or resulting from or in connection with, in whole or in part, (i) the actual, alleged or suspected presence, use, generation, storage, disposal, release, transport or migration of Hazardous Materials that occurs in, on, under, above, about, to, through or from the Property and/or future improvements constructed thereon after the Closing, excluding Claims based upon releases or deposits of Hazardous Materials that originate on another property and migrate under or onto the Property, including through groundwater flow, soil gas diffusion, underground utility conduit, surface water runoff and air diffusion; (ii) the use of the Property or any portion thereof as a fire station; (iii) indoor air quality of future improvements; and/or (iv) vapor intrusion into future improvements. The foregoing shall apply regardless of any negligence or strict liability of Seller or its Indemnitees. Buyer's indemnity of Seller as set forth in this Section 4.3.3 shall survive the Closing.

4.3.4 Release and Waiver. Except for (i) the Reserved Claims for which Buyer shall receive the indemnity of Seller as set forth in Section 4.3.2 above, (ii) Seller's fulfillment of its covenants to perform the post-closing obligations set forth in Sections 4.2.1 and 4.2.2, above, and (iii) any Claims based on breaches of the representations, covenants and warranties of Seller under this Agreement that survive the Closing, if this transaction closes and the Buyer acquires title to the Property, the Buyer, on behalf of itself and its successors, assigns and successors in interest, hereby agrees to release, acquit and forever discharge the Indemnitees from, and waives any right to pursue the Indemnitees for, any and all Claims (including, but not limited to, Claims arising under any Environmental Law), direct or indirect, arising out of, related in any way to, or resulting from or in connection with, in whole or in part: the actual, alleged or suspected presence, use, generation, storage, disposal, release, transport or migration of Hazardous Materials that occurred in, on, under, above, about, to, through or from the Property before the Closing. The foregoing shall apply regardless of any negligence or strict liability of Seller or other Indemnitees.

WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542. WITH RESPECT TO THE FOREGOING RELEASE AND WAIVER SET FORTH IN THIS SECTION 4.3.4, THE BUYER, ON BEHALF OF ITSELF, ITS SUCCESSORS, ASSIGNS AND SUCCESSORS-IN-INTEREST AND SUCH OTHER PERSONS AND ENTITIES, EXPRESSLY WAIVES THE BENEFITS AND PROTECTIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

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

Initials of Buyer _____

4.3.5 No Limitation to Liability. The provisions of this Section 4.3 shall not be limited by Section 5.6 of this Agreement (Liquidated Damages).

4.4 Condemnation. If, prior to Closing, any portion of the Property is condemned, the Seller shall promptly notify the Buyer thereof (the “**Notice of Condemnation**”). The Buyer shall then have the option, exercisable with ten (10) days after the receipt of the Notice of Condemnation, to either (a) terminate this Agreement, in which event Buyer and Seller shall proceed in accordance with Section 3.5 of this Agreement or (b) consummate this Agreement in accordance with its terms, in which event the Seller shall assign to the Buyer, Seller’s right, if any to any condemnation awards attributable to the Property.

4.5 Tax-Deferred Exchange. Either party may, at its option, elect to have the Property transferred as part of a tax-deferred exchange pursuant to U.S. Internal Revenue Code Section 1031 (the “**Code**”). The completion of either exchange is not a condition to the Closing. In order to facilitate the exchange, each party shall cooperate with the other, at the requesting party’s sole cost and expense, and shall execute, acknowledge and deliver any and all documents that the requesting party may reasonably request to any intermediary that the requesting party may direct; provided, however, that neither party shall have any obligation whatsoever to (a) incur any escrow, title, brokerage or any other costs, expenses or any liability whatsoever, directly or indirectly, in connection with or arising out of the other party’s exchange, or (b) take title to any property, other than the Property. Each party shall indemnify, defend and hold the other party harmless from any and all costs, expenses, liability and all other claims, whatever the nature thereof, that the other party may incur or be subject to as a result of participating in the requesting party’s exchange. In no event shall the Closing be delayed as a result of the exchange. It shall be each party’s sole responsibility to determine whether the property exchanged qualifies as “like-kind” within the meaning of the Code. Each party shall be solely responsible for the tax consequences of its exchange and neither party shall have any obligation or liability to the other party in connection its exchange.

4.6 Consent of Board of Directors of Seller. The parties agree that this Agreement must be approved by the Board of Directors of the Seller (the “**Board Consent**”) and that the Seller’s and Buyer’s obligations hereunder shall be conditioned upon obtaining such consent. The Seller shall use all commercially reasonable efforts to obtain the Board Consent. If the Board Consent cannot be obtained before the Closing Date, the Closing Date shall be extended until such time as the Board Consent can be obtained; provided, however, that the Board Consent must be obtained within thirty (30) days after the scheduled Closing Date or this Agreement shall terminate.

4.7 Mutual Indemnification Obligations. Seller shall indemnify, defend and hold Buyer harmless from and against any and all Claims arising from or in connection with Seller’s breach of this Agreement. Buyer shall indemnify, defend and hold Seller harmless from and against any and all Claims arising from or in connection with Buyer’s breach of this Agreement. The foregoing obligations shall survive the Closing.

5. CLOSING

5.1 Deposits Into Escrow.

5.1.1 At least one (1) business day prior to the Closing Date, the Seller shall deposit into Escrow:

(a) The Grant Deed with Covenant to Restrict Use of Property Environmental Restriction;

(b) Statement of Tax Due and Request that Tax Declaration not be made part of the Permanent Record;

(c) An affidavit or qualifying statement which satisfies the requirements of Section 1445 of the Internal Revenue Code of 1986, as amended, and the related regulations (the “**Non-Foreign Affidavit**”);

(d) A Withholding Exemption Certificate, Form 593 C, or in the event that the Seller is a non-California resident, a certificate issued by the California Franchise Tax Board, pursuant to the Revenue and Taxation Code Sections 18805 and 26131, stating either the amount of withholding required from the Seller’s proceeds or that the Seller is exempt from the withholding requirement (the “**Withholding Certificate**”);

(e) Three counterparts of the Holding Escrow Agreement and Sellers W-9 Statement for Escrow Holder;

(f) Two counterparts of the Access Agreement (if required);
and

(g) Evidence, satisfactory to Buyer and Title Company, of the Board Consent.

5.1.2 At least one (1) business day prior to the Closing Date, the Buyer shall deposit into Escrow:

(a) The balance of the Purchase Price in accordance with the Section 2.2.2.;

(b) The Preliminary Change of Ownership Report;

(c) Three counterparts of the Holding Escrow Agreement;

(d) Two counterparts of the Access Agreement, if required;
and

(e) The Environmental Insurance Policy pursuant to Section 3.5 or the Insurer’s commitment to issue the same effective as of the Closing.

5.1.3 The Seller and the Buyer shall each deposit such other instruments and funds as are reasonably required by Escrow Holder or otherwise required to close Escrow and consummate the sale of the Property in accordance with the terms of this Agreement.

5.2 Buyer’s Conditions to Closing. The following shall be conditions precedent to Buyer’s obligation to close Escrow:

5.2.1 Chicago Title Company shall have delivered to Buyer its irrevocable commitment to issue the Owner's Policy upon Closing all as described in Section 2.3.2;

5.2.2 Seller shall have signed, acknowledged and delivered all documents and instruments to Escrow Holder as required in Section 5.1.1, above;

5.2.3 All representations and warranties by Seller in this Agreement shall be true on Closing as if made at that time;

5.2.4 Seller shall have timely performed all of its covenants under this Agreement that are to be completed as of the Closing Date, including without limitation, completion of the Backfill Compaction (with the Compaction Certificate issued by a duly licensed soils engineer) and all other covenants to be performed by Seller before Closing as set forth in Sections 4.2.1 and 4.2.2; and

5.2.5 A commitment to issue the Environmental Insurance Policy, in a form acceptable to Buyer pursuant to Section 3.4, above, and effective as of the Closing Date shall have been issued.

5.3 Seller's Conditions to Closing. The following shall be conditions precedent to Buyer's obligation to close Escrow:

5.3.1 Buyer shall have delivered the balance of the Purchase Price and shall have signed, acknowledged and delivered all documents and instruments to Escrow Holder as required in Section 5.1.2, above;

5.3.2 All representations and warranties by Buyer in this Agreement shall be true on Closing as if made at that time;

5.3.3 Buyer shall have timely performed all of its covenants under this Agreement as of the Closing Date; and

5.3.4 A commitment to issue the Environmental Insurance Policy, in a form acceptable to Seller pursuant to Section 3.4, above, and effective as of the Closing Date shall have been issued.

5.4 Prorations.

5.4.1 The following prorations shall be made as of 12:01 a.m. on the day the Closing occurs on the basis of a 365-day year. At least five (5) business days prior to the Closing Date, Escrow Holder shall deliver to each of the Seller and the Buyer a tentative proration schedule setting forth a preliminary determination, and estimated closing statements.

(a) Real estate taxes and assessments shall be prorated as of the Closing on the basis of the most recent tax statement for the Property.

(b) All utility charges and other items of expense (if any) shall be prorated as of the Closing on the basis of schedules prepared by the Seller for that purpose with post-closing adjustments made between the Seller and the Buyer by cash payment upon demand to the party entitled thereto.

5.5 Payment of Closing Costs.

5.5.1 Closing Costs Borne by Seller. The Seller shall bear and Escrow Holder shall discharge on the Seller's behalf out of the sums payable to the Seller the portion of the costs associated with the standard coverage premium for the Owner's Policy, equal to the premium on a CLTA owner's policy of title insurance in the amount of the Purchase Price (including any mechanics' lien or other endorsements to the extent permitted by Buyer to address any Deemed Disapproved Exceptions), the documentary transfer tax and the sums necessary to obtain and the cost of recording any reconveyance required, one-half of Escrow Holder's base fee, the excess premium cost of any Environmental Insurance Policy approved by Seller with a premium greater than \$119,000, any additional costs and charges customarily charged to sellers in accordance with common escrow practices in Los Angeles County.

5.5.2 Closing Costs Borne by the Buyer. The Buyer shall deposit with Escrow Holder for disbursement by Escrow Holder one-half of Escrow Holder's base fee, all costs and expenses of the Owner's Policy in excess of the premium to be borne by the Seller (including any additional premium charged for any extended coverage policy or endorsements requested by the Buyer and the cost of any survey which may be required by the Title Company), all costs and expenses of the Environmental Insurance Policy in an amount not to exceed \$119,000, the recording fees required in connection with the transfer of the Property to the Buyer, and any additional charges customarily charged to buyers in accordance with common escrow practices in Los Angeles County.

5.6 Closing of Escrow.

5.6.1 Escrow Holder shall hold the Closing on the Closing Date if: (i) it has received in a timely manner all the funds and documents required to be delivered into Escrow by the Buyer and the Seller; and (ii) it has received assurances satisfactory to it and Buyer that, effective as of the Closing, the Title Company will issue the Owner's Policy to the Buyer.

5.6.2 To Close the Escrow, Escrow Holder shall:

(a) Cause the Grant Deed with Covenant to Restrict Use of Property Environmental Restriction to be recorded, a conformed copy to be concurrently electronically transmitted to Buyer, and the original then mailed to the Buyer, and deliver the Owner's Policy, Non-Foreign Affidavit, the Holding Escrow Agreement, the Access Agreement (if applicable), and Withholding Certificate to the Buyer; and

(b) Deliver to the Seller: (i) by wire transfer of federal funds, funds in the amount of the Purchase Price, and plus or less any net debit or credit to the Seller by reason of the prorations and allocations of closing costs provided for in this Agreement; and (ii) the Holding Escrow Agreement and the Access Agreement (if applicable).

5.6.3 Pursuant to Section 6045 of the Internal Revenue Code, Escrow Holder shall be designated the closing agent hereunder and shall be solely responsible for complying with the tax reform act of 1986 with regard to reporting all settlement information to the Internal Revenue Service.

5.7 Failure to Close; Cancellation. If the Escrow Holder is not in a position to Close the Escrow on the Closing Date (or later as set forth in Section 4.6), then, except as provided in Section 5.6, Escrow Holder shall return to the depositor thereof any funds or other materials previously placed in Escrow. No such return shall relieve either party of liability for any failure to comply with the terms of this Agreement that expressly survives the termination of this Agreement.

5.8 **LIQUIDATED DAMAGES. THE PARTIES HAVE DETERMINED THAT IF BUYER BREACHES THIS AGREEMENT AND FAILS TO PURCHASE THE PROPERTY AS CONTEMPLATED HEREIN, THE DAMAGE TO SELLER WILL BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN, SUCH DAMAGE INCLUDING COSTS OF NEGOTIATING AND DRAFTING THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER BUYER UPON BUYER'S DEFAULT, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION HERewith. IN ADDITION, BUYER WISHES TO LIMIT ITS LIABILITY IN EVENT OF ITS BREACH OF THIS AGREEMENT AND FAILURE TO PURCHASE THE PROPERTY AS CONTEMPLATED IN THIS AGREEMENT, AND SELLER HAS AGREED TO SUCH A LIMITATION. THE PARTIES THUS AGREE THAT SHOULD THIS AGREEMENT FAIL TO CLOSE DUE TO BUYER'S BREACH OF THIS AGREEMENT (WITH SELLER HAVING SUBSTANTIALLY PERFORMED ALL OBLIGATIONS ON ITS PART TO BE PERFORMED HERENDER PRIOR TO SUCH BREACH), THE SOLE AND EXCLUSIVE REMEDY OF SELLER (EXCEPT FOR ANY DAMAGES, COSTS AND EXPENSES INCURRED IN CONNECTION WITH OR RESULTING FROM BUYER'S BREACH OF ITS OBLIGATIONS UNDER SECTIONS 3.3.2(b), 3.3.2(c), 4.3.3, 6.13 AND 6.17 HEREIN) SHALL BE TO RETAIN THE DEPOSIT TO THE EXTENT DEPOSITED WITH ESCROW HOLDER; ALL OTHER CLAIMS FOR DAMAGES OR CAUSES OF ACTION ARE HEREBY EXPRESSLY WAIVED BY SELLER. SAID AMOUNT WILL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR THE BREACH OF THIS AGREEMENT BY BUYER. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

Initials of Buyer:

Initials of Seller:

5.9 Possession. Possession of the Property shall be delivered to the Buyer upon Closing.

6. GENERAL PROVISIONS

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

6.2 Entire Agreement. This Agreement contains the entire integrated agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement. There are no representations, agreements, arrangements or understandings, oral or in writing, between or among the parties to this Agreement relating to the subject matter of this Agreement that are not fully expressed in this Agreement. The terms of this Agreement are intended by the parties as a final expression of their agreement with respect to those terms and they may not be contradicted by evidence of any prior agreement or of any contemporaneous agreement. The parties further intend that this Agreement constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Agreement. All references to “**Agreement**” herein shall include all exhibits attached hereto.

6.3 Legal Advice; Neutral Interpretation; Headings. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question. Headings used in this Agreement are for convenience of reference only and shall not be used in construing this Agreement.

6.4 Choice of Law; Jurisdiction; Venue. This Agreement shall be governed by the laws of the State of California. The parties to this Agreement irrevocably agree to the jurisdiction of the Superior Court of the State of California situated in the County in which the Property is located, or of the United States District Court situated in such County, and the parties agree that venue in such County is the correct and appropriate venue, for any action or other proceeding involving the rights, obligations and remedies of the parties under this Agreement.

6.5 Severability. If any term, covenant, condition or provision of this Agreement, or its application to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

6.6 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant, condition or promise under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant, condition or promise under this Agreement. The waiver by either or both parties of the time for

performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law, and the provision in this Agreement for any remedy shall not exclude other consistent remedies unless they are expressly excluded.

6.7 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached.

6.8 Amendment. This Agreement may be amended at any time only by the written agreement of the Buyer and the Seller. All amendments, changes, revisions and discharges of this Agreement, in whole or in part, and from time to time, shall be binding upon the parties so long as the same shall be in writing and executed by the parties hereto.

6.9 Relationship of Parties. The parties agree that their relationship is that of seller and buyer, and that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization between the parties hereto, nor is either party granted any right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.

6.10 No Third Party Benefit. This Agreement is intended to benefit only the parties hereto and no other person or entity has or shall acquire any rights hereunder.

6.11 Time of the Essence. Time shall be of the essence as to all dates and times of performance, whether contained herein or contained in any escrow instructions to be executed pursuant to this Agreement, and all escrow instructions shall contain a provision to this effect.

6.12 Further Acts. Each party agrees to perform any further acts and to execute, acknowledge and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

6.13 Recordation; Actions to Clear Title. The Buyer shall not record this Agreement, any memorandum of this Agreement (other than the Access Agreement if required), any assignment of this Agreement or any other document which would cause a cloud on the title to the Property. If the Buyer fails to complete its purchase of the Property for any reason, or if this Agreement shall terminate for any reason not solely due to the Seller's default hereunder, then the Buyer shall, at no cost to the Seller, promptly execute, acknowledge and deliver to the Seller, all within three (3) days after written request from the Seller, a quitclaim deed, in recordable form, in favor of the Seller and any other documents requested by the Seller to remove the cloud on title to the Property that may exist as the result of the existence of this Agreement or any escrow relating to this Agreement. In the event the Buyer fails to so execute and deliver any such document, in addition to any liquidated damages payable to the Seller pursuant to this Agreement, the Buyer shall pay all losses, damages, costs and expenses, including but not limited to the Seller's reasonable attorneys' fees, incurred in connection with the Buyer's breach of its obligations under this Section 6.13 or the clearing of any such cloud on title.

6.14 Assignment. The Buyer shall not assign its rights or delegate its obligations hereunder without the prior written consent of the Seller in each instance, which consent shall not be unreasonably withheld. If the Buyer assigns its rights or delegates its obligations hereunder in violation of this Section, the Seller shall have the right to terminate this Agreement pursuant to Section 3.6 above. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties to this Agreement.

6.15 Attorneys' Fees. In the event of any litigation involving the parties to this Agreement to enforce any provision of this Agreement, to enforce any remedy available upon default under this Agreement, or seeking a declaration of the rights of either party under this Agreement, the prevailing party shall be entitled to recover from the other such attorneys' fees and costs as may be reasonably incurred, including the costs of reasonable investigation, preparation and professional or expert consultation incurred by reason of such litigation. All other attorneys' fees and costs relating to this Agreement and the transactions contemplated hereby shall be borne by the party incurring the same.

6.16 Brokers. The Buyer and the Seller each represent and warrant to the other that (a) they have not dealt with any brokers or finders in connection with the purchase and sale of the Property except for the brokers referred to in Section 1.9 above, and (b) insofar as such party knows, no broker or other person is entitled to any commission or finder's fee in connection with the purchase and sale of the Property. The Seller and the Buyer each agree to indemnify and hold harmless the other against any loss, liability, damage, cost, claim or expense incurred by reason of any brokerage fee, commission or finder's fee which is payable or alleged to be payable to any broker or finder (including the brokers named in Section 1.9 above) because of any agreement, act, omission or statement of the indemnifying party.

6.17 Return of Seller's Information. Pursuant to the terms of this Agreement, the Seller shall furnish to the Buyer certain information concerning Property (the "**Information**"), which is set forth in Exhibit B or delivered to Buyer pursuant to Section 3.1.4. If this Agreement is terminated, Buyer shall return all originals and copies of the Information to Seller and shall not use or refer to the Information or have any discussions thereafter with any third parties. This obligation shall survive the termination of this Agreement.

6.18 Nonrefundable Consideration. Contemporaneously with the execution and delivery of this Agreement, Buyer has delivered to Seller, and Seller hereby acknowledges the receipt of, a check in the amount of One Hundred and No/100 Dollars (\$100.00) ("**Independent Contract Consideration**"), which amount the parties bargained for and agreed to as consideration for Buyer's right to inspect (pursuant to Section 3) and purchase the Property pursuant to this Agreement and for Seller's execution, delivery, and performance of this Agreement. The Independent Contract Consideration is in addition to and independent of any other consideration or payment provided in this Agreement, is non-refundable, is fully earned, and shall be retained by Seller notwithstanding any other provision of this Agreement.

6.19 Manner of Giving Notice. All notices and demands, which either party is required or desires to give to the other shall be given in writing by personal delivery, express courier service or by telecopy followed by next day delivery of a hard copy to the address or

telecopy number set forth in Sections 1.7 and 1.8 above for the respective party, provided that if any party gives notice of a change of name, address or telecopy number notices to that party shall thereafter be given as demanded in that notice. All notices and demands so given shall be effective only upon receipt by the party to whom notice or a demand is being given.

6.20 Business Days and Calendar Days. "Business day(s)" shall mean Monday through Friday, excluding holidays. Unless specified as a business day any other reference to "days" herein shall mean calendar days.

6.21 Survival. The provisions of Section 3.3.2(c) (Inspection of Property), Article 4 (Additional Agreements of the Parties), Section 5.3 (Payment of Closing Costs), Section 5.6 (Liquidated Damages), Section 5.8 (Possession) and Article 6 (General Provisions) shall survive the Closing and the consummation of the transactions contemplated by this Agreement or the termination of this Agreement for any reason without the conveyance of the Property to the Buyer.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the Effective Date.

BUYER

SELLER

CITY OF TORRANCE,
a municipal corporation

PPG INDUSTRIES, INC.,
a Pennsylvania corporation

By _____
Frank Scotto, Mayor

By _____
Name _____
Its _____

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOW III
City Attorney

By _____

Exhibit A**Legal Description of the Property**

THAT PORTION OF LOT 8 OF TRACT NO. 7873, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 109 PAGES 99 AND 100 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND A PORTION OF PARCEL 130 OF SUBDIVISION OF PORTIONS OF THE 730.61 ACRE TRACT ALLOTTED TO SUSANA DOMINGUEZ BY A FINAL DECREE OF PARTITION OF A PORTION OF THE RANCHO SAN PEDRO IN CASE NO. 3284 OF THE SUPERIOR COURT OF LOS ANGELES COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LOT 8; THENCE NORTH 0 DEGREES 34 MINUTES 10 SECONDS WEST ON AND ALONG THE EAST LINE OF SAID LOT 8, 981.22 FEET; THENCE SOUTH 89 DEGREES 25 MINUTES 50 SECONDS WEST 1204.43 FEET, MORE OR LESS, TO A LINE THAT IS PARALLEL WITH AND DISTANT 5 FEET NORTHEASTERLY AT RIGHT ANGLES FROM THE NORTHEASTERLY BOUNDARY LINE OF THE RIGHT OF WAY OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, AS CONVEYED TO SANTA FE AND LOS ANGELES HARBOR RAILWAY COMPANY, BY DEED OF EASEMENT RECORDED OCTOBER 9, 1942 AS INSTRUMENT NO. 1327 IN BOOK 19635 PAGE 64, OFFICIAL RECORDS; THENCE SOUTH 48 DEGREES 00 MINUTES 00 SECONDS EAST 1245.12 FEET, MORE OR LESS, ALONG SAID PARALLEL LINE AND THE SOUTHEASTERLY PROLONGATION THEREOF TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 546.438 FEET AND WHICH PASSES THROUGH THE POINT OF BEGINNING; THENCE SOUTHEASTERLY ALONG SAID CURVE A DISTANCE OF 321.98 FEET TO THE POINT OF BEGINNING.

Exhibit B**Documents Previously Provided to Buyer****WEBSITE****Aerial**

- Depicting prime development site +/- 15.00 acres of land (653,400 square feet)

Maps

- Local Map
- Regional Map

Additional Environmental Information

- Soil Summary 2008
- Draft Removal Action Workplan, dated September 26, 2008, prepared by Earth Tech, Inc.
- Ground Water Summary 2008

Physical Information

- Chicago Title Company, Preliminary Title Report Order No.: 201053618 X59, dated May 23, 2008
- International Land Services, Inc., ALTA/ACSM Land Title Survey, dated September 15, 2000
- Environmental Summary

Brochure

- General information for prime development site +/- 15.00 acres of land (653,400 square feet)

Market Information

- Los Angeles Industrial Market Report, First Quarter 2008
- South Bay Industrial Market Report, First Quarter 2008

ADDITIONAL DELIVERED DOCUMENTS

1. Site-Wide Soil and Groundwater Investigation Report, Former PPG Industries, Inc. Coatings and Resins Group Facility, 465 Crenshaw Boulevard, Torrance, California 90509. December 11, 2007, prepared by Earth Tech, Inc., Long Beach, California.
2. Draft RAW, Former PPG Industries, Inc. Coatings and Resins Group Facility, 465 Crenshaw Boulevard, Torrance, California 90503. September 26, 2008. Prepared by Earth Tech, Inc., Long Beach, California
3. Human Health Risk Assessment Workplan, Former PPG Industries, Inc. Coatings and Resins Group Facility, 465 Crenshaw Boulevard, Torrance, California 90509. October 31, 2008. Prepared by Earth Tech AECOM.
4. Human Health Risk Assessment Workplan Approval – Former PPG Industries, Inc. Coatings and Resins Group Facility, 465 Crenshaw Boulevard, Torrance, California 90509. November 5, 2008. Letter from Mr. Johnson P. Abraham, DTSC Project Manager, to Mr. Brian Dean, Earth Tech AECOM Project Manager.
5. Underground Storage Tank Program – Case Closure. PPG Industries, Inc. (Priority A1 Site), 465 Crenshaw Boulevard, Torrance, CA (Case No. 905030170). November 18, 2008. Letter from Tracy J. Egoscue of the California Regional Water Quality Control Board – Los Angeles Region to Mr. Tom Ebbert of PPG Industries, Inc.
6. Report for UST Remediation Closure Activities, PPG Industries, Inc. 465 Crenshaw Blvd., Torrance, California (File No. 905030170). March 3, 2009. Letter-report from Alycia McCord, Earth Tech AECOM Project Manager to Jimmy Woo, Regional Water Quality Control Board – Los Angeles Region Project Manager.
7. Draft Removal Action Workplan, Former PPG Industries, Inc. Coatings and Resins Group Facility, 465 Crenshaw Boulevard, Torrance, California 90503. November 14, 2008. Prepared by Earth Tech AECOM.
8. E-mail from Patricia O’Toole to Heriberto Robles (cc: Shawn Kraatz, Maxy Otuteye and Diane Smith), May 1, 2009, 1:29 p.m., Subject: “PPG Confirmation Soil Sample Results,” with the following six attachments:
 - i. PPG Torrance RAW Confirmation Sample Summary_final.pdf, prepared by Earth Tech AECOM, April 2009.
 - ii. Summary of Confirmation Samples[I].xls, prepared by Earth Tech AECOM, April 2009.
 - iii. Fig1 99450.2009 SRACR.041509[1].pdf, prepared by Earth Tech AECOM, April 2009.

- iv. Fig2 99450.2009 SRACR.041509[1].pdf, prepared by Earth Tech AECOM, April 2009.
 - v. Fig3 99450.2009 SRACR.041509[1].pdf, prepared by Earth Tech AECOM, April 2009.
 - vi. Fig4 99450.2009 SRACR.041509[1].pdf, prepared by Earth Tech AECOM, April 2009.
9. E-mail from Patricia O'Toole to Maxy Otuteye and Shawn Kraatz (cc: Diane Smith, Henry R. Stiepel and Kevin J. Lamb), May 7, 2009. 1:22 p.m., Subject: "Additional Info on PPG," with the following five attachments:
- i. E-mail from Johnson Abraham, DTSC, to Patricia O'Toole (cc: Emad Yemut (DTSC), Greg Holmes (DTSC) and Nancy Matsumoto (WRDSC)), January 22, 2009, 3:38 p.m., Subject: "Fwd: RE2: PPG and/or Other Potential Source for Madrid Well VOCs in Torrance?", with two attachments: "Re: RE2 PPG and/or Other Potential Source for Madrid Well VOCs in Torrance" and "Re Northrop Grumman Corporation – K6 Facility.pdf"
 - ii. E-mail from Greg Holmes, DTSC, to Johnson Abraham (DTSC) and Patricia O'Toole (cc: Brian Dean (EarthTech), Emad Yemut (DTSC) and Nancy Matsumoto (WRDSC)), January 26, 2009, 4:56 p.m., Subject: "Re: RE2: PPG and/or Other Potential Source for Madrid Well VOCs in Torrance?"
 - iii. E-mail from Greg Holmes, DTSC, to Johnson Abraham (DTSC) and Patricia O'Toole (cc: Emad Yemut and Matt Mitguard (U.S. EPA)), February 27, 2009, 9:18 a.m., Subject: "Re: RE2: PPG and/or Other Potential Source for Madrid Well VOCs in Torrance?"
 - iv. E-mail from Greg Holmes, DTSC, to Johnson Abraham (DTSC) and Patricia O'Toole (cc: Emad Yemut and Matt Mitguard (U.S. EPA)), February 27, 2009, 2:16 p.m., Subject: "Re: RE2: PPG and/or Other Potential Source for Madrid Well VOCs in Torrance?"
 - v. E-mail from Greg Holmes, DTSC, to Patricia O'Toole (cc: Matt Mitguard (U.S. EPA)), March 27, 2009, 2:52 p.m., Subject: "Re: RE2: PPG and/or Other Potential Source for Madrid Well VOCs in Torrance?"
10. E-mail from Patricia O'Toole to Maxy Otuteye and Shawn Kraatz (cc: Henry R. Stiepel and Diane Smith), May 12, 2009. 11:36 a.m., Subject: "Additional Info on PPG," with the following attachment:
- i. E-mail from Greg Holmes, DTSC, to Patricia O'Toole (cc: Johnson Abraham (DTSC)), May 11, 2009, 2:57 p.m., Subject: "Re: RE2: PPG and/or Other Potential Source for Madrid Well VOCs in Torrance?", with one attachment: "Ball SSA Replacement Page 5-11-09.pdf"

11. Approval of the Final Removal Action Workplan for the Former PPG Industries, Inc. Coatings and Resins Group Facility, 465 Crenshaw Boulevard, Torrance, California 90509. December 22, 2008. Letter from Emad B. Yemut, DTSC Unit Chief to Brian Dean, Earth Tech AECOM Project Manager.
12. Draft Human Health Risk Assessment, Former PPG Industries, Inc., Coatings and Resins Group Facility, 465 Crenshaw Boulevard, Torrance, California 90503. July 10, 2009, prepared by EarthTech AECOM, Long Beach, California.
13. Removal Action Completion Report, Former PPG Industries, Inc. Coatings and Resins Group Facility, 465 Crenshaw Boulevard, Torrance, California 90503. August 7, 2009, prepared by EarthTech AECOM, Long Beach, California.
14. Report for Monitoring Well Abandonment, PPG Industries, Inc., 465 Crenshaw Blvd., Torrance, California. August 25, 2009. Letter-report from Alycia McCord, Earth Tech AECOM Project Manager to Johnson Abraham, DTSC Project Manager.

Exhibit C

The Quote

[Attached]

June 2, 2009

ATTN: SHAWN KRAATZ
 PRODUCER: ALLIANT INSURANCE SERVICES
 E-MAIL: SKRAATZ@ALLIANTINSURANCE.COM



ENVIRONMENTAL DIVISION
 401 PLYMOUTH ROAD, SUITE 100
 PLYMOUTH MEETING, PA 19462

CUSTOMER #: 4293303

FROM: PETE PANTALONE

GREAT AMERICAN INSURANCE GROUP

PREMISES ENVIRONMENTAL LIABILITY POLICY PROPOSAL

FOR: CITY OF TORRANCE, CA
 COMPANY: GREAT AMERICAN E&S INSURANCE COMPANY (GAES)
 FORM: PEL3001 04/08
 DOMICILE STATE: CA

COVERAGES:

Option 1: Policy Term – (10) Year(s)

Coverage	Each POLLUTION CONDITION Limit	Coverage Aggregate Limit	Self-Insured Retention
A. Pollution Legal Liability	\$10,000,000	\$10,000,000	\$250,000
B. On-Site and Off-Site Clean-Up Costs	\$10,000,000	\$10,000,000	\$250,000
C. Contracting Services Pollution Liability	\$0	\$0	\$0
D. Non-Owned Disposal Site	\$10,000,000	\$10,000,000	\$250,000
E. In-Bound and Out-Bound Contingent Transportation	\$10,000,000	\$10,000,000	\$250,000

Policy Aggregate Limit of Liability: \$10,000,000

Premium:	\$93,344	(100% Minimum Earned)
Premium for Certified Acts of Terrorism:	\$9,334	additional premium
State Tax	\$ N/A	Broker Responsibility

PEL Quote

Option 2: Policy Term – (10) Year(s)

Coverage	Each POLLUTION CONDITION Limit	Coverage Aggregate Limit	Self-Insured Retention
A. Pollution Legal Liability	\$10,000,000	\$10,000,000	\$100,000
B. On-Site and Off-Site Clean-Up Costs	\$10,000,000	\$10,000,000	\$100,000
C. Contracting Services Pollution Liability	\$0	\$0	\$0
D. Non-Owned Disposal Site	\$10,000,000	\$10,000,000	\$100,000
E. In-Bound and Out-Bound Contingent Transportation	\$10,000,000	\$10,000,000	\$100,000

Policy Aggregate Limit of Liability: \$10,000,000

Premium:	\$118,881	(100% Minimum Earned)
Premium for Certified Acts of Terrorism:	\$1,189	additional premium
State Tax	\$ N/A	Broker Responsibility

***Premium above does NOT include Excess and Surplus Lines Tax
Excess and surplus lines taxes, fees and filings are additional and the sole responsibility of the broker. Please furnish us with a copy of your surplus lines license prior to binding.***

COMMISSION: 15%

COVERED

LOCATION(s): 465 Crenshaw Blvd, Torrance, CA

CONTRACTING

SERVICES: N/A

RETROACTIVE DATE: N/A

REVERSE RETROACTIVE DATE: Policy Inception

ENDORSEMENTS and EXCLUSIONS:

1. PEL3421 Terrorism Exclusion
2. PEL3418 Terrorism Coverage
3. Any applicable state endorsements and notices.
4. MANUS Pollutant Exclusion
5. PEL3136 Coverage B – On-Site Clean-Up Costs Restriction – Governmental Claims Only and Off-Site Third Party Claims Only
6. PEL3003 Additional Named Insured
7. PEL3400 Deed Restrictions Violation Exclusion
8. PEL3624 Document Schedule
9. MANUS Known Conditions Exclusion Amendment
10. MANUS Deletion of Faulty Workmanship/Own Work
11. PEL3908 Choice of Law and Jurisdiction and Venue Conditions Amendment
12. PEL3430 Material Change In Use Exclusion Amendment – Specified Use Excepted
13. MANUS Amendatory Endorsement

Exclusions in the quotation include, but are not limited to, the terms and conditions outlined above. Please refer to the policy contract for specifics. Any other coverage extensions, deletions, or changes requested in the submission are hereby rejected.

QUOTE CONDITIONS:**Receipt and satisfactory underwriter review of the following prior to binding:**

1. Completed and signed Application for Environmental Insurance from both the City of Torrance and PPG Industries.
2. A draft copy of the Purchase & Sale Agreement. Final executed version to follow within 15 days of execution.
3. Signed/dated Terrorism Disclosure Notice.
4. Completed Surplus Lines Tax letter (broker responsibility).
5. All investigation data and correspondence with the regulatory agency since the December 11, 2007 Site-Wide Soil and Groundwater Investigation Report.
6. Final Site-Wide Investigation Report.
7. Development plans for the site.
8. Explanation of who prepared the summaries of the 2008-2009 investigation activities and are the summaries part of a larger formal report.
9. A copy of the report that was used to obtain closure for the UST leak incident in Area 20.

PEL Quote

GENERAL INFORMATION:

Who are the Great American Insurance Companies:

- Started in 1872 and has been in continuous operation for over 135 years
- Maintained a Best's Rating of "A" or better for the last 75+ consecutive years
- Member of American Financial Group Inc, (NYSE: AFG) with Total Assets of \$25.8B, GWP of \$3.98B and Policyholders Surplus of \$1.8 B
- Currently 19 separate Specialty Operating Profit Centers and 4 subsidiary Companies
- Involved in various aspects of the Environmental Marketplace since 1981 through various subsidiaries and programs
- A highly experienced Underwriting and Management team focused solely on Environmental and ancillary Product Lines in 2007
- An experienced Environmental Claims team within the Environmental unit and at the Home Office that consists of over 12 professionals with a combined experience level in excess of 185 years of specialized claims handling with specific experience in handling EIL, Asbestos, Superfund and other environmental claims.

TERMS:

Quote Expiration Date – 7/15/09

Payment Terms – In order to bind coverage, we must receive your written instructions confirming coverage(s) desired prior to releasing policy numbers. The full premium payment is due thirty (30) days from the effective date of the coverage.



Administrative Offices
580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-5000

PEL 34 21 (Ed. 04 08)

ENDORSEMENT #

This endorsement, effective 12.01 a.m., forms a part of Policy No.

issued to By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM COVERAGE

Pursuant to the requirements of the federal Terrorism Risk Insurance Act the INSURED has been provided notice that the INSURED may elect to purchase coverage for loss covered under this Policy arising directly or indirectly as a result of CERTIFIED ACT(s) OF TERRORISM and the premium charge for such coverage.

After receiving such notice, the INSURED has elected not to purchase coverage for CERTIFIED ACT(s) OF TERRORISM and has agreed to the following Policy change(s):

SECTION IV. EXCLUSIONS, Hostile Acts is deleted and replaced with the following:

Hostile Acts

based upon or arising out of any consequence, whether direct or indirect, of declared or undeclared war, invasion, act of foreign enemy, hostilities, CERTIFIED ACT(s) OF TERRORISM, and whether war be declared or not, civil war, rebellion, revolution, insurrection, or military or usurped power, or in defending against any one or more of those.

SECTION II. DEFINITIONS is amended by the addition of the following:

CERTIFIED ACT(s) OF TERRORISM means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act.

All other terms and conditions remain the same.



Administrative Offices
580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-5000

PEL 34 18 (Ed. 04 08)

ENDORSEMENT #

This endorsement, effective 12.01 a.m., forms a part of Policy No.

issued to By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM COVERAGE ENDORSEMENT

Pursuant to the requirements of the federal Terrorism Risk Insurance Act the INSURED has been provided notice that the INSURED may elect to purchase coverage for loss covered under this Policy arising directly or indirectly as a result of CERTIFIED ACT(s) OF TERRORISM and the premium charge for such coverage.

After receiving such notice, the INSURED has elected to purchase this Policy with coverage for such CERTIFIED ACT(s) OF TERRORISM. Therefore, in consideration of the premium paid, the INSURED and the Company agree to the following Policy changes;

SECTION IV. EXCLUSIONS, Hostile Acts is deleted and replaced with the following:

Hostile Acts

based upon or arising out of any consequence, whether direct or indirect, of declared or undeclared war, invasion, act of foreign enemy, hostilities, and whether war be declared or not, civil war, rebellion, revolution, insurrection, or military or usurped power, or in defending against any one or more of those.

This exclusion does not apply to CERTIFIED ACT(s) OF TERRORISM subject to the CAP ON CERTIFIED TERRORISM LOSSES.

SECTION II. DEFINITIONS is amended by the addition of the following:

CERTIFIED ACT(s) OF TERRORISM means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism as defined in Section 102(1) of the Terrorism Risk Insurance Act.

CAP ON CERTIFIED TERRORISM LOSSES, as established in the Terrorism Risk Insurance Act, means if the aggregate insured losses attributable to CERTIFIED ACT(s) OF TERRORISM exceed \$100 billion in a Program Year (defined as January 1 through December 31) and we have met our insurer deductible under the federal Terrorism Risk Insurance Act, the Company shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

All other terms and conditions remain the same.



Administrative Offices
580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-6000

Manuscript

ENDORSEMENT #

This endorsement, effective 12:01 a.m., forms a part of Policy No.

issued to By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTANT EXCLUSION

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

1. Solely with regard to COVERAGE B – ON-SITE AND OFF-SITE CLEAN-UP COSTS, Section IV. EXCLUSIONS is amended by the addition of the following:

Specified Pollutants

based upon, arising out of or related to the Contaminants in the Associated Media listed below, including any associated breakdown products, daughter products, derivatives and additives that are on, at under or migrating from the specified COVERED LOCATION(S):

Contaminants	Associated Media	COVERED LOCATION(S)
TPH	Soil and Soil Vapor	All COVERED LOCATION(S)
PCBs	Soil and Soil Vapor	All COVERED LOCATION(S)
Benzo(a)pyrene	Soil and Soil Vapor	All COVERED LOCATION(S)
Benzo(b)fluoranthene	Soil and Soil Vapor	All COVERED LOCATION(S)
Dioxins/furans	Soil and Soil Vapor	All COVERED LOCATION(S)
Xylene	Groundwater, Soil and Soil Vapor	All COVERED LOCATION(S)
Toluene	Groundwater, Soil and Soil Vapor	All COVERED LOCATION(S)

2. Upon the Company's receipt and review of a No Further Action letter(s) or similar documentation from the applicable regulatory authority which states that no further action is required with respect to the Contaminants excluded under Item 1. above, the Company may delete or modify this endorsement. Such consent to delete or modify this exclusion shall not be unreasonably withheld, delayed, conditioned, or denied.

It is further agreed that any such deletion or modification shall be contained in an endorsement issued by the Company and that any such endorsement shall indicate that the effective date of the deletion or modification shall be the date of the No Further Action letter(s) or similar documentation from the applicable regulatory authority.

In no event shall the Company be liable for LOSS, CLEAN-UP COSTS, related LEGAL EXPENSE, or any other coverages excluded under Item 1. above, that arose prior to: (a) the date of the No Further Action letter(s) or similar documentation from the applicable regulatory authority; or (b) that were incurred to achieve such No Further Action status.

All other terms and conditions remain the same.

ENDORSEMENT

This endorsement, effective 12:01 a.m., forms a part of Policy No.

issued to By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

COVERAGE B – ON-SITE CLEAN-UP COSTS RESTRICTION – GOVERNMENTAL CLAIMS ONLY AND OFF-SITE THIRD PARTY CLAIMS ONLY

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

Section I. INSURING AGREEMENTS, B. COVERAGE B – ON-SITE AND OFF-SITE CLEAN-UP COSTS is deleted in its entirety and replaced with the following:

B. COVERAGE B. ON-SITE AND OFF-SITE CLEAN-UP COSTS

1. ON-SITE CLEAN-UP COSTS – GOVERNMENTAL CLAIMS ONLY

The Company will pay on behalf of the INSURED for CLEAN-UP COSTS and related LEGAL EXPENSE because of a POLLUTION CONDITION on, at, or under the COVERED LOCATION(S) which the INSURED becomes legally obligated to pay as a result of a CLAIM first made against the INSURED by a governmental entity acting under the authority of applicable environmental regulations during the POLICY PERIOD, but only if:

- a) the INSURED, or anyone acting on behalf of the INSURED, has not approached or contacted any governmental entity, regarding such POLLUTION CONDITION, to request or solicit such CLAIM; and
- b) the INSURED notifies the Company of the CLAIM in writing, during the POLICY PERIOD or, if applicable, the EXTENDED REPORTING PERIOD.

2. OFF-SITE CLEAN-UP COSTS – THIRD PARTY CLAIMS ONLY

The Company will pay on behalf of the INSURED for CLEAN-UP COSTS and related LEGAL EXPENSE because of a POLLUTION CONDITION migrating from the COVERED LOCATION(S) which the INSURED becomes legally obligated to pay as a result of a CLAIM first made against the INSURED by a third party or a governmental entity, during the POLICY PERIOD, but only if the INSURED notifies the Company of the CLAIM or POLLUTION CONDITION, in writing, during the POLICY PERIOD or, if applicable, the EXTENDED REPORTING PERIOD.

All other terms and conditions remain the same.



Administrative Offices
580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-5000

PEL 30 03 (Ed. 04 08)

ENDORSEMENT #

This endorsement, effective 12.01 a.m., forms a part of Policy No.
issued to By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL NAMED INSURED

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

The following entity(ies) is (are) added as an ADDITIONAL NAMED INSURED:

PPG Industries

All other terms and conditions remain the same.



PEL 36 24 (Ed. 04 08)

580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-5000

ENDORSEMENT #

This endorsement, effective 12:01 a.m., forms a part of

Policy No. issued to

By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEED RESTRICTIONS VIOLATION EXCLUSION

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

SECTION IV. EXCLUSIONS, is amended by the addition of the following:

Deed Restrictions

based upon or arising out of an INSURED's failure to comply with any deed restriction applicable to a COVERED LOCATION(s).

All other terms and conditions remain the same.



PEL 36 24 (Ed. 04 08)

580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-5000

ENDORSEMENT

This endorsement, effective 12.01 a.m., forms a part of
Policy No. issued to
By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DOCUMENT SCHEDULE

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

Any POLLUTION CONDITION identified and described in the following document(s) is deemed to be "expressly reported" to the Company:

1. Letter from PPG Industries to the City of Torrance re: The Approximate 15 Acre PPG Site – Torrance, California (dated October 10, 2008).
2. Site-Wide Soil and Groundwater Investigation Report – Former PPG Industries Inc. Coatings and Resin Group Facility – 465 Crenshaw Blvd., Torrance, California 90509; prepared by Earth Tech (dated December 11, 2007)

All other terms and conditions remain the same.



580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-5000

Manuscript

ENDORSEMENT #

This endorsement, effective 12:01 a.m., _____ forms a part of Policy No.
issued to _____ By _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KNOWN CONDITIONS EXCLUSION AMENDMENT

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

Section IV. EXCLUSIONS, Exclusion 11. Known Condition(s) is amended by the addition of the following:

It is agreed that the failure to report a POLLUTION CONDITION known by a RESPONSIBLE PERSON for one INSURED shall not in itself preclude coverage for such POLLUTION CONDITION for another INSURED. However, it is further agreed that this exception shall not apply to an INSURED who is a parent, subsidiary or affiliate of the INSURED which failed to report the known POLLUTION CONDITION.

All other terms and conditions remain the same.



580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-5000

Manuscript

ENDORSEMENT #

This endorsement, effective 12:01 a.m., _____ forms a part of Policy No.
issued to _____ By _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

DELETION OF FAULTY WORKMANSHIP/OWN WORK

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

Section IV. EXCLUSIONS, Exclusion 6. Faulty Workmanship/Own Work, is deleted in its entirety.

All other terms and conditions remain the same.



Administrative Offices
580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-5000

PEL 39 08 (Ed. 04 08)

ENDORSEMENT #

This endorsement, effective 12.01 a.m., forms a part of Policy No.

issued to By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHOICE OF LAW AND JURISDICTION AND VENUE CONDITIONS AMENDMENT

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

Section IX. CONDITIONS, Item F. CHOICE OF LAW and Item K. JURISDICTION AND VENUE are deleted in their entirety and replaced with the following:

- F. CHOICE OF LAW** – All matters arising hereunder including questions related to the validity, interpretation, performance and enforcement of this Policy, shall be determined in accordance with the law and practice of the State of California (not including California 's choice of law rules).
- K. JURISDICTION AND VENUE** – It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company and the INSURED will submit to the jurisdiction of the State of California and will comply with all the requirements necessary to give such court jurisdiction. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company's right to remove an action to a United States District Court.

All other terms and conditions remain the same.



Administrative Offices
580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-513-369-6000

PEL 34 30 (Ed. 12 08)

ENDORSEMENT #

This endorsement, effective 12:01 a.m., forms a part of Policy No.

issued to By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MATERIAL CHANGE IN USE EXCLUSION AMENDMENT – SPECIFIED USE EXCEPTED

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

SECTION IV., EXCLUSIONS., Item 13. Material Change in Use is deleted in its entirety and replaced with the following:

13. Material Change in Use

based upon or arising out of a change in the use of, or operations at, a COVERED LOCATION(S) from the use or operations as of the date the COVERED LOCATION(S) became insured by this Policy, if that change materially increases the likelihood or severity of a POLLUTION CONDITION or CLAIM.

For purposes of this endorsement, the following use(s) will not be deemed by the Company to represent "a Material Change in Use":

Non-residential use

All other terms and conditions remain the same.



Administrative Offices
580 Walnut Street
Cincinnati, Oh 45202
Tel: 1-613-369-5000

Manuscript

ENDORSEMENT #

This endorsement, effective 12.01 a.m., forms a part of Policy No.
issued to By

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

The INSURED and the Company agree to the following Policy change(s):

1. Section VI. LIMIT OF LIABILITY AND SELF-INSURED RETENTION, Item D. is amended by the addition of the following:

Notwithstanding the forgoing, in the event that a covered CLAIM is made solely against the ADDITIONAL NAMED INSURED, such ADDITIONAL NAMED INSURED shall be responsible for payment of the entire Self-Insured Retention under this Policy and shall be responsible for meeting all CLAIM notice requirements, including timeliness of reporting, and compliance with all other provisions related to the CLAIM and to coverage under this Policy. In the event that a covered CLAIM is made against both the FIRST NAMED INSURED and the ADDITIONAL NAMED INSURED arising from the same or related POLLUTION CONDITION, the FIRST NAMED INSURED and the ADDITIONAL NAMED INSURED shall bear the cost of the Self-Insured Retention in equal shares.

2. Section IX. CONDITIONS, Item D. CANCELLATION is amended by the addition of the following:

It is agreed that fraud or material misrepresentation on the part of one INSURED shall not in itself be grounds for the Company to cancel this Policy as to any other INSURED which did not commit the fraud or material misrepresentation. However, this exception shall not apply to any INSURED that is a parent, subsidiary or affiliate of the INSURED which committed the fraud or material misrepresentation.

No ADDITIONAL NAMED INSURED shall have any right to reimbursement of premium, if any, nor have the right to cancel this Policy.

3. Section IX. CONDITIONS, Item M. SEVERABILITY is amended by the addition of the following:

The ADDITIONAL NAMED INSURED shall follow all the terms and conditions of this Policy, shall be in compliance with all provisions of this Policy and meet all reporting, disclosure and notice requirements under this Policy. Failure of the ADDITIONAL NAMED INSURED to meet such requirements shall affect, reduce, or deny coverage solely with respect to such ADDITIONAL NAMED INSURED and shall not impair or affect coverage with respect to the FIRST NAMED INSURED. Each INSURED shall comply with the requirements of this Policy, and failure by one INSURED to meet such requirements shall not impair or reduce in anyway the rights and coverage of any other INSURED.

All other terms and conditions remain the same.



Administrative Offices
580 Walnut Street
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Tel: 1-513-369-5000

PEL 30 01 (Ed. 04 08)

GREAT AMERICAN E & S INSURANCE COMPANY
PREMISES ENVIRONMENTAL LIABILITY INSURANCE POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. READ IT CAREFULLY.

THIS POLICY REQUIRES THAT A CLAIM BE MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD.

SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE RIGHTS AND DUTIES. LEGAL EXPENSE IS SUBJECT TO AND WILL ERODE THE LIMIT OF LIABILITY AND ANY APPLICABLE SELF-INSURED RETENTION.

In this Policy, "the Company" refers to the company providing this insurance. Some other words and phrases that appear in capital letters have special meaning. Refer to SECTION II – DEFINITIONS.

In consideration of the payment of the Policy Premium and in reliance upon the statements contained in the Application and any other supplemental materials and information submitted in connection with the Application, and subject to all the terms, conditions, exclusions and limitations of this Policy, the Company agrees to provide insurance coverage to the INSURED as described herein:

SECTION I. INSURING AGREEMENTS

EACH OF THE FOLLOWING COVERAGES IS IN EFFECT ONLY IF IT IS SCHEDULED IN THE DECLARATIONS. EACH COVERAGE THAT IS IN EFFECT IS SUBJECT TO SECTION VI. LIMIT OF LIABILITY AND SELF-INSURED RETENTION.

A. COVERAGE A - POLLUTION LEGAL LIABILITY

The Company will pay on behalf of the INSURED for LOSS and related LEGAL EXPENSE because of a POLLUTION CONDITION on, at, under or migrating from the COVERED LOCATION(S), which the INSURED becomes legally obligated to pay as a result of a CLAIM first made against the INSURED during the POLICY PERIOD, but only if the INSURED reports the CLAIM to the Company, in writing, during the POLICY PERIOD or, if applicable, the EXTENDED REPORTING PERIOD.

B. COVERAGE B – ON-SITE AND OFF-SITE CLEAN-UP COSTS

The Company will pay on behalf of the INSURED for CLEAN-UP COSTS and related LEGAL EXPENSE because of a POLLUTION CONDITION on, at, under or migrating from the COVERED LOCATION(S):

1. which the INSURED becomes legally obligated to pay as a result of a CLAIM first made against the INSURED during the POLICY PERIOD; or
2. if the POLLUTION CONDITION is first discovered by the INSURED during the POLICY PERIOD;

but only if the INSURED notifies the Company of the CLAIM or POLLUTION CONDITION, in writing, during the POLICY PERIOD or, if applicable, the EXTENDED REPORTING PERIOD.

C. COVERAGE C – CONTRACTING SERVICES POLLUTION LIABILITY

The Company will pay on behalf of the INSURED for LOSS, CLEAN-UP COSTS, and related LEGAL EXPENSE

which the INSURED becomes legally obligated to pay because of a POLLUTION CONDITION arising from CONTRACTING SERVICES where, during the POLICY PERIOD:

1. a CLAIM for such LOSS and/or CLEAN-UP COSTS is first made against the INSURED; or
2. the POLLUTION CONDITION first begins and is first discovered by the INSURED;

but only if the INSURED notifies the Company of the CLAIM or POLLUTION CONDITION, in writing, during the POLICY PERIOD, or, if applicable, the EXTENDED REPORTING PERIOD.

D. COVERAGE D - NON-OWNED DISPOSAL SITE

The Company will pay on behalf of the INSURED for LOSS, CLEAN-UP COSTS, and related LEGAL EXPENSE because of a POLLUTION CONDITION on, at, under or migrating from a NON-OWNED DISPOSAL SITE, which the INSURED becomes legally obligated to pay as a result of a CLAIM first made against the INSURED during the POLICY PERIOD, but only if the INSURED reports the CLAIM to the Company, in writing, during the POLICY PERIOD or, if applicable, the EXTENDED REPORTING PERIOD.

E. COVERAGE E – IN-BOUND AND OUT-BOUND CONTINGENT TRANSPORTATION COVERAGE

The Company will pay on behalf of the INSURED for LOSS, CLEAN-UP COSTS, and related LEGAL EXPENSE because of a POLLUTION CONDITION arising from the INSURED's goods, products or waste during the course of transportation by a CARRIER to or from:

1. a JOB SITE where CONTRACTING SERVICES are being performed; or
2. a COVERED LOCATION(S);

including any loading or unloading of such goods, products or waste, which the INSURED becomes legally obligated to pay as a result of a CLAIM first made against the INSURED during the POLICY PERIOD, but only if the INSURED reports the CLAIM to the Company, in writing, during the POLICY PERIOD or, if applicable, the EXTENDED REPORTING PERIOD.

SECTION II. DEFINITIONS

- A. ADDITIONAL NAMED INSURED** means any person, organization, or entity identified as an ADDITIONAL NAMED INSURED in an endorsement issued by the Company, but solely for their liability as a result of their ownership, maintenance, use, operation, development or financial interest in a COVERED LOCATION(S).
- B. AUTOMOBILE** means a land motor vehicle, trailer, semi-trailer, mobile equipment, or off-road motor vehicle, including any machinery or apparatus attached thereto.
- C. BODILY INJURY** means:
1. physical injury, sickness, disease, or building related illness sustained by any person, including death resulting therefrom, and, solely with regard to this Item C.1., any accompanying medical or environmental monitoring; and/or
 2. mental anguish, emotional distress, or shock;
- caused by a POLLUTION CONDITION.
- D. CARRIER** means a person or entity, other than the INSURED or any subsidiary or affiliate company of the INSURED, engaged by or on behalf of the INSURED to transport material by AUTOMOBILE, aircraft, watercraft or rolling stock, but only if such person or entity is properly licensed to transport such material and in the business of transporting such material.

- E. CLAIM** means a demand, notice or assertion of a legal right alleging liability or responsibility on the part of the INSURED, arising out of a POLLUTION CONDITION, and shall include but not be limited to lawsuits, orders, petitions or governmental or regulatory actions, filed against the INSURED.
- F. CLEAN-UP COSTS** means reasonable and necessary expenses incurred to investigate, remove, dispose of, abate, contain, treat or neutralize a POLLUTION CONDITION, including any monitoring and testing costs:
1. to the extent required by Federal, State, Local or Provincial Laws, including but not limited to statutes, rules, ordinances, guidance documents, regulations and all amendments thereto, including state voluntary cleanup or risk based corrective action guidance, governing the liability or responsibilities of the INSURED; or
 2. in the absence of items in 1. above, to the extent recommended by a ENVIRONMENTAL PROFESSIONAL;
- with respect to a POLLUTION CONDITION.
- CLEAN-UP COSTS includes REPLACEMENT COSTS and also includes any associated punitive, exemplary or multiplied damages, where insurable by law.
- G. CONTRACTING SERVICES** means any contracting services listed in the Declarations and performed by the INSURED at a JOB SITE.
- H. COVERED LOCATION(S)** means any location(s) stated in the Declarations or any location(s) scheduled as such onto this Policy by an endorsement issued by the Company. COVERED LOCATION(S) does not include a JOB SITE.
- I. ENVIRONMENTAL PROFESSIONAL** means an individual designated by the Company who is duly certified or licensed in a recognized field of environmental science as required by a state board, a professional association, or both. The Company shall consult with the INSURED in conjunction with the selection of the ENVIRONMENTAL PROFESSIONAL. The Company may require that such professional meet certain minimum qualifications and maintain errors and omissions insurance.
- J. EXTENDED REPORTING PERIOD** means the Automatic Extended Reporting Period or, if applicable, the Optional Extended Reporting Period described in Section V. of this Policy.
- K. FIRST NAMED INSURED** means the person or entity stated in the Declarations.
- L. INSURED** means the FIRST NAMED INSURED, any ADDITIONAL NAMED INSURED added to this Policy by an endorsement issued by the Company, and any present or former director, officer, partner, member, employee, leased or temporary worker thereof, while acting within the scope of his/her duties as such.
- M. LEGAL EXPENSE** means attorneys' fees and other charges and expenses incurred in the investigation, adjustment, defense, or settlement of any CLAIM for LOSS or CLEAN-UP COSTS, or in connection with the payment of any CLEAN-UP COSTS. LEGAL EXPENSE includes the fees and expenses of consultants, expert witnesses, accountants, court reporters, and other vendors, for goods or services in connection with such investigation, adjustment, defense, or settlement, whether incurred by the INSURED, defense counsel, or the Company.
- LEGAL EXPENSE does not include salary charges of regular employees or officials of the Company, fees and expenses of supervisory counsel retained by the Company, or the time and expense incurred by the INSURED in assisting in the investigation or resolution of a CLAIM or in connection with CLEAN-UP COSTS, including but not limited to the costs of the INSURED's in-house counsel.
- N. LOSS** means a monetary judgment, award or settlement of:
1. compensatory damages, or
 2. punitive, exemplary or multiplied damages, civil fines, penalties and assessments, where insurable by law,
- because of BODILY INJURY and/or PROPERTY DAMAGE.

- O. JOB SITE** means a location at which CONTRACTING SERVICES are performed. However, JOB SITE does not include any of the following:
1. a COVERED LOCATION(S); or
 2. any location managed, operated, owned or leased by an INSURED or any subsidiary or affiliate of an INSURED.
- P. MOLD MATTER** means mold, mildew or any type or form of fungus; including any mycotoxins, spores, or byproducts produced or released by fungi.
- Q. NON-OWNED DISPOSAL SITE(S) ("NODS")** means a location(s) used for the treatment, storage or disposal of an INSURED'S waste material, but only if:
1. the waste material is generated by CONTRACTING SERVICES or at a COVERED LOCATION(S); and
 2. the NODS is not managed, operated, owned or leased by the INSURED or any subsidiary or affiliate of the INSURED; and
 3. the NODS is permitted and/or licensed by any Federal, State, Local or Provincial authorities to accept such material as of the date of the treatment, storage or disposal; and
 4. the NODS is not listed on a proposed or final Federal National Priorities List ("NPL") and any State or Provincial equivalent NPL, Superfund or Hazardous Waste list prior to the treatment, storage or disposal.
- R. POLICY PERIOD** means the period stated in the Declarations. However, if this Policy is cancelled, by either the FIRST NAMED INSURED or the Company, the policy period ends at the effective date and time of the cancellation.
- S. POLLUTANTS** mean any solid, liquid, gaseous or thermal pollutant, irritant or contaminant, including but not limited to smoke, vapors, odors, soot, fumes, acids, alkalis, toxic chemicals, hazardous substances, petroleum hydrocarbons, waste materials, including medical, infectious and pathological wastes, legionella, electromagnetic fields, MOLD MATTER and low-level radioactive waste and material.
- T. POLLUTION CONDITION** means any one or more of the following:
1. the discharge, dispersal, release, seepage, migration, or escape of POLLUTANTS into or upon land or structures thereupon, the atmosphere, or any watercourse or body of water including groundwater;
 2. the illicit abandonment of POLLUTANTS at a COVERED LOCATION(S) provided that such abandonment was committed by a person(s) or entity(ies) other than an INSURED and without any knowledge by a RESPONSIBLE PERSON;
 3. the existence of MOLD MATTER on, at, or within buildings or structures.
- U. PROPERTY DAMAGE** means:
1. physical injury to or destruction of tangible property of any person or organization other than an INSURED, including the resulting loss of use of such property, and including the personal property of such parties; or
 2. loss of use of such property that has not been physically injured or destroyed; or
 3. diminution in the value of such property; or
 4. natural resource damage which means the physical injury to or destruction of, as well as the assessment of such injury or destruction, including the resulting loss of value of land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act(16 U.S.C. 1801 et. seq.)), any State, Local

or Provincial government, any foreign government, any Native American tribe, or, if such resources are subject to a trust restriction or alienation, any member of a Native American Tribe.

caused by a POLLUTION CONDITION. However, PROPERTY DAMAGE does not include CLEAN-UP COSTS.

- V. REPLACEMENT COSTS** means reasonable and necessary costs incurred by the INSURED with the Company's written consent, to repair, restore or replace damaged real or personal property in order to restore the property to the condition it was in prior to being damaged in the course of incurring CLEAN-UP COSTS. REPLACEMENT COSTS shall not exceed the actual cash value of such real or personal property prior to incurring the CLEAN-UP COSTS. For the purposes of this definition, actual cash value means replacement cost reduced by physical depreciation and obsolescence.
- W. RESPONSIBLE PERSON** means any officer, director or partner of the INSURED; the manager or supervisor of the INSURED responsible for environmental or health and safety affairs, control or compliance; or any manager of a COVERED LOCATION(S).
- X. UNDERGROUND STORAGE TANK** means any container or vessel, including the associated piping connected thereto, which is ten percent (10%) or more beneath the surface of the ground.

SECTION III. TERRITORY

This Policy applies only to CLAIMS first made or brought in the United States, its territories or possessions, Puerto Rico or Canada, but only if the INSURED'S responsibility to pay for LOSS is determined in:

- A. a proceeding on the merits conducted in the United States, its territories or possessions, Puerto Rico or Canada, or
- B. a settlement agreed to by the Company.

SECTION IV. EXCLUSIONS

This Insurance does not apply to any LOSS, CLEAN-UP COSTS, LEGAL EXPENSE or other coverage afforded under this Policy or any endorsement issued by the Company:

- 1. Asbestos**
based upon or arising out of any asbestos or asbestos containing material, in, on, or applied to any building or other structure. This exclusion does not apply to asbestos, or asbestos containing materials, in soil or in any watercourse or body of water including groundwater.
- 2. Communicable Diseases**
based upon or arising out of any exposure to infected humans or animals, or contact with bodily fluids of infected humans or animals.
- 3. Contractual Liability**
based upon or arising from the INSURED's assumption, under any contract or agreement, of the liability of another. This exclusion does not apply to liability the INSURED would have had in the absence of the contract or agreement.
- 4. Criminal Fines, Penalties and Assessments**
based upon or arising out of any criminal fine, criminal penalty, or criminal assessment.
- 5. Employer's Liability/Workers' Compensation**
based upon or arising out of any BODILY INJURY to an INSURED, or an employee of its parent, subsidiary or affiliate arising out of and in the course of employment by the INSURED or its parent or subsidiary or affiliate including BODILY INJURY or pecuniary loss to the spouse, child, parent, brother or sister of such injured employee. This exclusion applies whether the INSURED may be liable as an employer or in any other capacity and to any obligation to share damages with or repay another who must pay damages as a result of the BODILY INJURY.

6. Faulty Workmanship/Own Work

based upon or arising out of the costs to repair or replace faulty workmanship, construction, fabrication, installation, assembly or remediation if such faulty workmanship, construction, fabrication, installation, assembly or remediation was performed in whole or in part by an INSURED.

7. Hostile Acts

based upon or arising out of any consequence, whether direct or indirect, of declared or undeclared war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, or military or usurped power, or in defending against any one or more of those.

8. Insured vs. Insured

based upon or arising out of any CLAIM by one INSURED against any other INSURED. This exclusion does not apply to a CLAIM that arises out of an indemnification given by one INSURED to another INSURED as specified in a contract that was submitted and approved by the Company and added to this Policy by endorsement.

9. Insured's Property/Bailee Liability

with respect to property damage to property owned, leased or operated by, or in the care, custody or control of, the INSURED, even if such property damage is incurred to avoid or mitigate LOSS or CLEAN-UP COSTS which may be covered under this Policy. This exclusion does not apply to REPLACEMENT COSTS.

10. Intentional Acts

based upon or arising out of a POLLUTION CONDITION that results from any RESPONSIBLE PERSON's intentional disregard of, or deliberate, willful, or dishonest non-compliance with, any statute, regulation, ordinance, administrative complaint, notice letter, or instruction by or on behalf of any governmental agency or representative.

11. Known Condition(s)

based on or arising out of any POLLUTION CONDITION that was known by or reported to any RESPONSIBLE PERSON, but was not expressly reported in writing to the Company, before:

(a) the beginning of the POLICY PERIOD (as respects a POLLUTION CONDITION at any COVERED LOCATION(S), or arising out of any CONTRACTING SERVICES, shown in the Declarations at the beginning of the POLICY PERIOD), or

(b) the Company issues an endorsement to add:

i. the COVERED LOCATION(S) at which the POLLUTION CONDITION exists, or

ii. the CONTRACTING SERVICES from which the POLLUTION CONDITION arises,

to the Policy (as respects a POLLUTION CONDITION at any COVERED LOCATION(S), or arising out of any CONTRACTING SERVICES, that was not shown in the Declarations at the beginning of the POLICY PERIOD).

Any such expressly reported POLLUTION CONDITION which is not otherwise excluded under this Policy by endorsement is deemed to be first discovered on the date the COVERED LOCATION(S) or CONTRACTING SERVICES, as applicable, were added to this Policy.

12. Lead-Based Paint

based upon or arising out of lead-based paint in, on, or applied to, any building or other structure. This exclusion does not apply to lead-based paint in soil or in any watercourse or body of water including groundwater.

13. Material Change in Use

based upon or arising out of a change in the use of, or operations at, a COVERED LOCATION(S) from the use or operations as of the date the COVERED LOCATION(S) became insured by this Policy, if that change materially increases the likelihood or severity of a POLLUTION CONDITION or CLAIM.

14. Natural Occurring Material(s)

based upon or arising out of the existence, required removal, or abatement, of naturally occurring material(s). This exclusion does not apply where such substances are present at a JOB SITE due to the performance of

CONTRACTING SERVICES or at a COVERED LOCATION(S) only because of human activities or processes. This exclusion also does not apply to MOLD MATTER.

15. New Pollution Conditions at Divested Property

based upon or arising out of a POLLUTION CONDITION on, at, under or migrating from a COVERED LOCATION(S), if the discharge, dispersal, release, seepage, migration or escape of those POLLUTANTS begins after such COVERED LOCATION(S) is sold, given away, or abandoned by the INSURED, or condemned.

16. Products Liability

based upon or arising out of goods or products manufactured, sold, handled, distributed, altered or repaired by the INSURED or by others trading under the INSURED's name, including any container thereof, any failure to warn, or any reliance upon a representation or warranty made at any time with respect thereto, but only if the POLLUTION CONDITION occurs away from the COVERED LOCATION(S) and after physical possession of such goods or products has been relinquished to others.

17. Retroactive Date

based upon or arising out of a POLLUTION CONDITION that first commenced prior to the retroactive date stated in the Declarations, including any further dispersal, migration or movement of that POLLUTION CONDITION on or after that date.

18. Reverse Retroactive Date

based upon or arising out of a POLLUTION CONDITION that first commenced subsequent to the reverse retroactive date stated in the Declarations.

19. Underground Storage Tank(s)

based upon or arising out of the existence of any UNDERGROUND STORAGE TANK(s). This exclusion does not apply to UNDERGROUND STORAGE TANK(s):

- (a) either closed, abandoned in place or removed, in accordance with all applicable federal, state, or provincial regulations, prior to the inception date of this Policy; or
- (b) endorsed to this Policy in the Underground Storage Tank(s) and Associated Piping Schedule, if any; or
- (c) the existence of which is unknown by all RESPONSIBLE PERSONS as of the inception date of this Policy.

20. Vehicles

based upon or arising out of the ownership, maintenance, use, operation, loading or unloading of any AUTOMOBILE, aircraft, watercraft, rolling stock or any other form of transportation, including any cargo carried thereby, beyond the legal boundaries of a JOB SITE where CONTRACTING SERVICES are being performed or a COVERED LOCATION(S). This exclusion does not apply to Coverage E – In-Bound and Out-Bound Contingent Transportation Coverage.

SECTION V. EXTENDED REPORTING PERIOD

A. Automatic Extended Reporting Period

In the event of the termination of this insurance before the expiration date shown in the Declarations, the INSURED shall be entitled to a ninety (90) day Automatic Extended Reporting Period for no additional premium. The Automatic Extended Reporting Period shall apply as follows:

- (1) A CLAIM first made against the INSURED during the POLICY PERIOD and reported to the Company, in writing, during the ninety (90) days immediately following the effective date of such termination will be deemed to have been made on the last day of the POLICY PERIOD, provided such CLAIM is otherwise covered by this Policy.
- (2) A CLAIM first made against the INSURED and reported to the Company, in writing, during the ninety (90) days immediately following the effective date of such termination will be deemed to have been made on the last day of the POLICY PERIOD, provided such CLAIM arises from a POLLUTION CONDITION first discovered and reported to the Company, in writing, prior to such termination, and is otherwise covered by this Policy.

The Automatic Extended Reporting Period does not apply where: (1) the Policy is terminated for fraud or non-payment of premium; or (2) the INSURED has purchased other insurance to replace the insurance provided under this Policy.

For the purposes of Section V.A. – Automatic Extended Reporting Period, under this Policy:

- (a) either cancellation or non-renewal shall be deemed to be a termination of this insurance; and
- (b) in the event of non-renewal, the expiration date shown in the Declarations shall be deemed the effective date of the termination.

B. Optional Extended Reporting Period

The FIRST NAMED INSURED shall be entitled to purchase an Optional Extended Reporting Period upon cancellation or non-renewal of the Policy, subject to the following terms and conditions:

The FIRST NAMED INSURED shall be entitled to purchase an Optional Extended Reporting Period upon payment of an additional premium of not more than 200% of the full Policy Premium.

The Optional Extended Reporting Period shall be effective for three (3) consecutive three-hundred and sixty-five (365) day periods commencing immediately following the effective date of cancellation or non-renewal. The FIRST NAMED INSURED must elect to purchase this Optional Extended Reporting Period in writing within thirty (30) days from the cancellation or non-renewal of the Policy. The Automatic Extended Reporting Period of ninety (90) days will be merged into this period and is not in addition to this period.

The Optional Extended Reporting Period shall only apply to CLAIMS first made against the INSURED during the Optional Extended Reporting Period, but only by reason of a POLLUTION CONDITION first discovered and reported to the Company, in writing, during the POLICY PERIOD, and is otherwise covered by this Policy.

The Optional Extended Reporting Period does not apply where: (1) the Policy is terminated for fraud or non-payment of premium; or (2) the INSURED has purchased other insurance to replace the insurance provided under this Policy.

For the purposes of Section V.B. – Optional Extended Reporting Period under this Policy:

- (a) either cancellation or non-renewal shall be deemed to be a termination of this insurance; and
- (b) in the event of non-renewal, the expiration date shown in the Declarations shall be deemed the effective date of the termination.

It is a condition precedent to the operation of the rights granted under Section V.B. that payment of the appropriate premium shall be made not later than thirty (30) days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

For purposes of Section V., the quotation of different Limits of Liability, Self-Insured Retentions, terms or conditions by the Company shall not be construed as termination or non-renewal of this Policy.

SECTION VI. LIMIT OF LIABILITY AND SELF-INSURED RETENTION

- A.** The Limits of Liability and Self-Insured Retention shown in the Declarations and the rules below fix the most the Company will pay regardless of the number of INSUREDS, COVERED LOCATION(S), CONTRACTING SERVICES, POLLUTION CONDITIONS, CLAIMS made, or persons or organizations making CLAIMS.
- B.** For purposes of this Policy, the same or related POLLUTION CONDITIONS at any one JOB SITE where CONTRACTING SERVICES are performed, or at any one COVERED LOCATION, shall be deemed a single POLLUTION CONDITION.
- C.** This Policy will pay covered LOSS, CLEAN-UP COSTS, LEGAL EXPENSE or any other coverages afforded under this Policy or any endorsements attached hereto only (1) in excess of the applicable Self-Insured Retention Amount

stated in the Declarations and (2) subject to the applicable Limit of Liability stated in the Declarations and the other terms and conditions of this Policy.

- D. The Self-Insured Retention Amount is to be borne by the INSURED and is not to be insured unless the Company has expressed its prior consent in writing to the FIRST NAMED INSURED. If the same or related POLLUTION CONDITION results in coverage under more than one coverage section for which a limit is stated in the Declarations or under any other coverage afforded under this Policy or any endorsements attached hereto, only the single highest Self-Insured Retention amongst such applicable coverages shall apply.
- E. Each POLLUTION CONDITION Limit – Subject to Items F. and G. below, the most the Company will pay for the sum of all LOSS, CLEAN-UP COSTS, and LEGAL EXPENSE under each coverage section stated in the Declarations, or under any other coverages afforded under this Policy or any endorsements attached thereto, arising out of the same or related POLLUTION CONDITION is the Each POLLUTION CONDITION Limit applicable to that particular coverage.
- F. Coverage Section Aggregate Limit – Subject to Item G. below, the Company's total liability for the sum of all LOSS, CLEAN-UP COSTS, and LEGAL EXPENSE under each coverage section stated in the Declarations, or under any other coverages afforded under this Policy or any endorsements attached thereto, during the POLICY PERIOD or, if applicable, the EXTENDED REPORTING PERIOD, shall not exceed the Coverage Aggregate Limit of Liability applicable to that particular coverage.
- G. Policy Aggregate Limit - The Company's total liability for the sum of all LOSS, CLEAN-UP COSTS, LEGAL EXPENSE and any other coverages afforded under this Policy or any endorsements attached thereto, shall not exceed the Policy Aggregate Limit of Liability as stated in the Declarations.
- H. Any LOSS, CLEAN-UP COSTS, LEGAL EXPENSE or any other coverages afforded under this Policy or any endorsements attached hereto, incurred and reported to the Company, in writing, over more than one POLICY PERIOD, and resulting from the same or related POLLUTION CONDITION, shall be considered a single POLLUTION CONDITION. The LOSS, CLEAN-UP COSTS, LEGAL EXPENSE or any other coverages afforded under this Policy or any endorsements attached thereto will be subject to the same Limit of Liability and Self-Insured Retention Amount(s) in effect at the time the POLLUTION CONDITION was first reported to the Company, in writing, during the POLICY PERIOD or, if applicable, the EXTENDED REPORTING PERIOD.

SECTION VII. REPORTING, DEFENSE, SETTLEMENT AND COOPERATION

- A. As a condition precedent to the coverage hereunder, in the event a CLAIM is made against the INSURED for LOSS or CLEAN-UP COSTS, or a POLLUTION CONDITION is first discovered that results in a LOSS or CLEAN-UP COSTS, written or oral notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the INSURED to the Company or any of its authorized agents as soon as practicable. In the event of oral notice, the INSURED agrees to furnish a written report as soon as practicable. The INSURED shall also forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED's representative as soon as practicable.
- B. No costs, charges or expenses shall be incurred, nor payments made, obligations assumed or remediation commenced, without the Company's consent which shall not be unreasonably withheld. This provision does not apply to costs incurred by the INSURED on an emergency basis, where delay on the part of the INSURED would cause injury to persons or damage to property or increase significantly the cost of responding to a POLLUTION CONDITION. The INSURED shall notify the Company of all such expenses immediately after the emergency ends.
- C. The Company shall have the right to designate legal counsel for the investigation, adjustment and defense of CLAIMS. The Company shall consult with the INSURED in conjunction with the selection of counsel. The Company shall have the right and duty to defend an INSURED against any CLAIM for LOSS or for CLEAN-UP COSTS, however, the Company will have no duty to defend the INSURED for LOSS or for CLEAN-UP COSTS to which this Policy does not apply.
- D. Once the applicable Limit of Liability has been exhausted, the Company shall not be obligated to defend or continue to defend any CLAIM or pay for any LOSS, CLEAN-UP COSTS or other coverage afforded under this Policy.

- E. The Company may, where allowable by law, appoint one counsel to defend all of the INSUREDs under this Policy on a joint defense basis.
- F. In the event that the INSURED is entitled by law to select independent counsel (Cumis Counsel) to defend the INSURED at the Company's expense, the attorney's fees and all other litigation expenses incurred by the Company shall be limited to the same rates that the Company would pay to counsel selected by the Company to defend a similar CLAIM in the location where the CLAIM arose or is being defended. The Company may require that such counsel meet certain minimum qualifications and maintain errors and omissions insurance. The INSURED agrees that such counsel will timely respond to the Company's request for information.
- G. The INSURED shall not admit liability or settle any CLAIM without the Company's consent. If the Company recommends a monetary settlement of a CLAIM acceptable to a claimant:
 - 1. for an amount within the Self-Insured Retention Amount and the INSURED refuses such settlement, the Company shall not be liable for any LOSS, CLEAN-UP COSTS, LEGAL EXPENSE, or any other coverages afforded under this Policy or any endorsements attached thereto in excess of the Self-Insured Retention Amount; or
 - 2. for a total amount in excess of the Self-Insured Retention and within the applicable Limits of Liability and the INSURED refuses such settlement, the Company's liability for LOSS, CLEAN-UP COSTS, LEGAL EXPENSE, or any other coverages afforded under this Policy or any endorsements attached hereto, shall be limited to that portion of the sum of (a) the recommended settlement and (b) the costs, charges and expenses already incurred as of the date of the INSURED's refusal, which exceeds the Self-Insured Retention Amount and is within the Limit of Liability.
- H. All INSUREDs shall cooperate with the Company and upon the Company's request shall submit to examination by a representative of the Company, under oath if required, and shall attend hearings, depositions and trials and assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the investigation and/or defense, all without charge to the Company. The INSURED shall further cooperate with the Company and do whatever is necessary to secure and enforce any rights of indemnity, contribution or apportionment which the INSURED may have.

SECTION VIII. TRANSFER OF LEGAL DEFENSE DUTIES

- A. If the Company believes that any of the applicable Limits of Liability stated in the Declarations has been or soon will be exhausted in defending a CLAIM, or that the Company has paid out or will soon pay out the Policy Aggregate Limit of Liability stated in the Declarations, the Company will so notify the FIRST NAMED INSURED in writing as soon as possible. The Company will advise that its duty to defend CLAIMS seeking damages subject to those limits has terminated, subject to payment of the limits, and that it will no longer handle the defense of any CLAIM for which notice is given after the date it sends out such notice. The Company will take prompt and appropriate steps to transfer control of any existing defense prior to exhaustion of the limits to the FIRST NAMED INSURED. The FIRST NAMED INSURED agrees to reimburse the Company for any costs which the Company bears in connection with the transfer of the defense.
- B. The Company will take appropriate steps necessary to defend the CLAIM during the transfer of the defense and avoid any unfavorable legal action provided that the INSURED cooperates in the transfer of the duties of the defense.
- C. The Company's failure to comply with any of the provisions of Section VIII. shall in no way obligate the Company to defend or continue to defend any CLAIM, or to pay any LOSS, CLEAN-UP COSTS or other sum covered under this Policy, after exhaustion of an applicable Limit of Liability.

SECTION IX. CONDITIONS

- A. **ACTION AGAINST COMPANY** - No action brought by an organization or entity, other than an INSURED, shall lie against the Company unless, as a condition precedent thereto, the INSURED has fully complied with all of the terms of this Policy and, the amount of the INSURED's obligation to pay shall have been finally determined either by judgment against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this Policy to join the Company as a party to any action against the INSURED to determine the INSURED's liability, nor shall the Company be impleaded by the INSURED or his legal representative.

- B. ASSIGNMENT** - This Policy shall be void as to the assignee or transferee, if assigned or transferred without written consent of the Company. This Policy can be assigned automatically without the consent of the Company to any first mortgagee of a COVERED LOCATION(S). The FIRST NAMED INSURED shall notify the Company of such assignment as soon as possible.
- C. BANKRUPTCY** - Bankruptcy or insolvency of the INSURED or of the INSURED's estate shall not relieve the Company of any of its obligations hereunder.
- D. CANCELLATION** - This Policy may be cancelled by the FIRST NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. In the event of cancellation by the FIRST NAMED INSURED, the return premium shall be computed in accordance with the customary short rate table and procedure after applying the minimum earned premium percentage stated in the Declarations. If a CLAIM is made, a POLLUTION CONDITION is discovered or coverage is otherwise afforded under this Policy, then the premium shall be considered fully earned by the Company and the INSURED is not entitled to a return premium upon cancellation.

This Policy may be cancelled by the Company by mailing to the FIRST NAMED INSURED at the address shown in the Declarations, written notice stating when not less than ninety (90) days [ten (10) days for non-payment of premium] thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is affected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

This Policy may be cancelled by the Company for the following reasons: (1) Non-payment of premium, or (2) Fraud or material misrepresentation on the part of the INSURED, such as can be proven in a court of law.

- E. CHANGES** - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy; nor can the terms of this Policy be waived or changed, except by an endorsement issued by the Company to form a part of this Policy.
- F. CHOICE OF LAW** - All matters arising hereunder, including questions related to the validity, interpretation, performance and enforcement of this Policy, shall be determined in accordance with the law and practice of the State of New York (not including New York's choice of law rules).
- G. CONSENT** - Where the consent of the Company or the INSURED is required under this Policy, such consent shall not be unreasonably withheld, delayed, conditioned or denied.
- H. DECLARATIONS AND REPRESENTATIONS** - By acceptance of this Policy, the INSURED agrees that the statements contained in the Declarations, the application and any other supplemental materials and information submitted in connection with the application or any amendments to the Policy during the POLICY PERIOD are the INSURED's declarations and representations, that they shall be deemed material, that this Policy is issued in reliance upon the truth of such declarations and representations and that this Policy embodies all agreements existing between the INSURED and the Company or any of its agents relating to this insurance.
- I. HEADINGS** - The descriptions in the headings of this Policy are solely for convenience and form no part of the Policy terms and conditions.
- J. INSPECTION AND AUDIT** - The Company shall be permitted but not obligated to inspect and monitor on a continuing basis the INSURED's property or operations and any JOB SITE and COVERED LOCATION(S), at any time. Neither the Company's right to make inspections and monitor, nor the actual undertaking thereof, nor any report thereon, shall

constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation. Access for the inspection and audit will be coordinated through the broker or agent of the FIRST NAMED INSURED.

- K. JURISDICTION AND VENUE** - It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company and the INSURED will submit to the jurisdiction of the State of New York and will comply with all the requirements necessary to give such court jurisdiction. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company's right to remove an action to a United States District Court.
- L. OTHER INSURANCE** - Subject to Section VI., Limit of Liability and Self-Insured Retention, this insurance shall apply only in excess of the sum of the Self-Insured Retention amount stated in the Declarations and the applicable limits of any other valid and collectible insurance available to the INSURED, whether such other insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the applicable Limits of Liability of this Policy.
- M. SEVERABILITY** - Except with respect to the Limits of Liability, Self-Insured Retention, Exclusion 8. ("Insured vs. Insured") and any rights and duties assigned in this Policy to the FIRST NAMED INSURED, this insurance applies as if each INSURED were the only INSURED and separately to each INSURED against whom a CLAIM is made. Any misrepresentation, act or omission that is in violation of a term, duty or condition under this Policy by one INSURED shall not by itself affect coverage for another INSURED under this Policy. This Condition M. shall not apply to an INSURED who is a parent, subsidiary or affiliate of the INSURED which committed the misrepresentation, act or omission referenced above.
- N. SOLE AGENT** - The FIRST NAMED INSURED stated in the Declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this Policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided under Section V. - EXTENDED REPORTING PERIOD.
- O. SUBROGATION** - If the INSURED has rights to recover, from another person or organization, all or any part of a payment the Company makes under this Policy, those rights are transferred to the Company. The INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing to prejudice such rights. Any monies recovered as a result of subrogation proceedings shall accrue first to the INSURED to the extent of any payments it made in excess of the limits of liability, then to the Company to the extent of its payment under the Policy, and then to the INSURED to the extent of its payment of the self-insured retention. Expenses incurred in such subrogation proceedings shall be apportioned amongst the INSURED and Company in the proportion that each interested party's share in the recovery bears to the total recovery.

Exhibit D

Form of Site Access and Indemnity Agreement

[Attached]

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

Ms. Mary Giordano
 Assistant City Manager
 City of Torrance
 3031 Torrance Boulevard
 Torrance CA 90503

SPACE ABOVE FOR RECORDER'S USE ONLY

SITE ACCESS AND INDEMNITY AGREEMENT

THIS SITE ACCESS AND INDEMNITY AGREEMENT (“Agreement”) is entered into by and between the CITY OF TORRANCE, a municipal corporation (“**Torrance**”), and PPG INDUSTRIES, INC., a Pennsylvania corporation (“**Seller**”).

RECITALS

A. Pursuant to that certain Real Property Purchase and Sale Agreement and Escrow Instructions dated as of September 1, 2009 between Torrance and Seller (the “**Purchase Agreement**”), Torrance purchased from Seller that certain unimproved real property of approximately fifteen (15) acres totaling approximately 653,400 square feet of M2 zoned land, commonly known as 465 Crenshaw Boulevard, in the City of Torrance, County of Los Angeles, State of California, as more particularly described on Exhibit A, attached hereto and incorporated herein (the “**Property**”);

B. Seller has requested and Buyer has consented to permit Seller the right to enter upon the Property to perform those certain obligations set forth below.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the foregoing and of the mutual promises set forth below, the parties agree as follows:

1. **DEFINED TERMS**

Capitalized terms not otherwise herein shall have the meaning ascribed to them in the Purchase Agreement.

2. ACCESS

Torrance and its successors shall provide Seller, its employees, agents, representatives, consultants and contractors with reasonable, necessary and non-exclusive access to the Property to perform all of the following (collectively, the “**Work**”): (a) any actions required by either the DTSC and/or any other federal state or local agency to obtain the NFA; and (b) actions required to monitor and/or close the Wells.

3. MANNER OF PERFORMANCE

(a) The Work. Except as may otherwise be provided herein, Seller shall perform and complete the Work as soon as reasonably possible in a manner and at times which will not unreasonably interfere with Torrance’s use of the Property. At all times during the term of this Agreement, Seller shall, at its sole cost and expense, take all necessary actions to keep the Property, any improvements and personalty thereon affected by the Work, and all facilities appurtenant thereto, in good order and repair and safe condition. Subject to the reimbursement limit in Section 4.2.4 of the Purchase Agreement, Torrance shall cooperate with Seller, at no cost, expense or liability to Torrance, to enable the completion of the Work in a timely and cost effective manner. Seller shall cooperate with Torrance to avoid and/or minimize any interference with Torrance’s use, development, improvement, leasing, and/or transfer of the Property or any portion thereof.

(b) Performance of the Work; Notice to Seller of Construction. Seller shall, to the extent not in conflict with agency directives, ensure that the ingress and egress of Torrance to, from, and across the Property are not restricted. Seller agrees to communicate with Torrance about the Work and to provide reasonable notice in accordance with subparagraph 2(a) above. While Seller is obligated to perform the Work pursuant to the terms of this Agreement, Torrance shall give Seller reasonable advance notice of any construction plans.

(c) Compliance. Seller agrees, at its sole cost and expense, to conduct and perform the Work in a prompt, safe, efficient and workmanlike manner and in compliance with all DTSC requirements and/or any other agencies exercising jurisdiction and otherwise in compliance with all applicable laws, statutes, ordinances and regulations (collectively, “**Applicable Requirements**”).

(d) Restoration. If entry onto the Property by Seller, or exercise by Seller of any of its rights or obligations under this Agreement, result in any physical damage to the Property (ordinary wear and tear excepted), Seller, at its sole cost and expense, shall promptly repair and restore the portions of the Property damaged, to substantially the same condition as existed prior to the damage. Seller shall be solely responsible for the performance of an underground utility clearance prior to any work on the Property for which such a clearance is necessary or advisable.

(e) Liens. Seller shall timely pay all contractors and shall cause all subcontractors to be timely paid such that no mechanics’ or materialmens’ liens or any other third party liens are recorded against the Property as a result of or arising out of the Work. To the extent any such liens are recorded and not removed within ten (10) business days following

written demand therefor from Torrance, Torrance shall have the right to undertake any measures as Torrance deems necessary to remove such liens (including, without limitation, payment to the lien claimant) and all such costs (including any attorneys' fees incurred thereby) incurred by Torrance shall be promptly reimbursed by Seller upon written demand by Torrance.

4. INDEMNITY

(a) Seller agrees to indemnify, defend and hold Torrance (including Torrance's employees, agents, representatives, contractors and elected officials and its successors and assignees) harmless from and against any Claims (as defined below) arising out of, connected with or incidental to any injuries to persons (including death) or property (real or personal) by reason of the Work conducted on the Property by Seller, and/or its agents, representatives or contractors. However, Seller shall not be liable to Torrance or its successors for any Claims to the extent such Claims are caused by the gross negligence or intentional acts or willful omissions of Torrance.

(b) "Claims" means any and all claims, liabilities, rights, losses, costs, damages, injuries, penalties, enforcement actions, fines, taxes, remedial actions, removal and disposal costs, investigation and remediation costs and expenses (including, without limitation, reasonable attorneys' fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs), sums paid in settlement of claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or of any relationship, acts, omissions, misfeasances, malfeasance, suits, actions, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises and expenses, of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, or which could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, arising from Seller's, and/or its agents', representatives' or contractors' performance of the Work.

(c) This Paragraph 3 shall survive the expiration or termination of this Agreement for any reason.

5. COMPLETION OF THE WORK; TERMINATION OF AGREEMENT.

Seller shall notify Buyer upon Completion of the Work (as defined below). Upon Completion of the Work, the parties shall execute a mutually acceptable termination of this Agreement in a form and content recommended and approved by Torrance's title company. "Completion of the Work" shall mean that Seller has closed the Wells and submitted a well closure report that is acceptable to the DTSC and/or any other government agency(ies) exercising jurisdiction over the Work.

6. NOTICES

Any notices required to be made under this Agreement shall be made in writing to the address of the appropriate party as set forth below. All such notices shall be deemed to have been duly given and received only upon receipt. The parties may alter or modify their notice address by delivery of written notice pursuant to the terms of this Agreement.

If to Seller:

PPG Industries, Inc.
One PPG Place
Pittsburgh, Pennsylvania 15272

Telephone: (412) 434-2307
Facsimile: (412) 434-3830

Attention: Richard N. Marks,
Manager, Corporate Real Estate
Email: dmarks@ppg.com

With a Copy to:

Lamb & Kawakami LLP
333 South Grand Avenue, Suite 4200
Los Angeles, California 90071

Telephone: (213) 630-5510
Facsimile: (213) 630-5555

Attention: Kevin J. Lamb, Esq.
E-mail: klamb@lamb-kawakami.com

If to Torrance:

City of Torrance
3031 Torrance Boulevard
Torrance California 90509

Telephone: (310) 618-5880
Facsimile: (310) 618-5891

Attn: LeRoy J. Jackson,
City Manager

With a Copy to:

Garrett DeFrenza Stiepel LLP
695 Town Center Drive, Suite 500
Costa Mesa, California 92626

Tel: (714) 384-4303
Fax: (714) 384-4320

Attn: Henry R. Stiepel, Esq.
Email: hstiepel@gdslaw.net

7. **GENERAL PROVISIONS**

The parties hereto hereby warrant and represent that they have been advised by their attorneys or have had the opportunity to be advised regarding each and every phase of the preparation, creation, negotiation, and execution of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to any conflict of law provisions thereof. Each party irrevocably consents to the exclusive jurisdiction and venue of any federal or state court within Los Angeles County, California, in connection with any matter based upon or arising out of this Agreement or the matters contemplated in this Agreement, agrees that process may be served upon them in any manner authorized by the laws of the State of California for such persons, and waives and covenants not to assert or plead any objection that they might otherwise have to such jurisdiction, venue and such process. This Agreement may be amended at any time, but only by the written agreement of the parties. This Agreement constitutes the entire agreement among the parties relating to the subject hereof and supersedes all prior understandings between the parties relating to the subject hereof, whether written or oral. No waiver of any rights or remedies by any party to this Agreement shall constitute a waiver of any future or other right or remedy by that party. If any provision of this Agreement shall be held to be invalid, void or unenforceable, the remainder of this Agreement shall remain in full force and effect without being affected,

impaired or invalidated thereby. Time is of the essence in this Agreement. This Agreement may be signed in two or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same instrument. Facsimile and email signatures shall be binding and enforceable in the same manner as an original signature. In the event of any litigation involving the parties to this Agreement to enforce any provision of this Agreement, to enforce any remedy available upon default under this Agreement, or seeking a declaration of the rights of either party under this Agreement, the prevailing party shall be entitled to recover from the other such attorneys' fees and costs as may be reasonably incurred. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the party to be charged) and perform such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including (without limitation) the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and effective as of the last date set forth below ("**Effective Date**").

TORRANCE

SELLER

CITY OF TORRANCE,
a municipal corporation

PPG INDUSTRIES, INC.,
a Pennsylvania corporation

By _____
Frank Scotto, Mayor

By _____
Name _____
Its _____

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOW III
City Attorney

By _____

EXHIBIT A
TO
SITE ACCESS AND INDEMNITY AGREEMENT

LEGAL DESCRIPTION OF THE PROPERTY

THAT PORTION OF LOT 8 OF TRACT NO. 7873, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 109 PAGES 99 AND 100 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND A PORTION OF PARCEL 130 OF SUBDIVISION OF PORTIONS OF THE 730.61 ACRE TRACT ALLOTTED TO SUSANA DOMINGUEZ BY A FINAL DECREE OF PARTITION OF A PORTION OF THE RANCHO SAN PEDRO IN CASE NO. 3284 OF THE SUPERIOR COURT OF LOS ANGELES COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LOT 8; THENCE NORTH 0 DEGREES 34 MINUTES 10 SECONDS WEST ON AND ALONG THE EAST LINE OF SAID LOT 8, 981.22 FEET; THENCE SOUTH 89 DEGREES 25 MINUTES 50 SECONDS WEST 1204.43 FEET, MORE OR LESS, TO A LINE THAT IS PARALLEL WITH AND DISTANT 5 FEET NORTHEASTERLY AT RIGHT ANGLES FROM THE NORTHEASTERLY BOUNDARY LINE OF THE RIGHT OF WAY OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, AS CONVEYED TO SANTA FE AND LOS ANGELES HARBOR RAILWAY COMPANY, BY DEED OF EASEMENT RECORDED OCTOBER 9, 1942 AS INSTRUMENT NO. 1327 IN BOOK 19635 PAGE 64, OFFICIAL RECORDS; THENCE SOUTH 48 DEGREES 00 MINUTES 00 SECONDS EAST 1245.12 FEET, MORE OR LESS, ALONG SAID PARALLEL LINE AND THE SOUTHEASTERLY PROLONGATION THEREOF TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 546.438 FEET AND WHICH PASSES THROUGH THE POINT OF BEGINNING; THENCE SOUTHEASTERLY ALONG SAID CURVE A DISTANCE OF 321.98 FEET TO THE POINT OF BEGINNING.

Exhibit E

Form of General Release Agreement

[Attached]

GENERAL RELEASE AGREEMENT

THIS RELEASE AGREEMENT (“Agreement”) is entered into as of _____, 20__, by the undersigned, CITY OF TORRANCE, a municipal corporation (the “**Undersigned**”). The Undersigned hereby agrees as follows:

1. Release of Holdback. Pursuant to the Purchase and Sale Agreement (the “**Purchase Agreement**”) executed on September 1, 2009 by and between the Undersigned and PPG Industries, Inc., a Pennsylvania corporation (the “**Seller**”), the Undersigned agrees to accept the Holdback (as defined in the Purchase Agreement) as liquidated damages for Seller’s failure to obtain the NFA by the earlier of the dates set forth in clauses (i) and (ii) of the second sentence of Section 4.2.6 of the Purchase Agreement, thereby relieving Seller of any further obligations under the Purchase Agreement, including but not limited to the obligation to obtain a “no further action” letter from the Department of Toxic Substances Control (“**DTSC**”), of completing the Post-Closing Obligations (as defined in Section 4.2.2 of the Purchase Agreement), and of its indemnity obligations under Section 4.3.2 of the Purchase Agreement (collectively, the “**Continuing Obligations**”).

2. Definitions.

2.1 “**Claims**” means any and all claims, rights, losses, costs, damages, injuries, penalties, enforcement actions, fines, taxes, remedial actions, removal and disposal costs, investigation and remediation costs and expenses (including, without limit, reasonable attorneys’ fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs), sums paid in settlement of claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or of any relationship, acts, omissions, misfeasances, malfeasance, suits, actions, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises and expenses, of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, whether now existing, existing prior to the date of the Purchase Agreement or arising after the date of the Purchase Agreement, or which could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated.

2.2 For the purposes of this Agreement, “**Hazardous Material**” means (i) any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof which is or may be hazardous to human health or safety or to the environment due to its ignitibility, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, pyhtotoxicity, reproductive toxicity, infectiousness, radioactivity, or other harmful or potentially harmful properties or effects, including, without limitation, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), Freon and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now, or become in the future, listed, defined, or regulated in any manner by any “**Environmental Law**” (as defined below) based upon, directly or indirectly, such properties or effects, and (ii) any substance, product, waste or other material otherwise defined in this paragraph as a Hazardous Material, which may give rise to any liability under any Environmental Law or under any statutory or common law theory based on

negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court.

2.3 For the purposes of this Agreement, “**Environmental Law**” means any and all federal, state or local statute, law, regulation, standard, guideline, code, ordinance, rule, resolution, order, decree, directive, permit, permit condition or court decision (all as currently in effect and/or as amended, enacted, issued or adopted in the future), which regulate the use, generation, handling, storage, treatment, transport, decontamination, clean-up, removal, encapsulation, enclosure, abatement, disposal, release or migration of any Hazardous Material, or which due to the presence or potential presence of Hazardous Material(s) are or become applicable to the Property or persons or entities who own, occupy, use, visit or work on the Property. Environmental Law includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6921, et seq., the Toxic Substance Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Sections 136 et seq., the California Hazardous Waste Control Act, Health and Safety Code Sections 25100, et seq., the California Hazardous Substance Account Act, Health and Safety Code Sections 25300, et seq., the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Sections 25249.5, et seq., California Health and Safety Code Sections 25280, et seq. (Underground Storage of Hazardous Substances), California Health and Safety Code Sections 25500 et seq. (Hazardous Materials Release Response Plans and Inventory), the California Porter-Cologne Water Quality Control Act, Water Code Sections 13000 et seq., and any other federal, state or local statute, law, regulation, standard, guideline, code, ordinance, rule, resolution, order, decree, directive, permit, permit condition or court decision regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect, all as amended or hereafter amended.

3. Release. Upon receipt of the Holdback, the Undersigned on behalf of itself and its successors, assigns and successors in interest, hereby agrees to release, acquit and forever discharge Seller and its employees, agents, officers, directors and shareholders (collectively, the “**Indemnitees**”) from, and waives any right to pursue the Indemnitees for completion of, the Continuing Obligations, and from any and all Claims (including, but not limited to, Claims arising under any Environmental Law but excluding any Claims accrued as of the date of this Agreement based on the Access Agreement or pursuant to Section 4.7 of the Purchase Agreement), direct or indirect, arising out of, related in any way to, or resulting from or in connection with, in whole or in part: the Property, including, but not limited to, the actual, alleged or suspected presence, use, generation, storage, disposal, release, transport or migration of Hazardous Materials that occurred in, on, under, above, about, to, through or from the Property. The foregoing shall apply regardless of any negligence or strict liability of Seller or other Indemnitees.

WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542. WITH RESPECT TO THE FOREGOING RELEASE, THE UNDERSIGNED, ON BEHALF OF ITSELF, ITS SUCCESSORS, ASSIGNS AND SUCCESSORS-IN-INTEREST AND SUCH OTHER PERSONS AND ENTITIES, EXPRESSLY WAIVES THE BENEFITS AND

PROTECTIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

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

Initials of Undersigned

4. No Admission. No admission of liability, express or implied, at law or in equity, shall be or may be inferred or asserted to exist by any party hereto by virtue of this General Release or any recitation contained herein.

5. Authority. The Undersigned represents, warrants and covenants that it has sole, complete and lawful authority to remise, release and forever discharge the Claims upon the terms and conditions set forth herein. The Undersigned further represents and warrants that it has not assigned, transferred or purported to assign or transfer to any person, firm or entity, either voluntarily or involuntarily, any claim, cause of action, or right, or any portion of the foregoing, based on, arising out of, or in connection with any matter, fact, or thing described or set forth in this General Release. Each person signing this General Release represents and warrants that he or she has authority to do so, and acknowledges and agrees that signatures may be provided and exchanged by facsimile.

6. Binding Effect. This General Release shall inure to the benefit of, and be binding upon, the Undersigned and his/her personal representatives, heirs, devisees, legatees, successors, and assigns.

7. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the state of California.

[Signatures on Next Page]

IT IS SO AGREED.

“UNDERSIGNED”

CITY OF TORRANCE,
a municipal corporation

By _____
Frank Scotto, Mayor

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOW III
City Attorney

By _____

Exhibit F

Form of Holding Escrow Agreement

[Attached]

HOLDING ESCROW AGREEMENT

THIS HOLDING ESCROW AGREEMENT (this “**Agreement**”) dated as of _____, 2009 is by and among PPG Industries, Inc., a Pennsylvania corporation (the “**Seller**”), the City of Torrance, a municipal corporation (the “**City**”) and Chicago Title Company, as escrow agent (the “**Escrow Holder**”).

WHEREAS, PPG and the City are parties to that certain Real Property Purchase and Sale Agreement and Escrow Instructions (the “**Purchase Agreement**”) dated as of September 1, 2009 pursuant to which the City has agreed to purchase that certain real property common known as 465 Crenshaw Boulevard, Torrance, California, together with all of PPG’s right, title and interest in and to all easements, rights and privileges appurtenant thereto, including any right, title and interest of PPG in and to adjacent streets, alleys or rights of way (collectively, the “**Property**”);

WHEREAS, pursuant to Section 4.2.6 of the Purchase Agreement, PPG and the City agreed to enter into this Agreement and establish the “Escrow Account” (defined below) as security for PPG’s obligation to obtain a “no further action” letter (the “**NFA**”) from the Department of Toxic Substances Control (the “**DTSC**”);

WHEREAS, all capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Purchase Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, and for other good, fair and valuable consideration and reasonably equivalent value, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties do agree as follows, intending to be legally bound:

Section 1. Establishment of Escrow Account

Pursuant to Section 4.2.6 of the Purchase Agreement, Escrow Holder has withheld \$500,000 from disbursement of the Purchase Price (the “**Deposit**”) to be held in escrow by the Escrow Holder pursuant to Section 3 below. The Escrow Holder hereby accepts the Deposit and agrees to establish and maintain a separate account to hold such Deposit and all interest and earnings thereon (the aggregate of the Deposit and all interest and earnings thereon are collectively referred to herein as the “**Escrow Account**”) in its capacity as Escrow Holder pursuant to the terms of this Agreement. Concurrently with its execution and delivery of this Agreement, Seller shall deliver to Escrow Holder an IRS Form W-9.

Section 2. Investment

A. The Escrow Holder agrees to invest and reinvest all available amounts in the Escrow Account in the Bank of America Money Market Account. The account shall be entitled, “Chicago Title Company, as holder for PPG Industries, Inc.” (the “**Investment Account**”). By mutual agreement the parties may elect to change the depository of the Investment Account or segregate the Investment Account into more than one depository.

B. The parties acknowledge that:

1. The selection of the depository was made at their sole discretion;
2. Their independent inquiry of the depository and Escrow Holder has no liability in the event of failure, insolvency or inability of the depository to pay said funds, or accrued interest upon demand for withdrawal;
3. Their familiarity with limitations on payments made on accounts in excess of \$250,000 and the cumulative effect of other accounts held or owned by undersigned in the above-named depository;
4. The total responsibility of the Escrow Holder is to make the deposit as above instructed;
5. A \$50 interest bearing account documentation and set-up charge shall be paid to Escrow Holder pursuant to the Escrow Fee Schedule attached hereto as Exhibit A;
6. Escrow Holder is prohibited from withdrawing funds from the Investment Account except to (i) as mutually instructed in writing by the parties; and (ii) withdraw the funds necessary to pay Escrow Holder's annual escrow fee pursuant to the Escrow Fee Schedule; and
7. Escrow Holder is not responsible for levies by taxing authorities based upon the taxpayer identification number used to establish this interest bearing account.

Section 3. Holding and Disbursement of Escrow Account

A. Escrow Holder is instructed to hold the Escrow Account pending its receipt of mutual written instructions from PPG and the City confirming that either:

1. PPG has obtained the NFA from the DTSC, at which time Escrow Holder shall immediately disburse the Escrow Account to PPG in accordance with the instructions of PPG; or
2. the City has elected to accept the Deposit as liquidated damages, in which event PPG will have no further obligations (including but not limited to obtaining the NFA, complying with post-closing conditions of the NFA, and completing the Well closures (if any)), and the City has deposited with Escrow Holder for delivery to PPG, a duly executed General Release in the form attached hereto as Exhibit B (the "**General Release**"), at which time the Escrow Holder shall immediately disburse the Escrow Account to the City in accordance with the instructions of the City, and the General Release to PPG.

B. Pursuant to the Purchase Agreement, it is anticipated that the Deposit may be held by Escrow Holder for approximately three (3) years. However, in the event Escrow Holder receives mutual written instructions from PPG and the City prior to the three (3) year period, Escrow Holder shall comply with such instructions. If no instructions are received by Escrow Holder on or before the tenth (10th) anniversary date of this Agreement, then Escrow Holder shall return Deposit and all interest earned thereon to Seller without further instructions of the parties.

Section 4. General Provisions of Escrow Holder.

The General Provisions of the Escrow Holder are attached hereto as Exhibit C. However, to the extent of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of the General Provisions, the terms and conditions of this Agreement shall control.

Section 5. Tax Matters

A. Reporting of Income. The Escrow Holder shall report to the Internal Revenue Service, as of each calendar year-end, all income earned from the investment of any amount held in the Escrow Account against PPG, whether or not such income has been distributed during such year, as and to the extent required by Law.

B. Preparation and Filing of Tax Returns. Any tax returns required to be prepared and filed will be prepared and filed by PPG with the Internal Revenue Service in all years income is earned, whether or not income is received or distributed in any particular tax year, and Escrow Holder shall have no responsibility for the preparation and/or filing or any tax return with respect to any income earned by the Escrow Account.

C. Payment of Taxes. Any taxes payable on income earned from the investment of any sums held in the Escrow Account shall be paid by PPG, whether or not the income was distributed by the Escrow Holder during any particular year.

Section 6. Resignation or Removal of Escrow Holder

The Escrow Holder may resign as such following the giving of thirty (30) days prior written notice to the other parties hereto. Similarly, the Escrow Holder may be removed and replaced following the giving of thirty (30) days prior written notice to the Escrow Holder by PPG and the City. In either event, the duties of the Escrow Holder shall terminate thirty (30) days after receipt of such notice (or as of such earlier date as may be mutually agreeable); and the Escrow Holder shall then deliver the balance of the Escrow Account then in its possession to a successor escrow agent as shall be appointed by both PPG and the City as evidenced by joint written instructions delivered to the Escrow Holder.

Section 7. Termination

Upon delivery of the Escrow Account by the Escrow Holder in accordance with this Agreement, this Agreement shall be terminated.

Section 8. Notices

Any notice, consent or request to be given in connection with any of the terms or provisions of this Agreement shall be in writing and be given in person, by facsimile transmission, courier delivery service or by mail, and shall become effective only upon receipt.

Notices shall be addressed as follows:

If to PPG

PPG Industries, Inc.
One PPG Place
Pittsburgh, Pennsylvania 15272
Attn: Richard N. Marks,
Manager, Corporate Real Estate
Email: dmarks@ppg.com
Telephone: (412) 434-2307
Facsimile: (412) 434-3830

With a Copy to:

Lamb & Kawakami LLP
333 South Grand Avenue, Suite 4200
Los Angeles, California 90071
Attn: Kevin J. Lamb, Esq.
Email: klamb@lamb-kawakami.com
Telephone: (213) 630-5510
Facsimile: (213) 630-5555

If to the City

City of Torrance
3031 Torrance Boulevard
Torrance California 90509
Attn: LeRoy J. Jackson
City Manager
Email: mgjordano@TorranceCA.gov
Telephone: (310) 618-5880
Facsimile: (310) 618-5891

With a Copy to:

Garrett DeFrenza Stiepel LLP
695 Town Center Drive, Suite 500
Costa Mesa, California 92626
Attn: Henry R. Stiepel, Esq.
Email: hstiepel@gdslaw.net
Telephone: (714) 384-4303
Facsimile: (714) 384-4320

If to Escrow Holder

Chicago Title Company
700 South Flower, Suite 800
Los Angeles, California, 90017
Attn: Patricia Schlageck
Email: patricia.schlageck@ctt.com
Telephone: (213) 488 4358
Facsimile: (213) 612 4138

Section 9. General Provisions

The parties hereto hereby warrant and represent that they have been advised by their attorneys or have had the opportunity to be advised regarding each and every phase of the preparation, creation, negotiation, and execution of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to any conflict of law provisions thereof. Each party irrevocably consents to the exclusive jurisdiction and venue of any federal or state court within Los Angeles County,

California, in connection with any matter based upon or arising out of this Agreement or the matters contemplated in this Agreement, agrees that process may be served upon them in any manner authorized by the laws of the State of California for such persons, and waives and covenants not to assert or plead any objection that they might otherwise have to such jurisdiction, venue and such process. All Recitals in this Agreement are incorporated herein as though set forth in full. This Agreement may be amended at any time, but only by the written agreement of the parties. This Agreement constitutes the entire agreement among the parties relating to the subject hereof and supersedes all prior understandings between the parties relating to the subject hereof, whether written or oral. No waiver of any rights or remedies by any party to this Agreement shall constitute a waiver of any future or other right or remedy by that party. If any provision of this Agreement shall be held to be invalid, void or unenforceable, the remainder of this Agreement shall remain in full force and effect without being affected, impaired or invalidated thereby. Time is of the essence in this Agreement. This Agreement may be signed in two or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same instrument. Facsimile and email signatures shall be binding and enforceable in the same manner as an original signature. In the event of any litigation involving the parties to this Agreement to enforce any provision of this Agreement, to enforce any remedy available upon default under this Agreement, or seeking a declaration of the rights of either party under this Agreement, the prevailing party shall be entitled to recover from the other such attorneys' fees and costs as may be reasonably incurred. Each party hereby agrees that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the party to be charged) and perform such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement, without cost, including (without limitation) the execution and delivery of such documents, and the doing of such acts or things as may be required to satisfy the requirements of this Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the date written above.

BUYER

CITY OF TORRANCE,
a municipal corporation

By _____
Frank Scotto, Mayor

SELLER

PPG INDUSTRIES, INC.,
a Pennsylvania corporation

By: _____
Name: _____
Its: _____

ATTEST:

Sue Herbers, City Clerk

ESCROW HOLDER

Chicago Title Company

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

JOHN L. FELLOW III
City Attorney

[Authorized Signature]

By _____

EXHIBIT A
TO
HOLDING ESCROW AGREEMENT

Escrow Fee Schedule

Escrow Holder is authorized to deduct and pay the escrow fees incurred from the Deposit or Escrow Account, as applicable as the escrow fees become due and payable.

<u>Fee</u>	<u>Service/Fee Due Date</u>
\$1,000	Initial Escrow Fee Due and payable upon the opening of Escrow
\$50	Interest Bearing Account Documentation and Set-Up Fee Due and payable upon the opening of Escrow
\$1,000	Annual Fee Due and payable on each anniversary date of the opening of Escrow

EXHIBIT B
TO
HOLDING ESCROW AGREEMENT

Form of the General Release

[Attached]

GENERAL RELEASE AGREEMENT

THIS RELEASE AGREEMENT (“**Agreement**”) is entered into as of _____, 20___, by the undersigned, CITY OF TORRANCE, a municipal corporation (the “**Undersigned**”). The Undersigned hereby agrees as follows:

1. Release of Holdback. Pursuant to the Purchase and Sale Agreement (the “**Purchase Agreement**”) executed on September 1, 2009 by and between the Undersigned and PPG Industries, Inc., a Pennsylvania corporation (the “**Seller**”), the Undersigned agrees to accept the Holdback (as defined in the Purchase Agreement) as liquidated damages for Seller’s failure to obtain the NFA by the earlier of the dates set forth in clauses (i) and (ii) of the second sentence of Section 4.2.6 of the Purchase Agreement, thereby relieving Seller of any further obligations under the Purchase Agreement, including but not limited to the obligation to obtain a “no further action” letter from the Department of Toxic Substances Control (“**DTSC**”), of completing the Post-Closing Obligations (as defined in Section 4.2.2 of the Purchase Agreement), and of its indemnity obligations under Section 4.3.2 of the Purchase Agreement (collectively, the “**Continuing Obligations**”).

2. Definitions.

2.1 “**Claims**” means any and all claims, rights, losses, costs, damages, injuries, penalties, enforcement actions, fines, taxes, remedial actions, removal and disposal costs, investigation and remediation costs and expenses (including, without limit, reasonable attorneys’ fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs), sums paid in settlement of claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or of any relationship, acts, omissions, misfeasances, malfeasance, suits, actions, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises and expenses, of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, whether now existing, existing prior to the date of the Purchase Agreement or arising after the date of the Purchase Agreement, or which could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated.

2.2 For the purposes of this Agreement, “**Hazardous Material**” means (i) any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof which is or may be hazardous to human health or safety or to the environment due to its ignitibility, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, pyhtotoxicity, reproductive toxicity, infectiousness, radioactivity, or other harmful or potentially harmful properties or effects, including, without limitation, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), Freon and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now, or become in the future, listed, defined, or regulated in any manner by any “**Environmental Law**” (as defined below) based upon, directly or indirectly, such properties or effects, and (ii) any substance, product, waste or other material otherwise defined in this paragraph as a Hazardous Material, which may give rise to any liability under any Environmental Law or under any statutory or common law theory based on

negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court.

2.3 For the purposes of this Agreement, “**Environmental Law**” means any and all federal, state or local statute, law, regulation, standard, guideline, code, ordinance, rule, resolution, order, decree, directive, permit, permit condition or court decision (all as currently in effect and/or as amended, enacted, issued or adopted in the future), which regulate the use, generation, handling, storage, treatment, transport, decontamination, clean-up, removal, encapsulation, enclosure, abatement, disposal, release or migration of any Hazardous Material, or which due to the presence or potential presence of Hazardous Material(s) are or become applicable to the Property or persons or entities who own, occupy, use, visit or work on the Property. Environmental Law includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6921, et seq., the Toxic Substance Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Sections 136 et seq., the California Hazardous Waste Control Act, Health and Safety Code Sections 25100, et seq., the California Hazardous Substance Account Act, Health and Safety Code Sections 25300, et seq., the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Sections 25249.5, et seq., California Health and Safety Code Sections 25280, et seq. (Underground Storage of Hazardous Substances), California Health and Safety Code Sections 25500 et seq. (Hazardous Materials Release Response Plans and Inventory), the California Porter-Cologne Water Quality Control Act, Water Code Sections 13000 et seq., and any other federal, state or local statute, law, regulation, standard, guideline, code, ordinance, rule, resolution, order, decree, directive, permit, permit condition or court decision regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect, all as amended or hereafter amended.

3. **Release.** Upon receipt of the Holdback, the Undersigned on behalf of itself and its successors, assigns and successors in interest, hereby agrees to release, acquit and forever discharge Seller and its employees, agents, officers, directors and shareholders (collectively, the “**Indemnitees**”) from, and waives any right to pursue the Indemnitees for completion of, the Continuing Obligations, and from any and all Claims (including, but not limited to, Claims arising under any Environmental Law but excluding any Claims accrued as of the date of this Agreement based on the Access Agreement or pursuant to Section 4.7 of the Purchase Agreement), direct or indirect, arising out of, related in any way to, or resulting from or in connection with, in whole or in part: the Property, including, but not limited to, the actual, alleged or suspected presence, use, generation, storage, disposal, release, transport or migration of Hazardous Materials that occurred in, on, under, above, about, to, through or from the Property. The foregoing shall apply regardless of any negligence or strict liability of Seller or other Indemnitees.

WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542. WITH RESPECT TO THE FOREGOING RELEASE, THE UNDERSIGNED, ON BEHALF OF ITSELF, ITS SUCCESSORS, ASSIGNS AND SUCCESSORS-IN-INTEREST AND SUCH OTHER PERSONS AND ENTITIES, EXPRESSLY WAIVES THE BENEFITS AND

PROTECTIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

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

Initials of Undersigned

4. No Admission. No admission of liability, express or implied, at law or in equity, shall be or may be inferred or asserted to exist by any party hereto by virtue of this General Release or any recitation contained herein.

5. Authority. The Undersigned represents, warrants and covenants that it has sole, complete and lawful authority to remise, release and forever discharge the Claims upon the terms and conditions set forth herein. The Undersigned further represents and warrants that it has not assigned, transferred or purported to assign or transfer to any person, firm or entity, either voluntarily or involuntarily, any claim, cause of action, or right, or any portion of the foregoing, based on, arising out of, or in connection with any matter, fact, or thing described or set forth in this General Release. Each person signing this General Release represents and warrants that he or she has authority to do so, and acknowledges and agrees that signatures may be provided and exchanged by facsimile.

6. Binding Effect. This General Release shall inure to the benefit of, and be binding upon, the Undersigned and his/her personal representatives, heirs, devisees, legatees, successors, and assigns.

7. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the state of California.

[Signatures on Next Page]

IT IS SO AGREED.

“UNDERSIGNED”

CITY OF TORRANCE,
a municipal corporation

By _____
Frank Scotto, Mayor

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOW III
City Attorney

By _____

EXHIBIT C
TO
HOLDING ESCROW AGREEMENT

General Provisions of the Escrow Holder

[Attached]

GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire-transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

Deposit of funds into general escrow trust account unless instructed otherwise. You may instruct Escrow Holder to deposit your funds into an interest bearing account by signing and returning the "Notice of Opportunity to Open Interest Bearing Account", which has been provided to you. If you do not so instruct us, then all funds received in this escrow shall be deposited with other escrow funds in one or more general escrow trust accounts, which include both non-interest bearing demand accounts and other depository accounts of Escrow Holder, in any state or national bank or savings and loan association insured by the Federal Deposit Insurance Corporation (the "depository institutions" and may be transferred to any other such escrow trust accounts of Escrow Holder or one of its affiliates, either within or outside the State of California. A general escrow trust account is restricted and protected against claims by third parties and creditors of Escrow Holder and its affiliates.

Receipt of benefits by Escrow Holder and affiliates. The parties to this escrow acknowledge that the maintenance of such general escrow trust accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with an array of bank services, accommodations or other benefits by the depository institution. Some or all of these benefits may be considered interest due you under California Insurance Code Section 12413.5. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations, and other benefits shall accrue to Escrow Holder or its affiliates and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations, interest or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of Chicago Title Company. The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. **WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.**

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.**

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver, one copy of such notice to each of the other principals at the addresses stated in this escrow. **UNLESS WRITTEN OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES.** If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

Escrow Holder has the right to (revoke) (10) days written notice delivered to the principal herein. If such right is exercised, all funds and documents shall be returned to the party who deposited

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, money and other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether or not at the request of any of the principals or otherwise, the fees and charges due Chicago Title Company, including expenses incurred and/or authorized shall be borne equally by the

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

Continued on Following Page

GENERAL PROVISIONS CONTINUED

4. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company as set forth herein.

16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors in Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

You are authorized, without the need for further approval, to debit my account for any fees and charges that I have agreed to pay in connection with this escrow, and for any amounts that I am obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of title insurance called for in these instructions. If for any reason my account is not debited for such amounts at the time of closing, I agree to pay them immediately upon demand, or to

reimburse any other person or entity who has paid them.

18. ENVIRONMENTAL ISSUES

Chicago Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Chicago Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. FACSIMILE SIGNATURE

Escrow Holder is hereby authorized and instructed that, in the event any party utilizes "facsimile" transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. Each party shall make every effort to provide to the other party and to Escrow Holder, within 72 hours after transmission, duplicate original documents or instructions bearing the original signatures. Each party further acknowledges and agrees that documents with non-original signatures may not be accepted for recording by the County Recorder, therefore no closing or recording may take place without the submission of the original documents.

22. CLARIFICATION OF DUTIES

Chicago Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow instructions executed by all parties.

23. FUNDS HELD IN ESCROW

When the company has funds remaining in escrow over 90 days after close of escrow or estimated close of escrow, the Company shall impose a monthly holding fee of \$25.00 that is to be charged against the funds held by the Company.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

Chicago Title Company conducts escrow business under a Certificate of Authority No. 350 issued by the California Department of Insurance.

Exhibit G

**Form of Grant Deed
with
Covenant to Restrict Use of Property Environmental Restriction
[Attached]**

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Ms. Mary Giordano
Assistant City Manager
City of Torrance
3031 Torrance Boulevard
Torrance CA 90503

OFFICIAL BUSINESS EXEMPT FROM RECORDING FEES
PURSUANT TO GOVT. CODE SECTION 27383 AND
DOCUMENTARY TRANSFER TAX PURSUANT TO R&T CODE
SECTION 11922

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**GRANT DEED
WITH
COVENANT TO RESTRICT USE OF PROPERTY
ENVIRONMENTAL RESTRICTION**

Assessor's Parcel No.: 7352-002-008 and 7352-002-010

The undersigned Grantor declares that the Documentary Transfer Tax is - See attached Statement of Tax Due not to be made part of the public record, R&T 11932.

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

PPG INDUSTRIES, INC., a Pennsylvania corporation ("Grantor/Covenantee")

hereby GRANTS to

CITY OF TORRANCE, a municipal corporation ("Grantee/Covenantor")

all right, title and interest in and to that certain real property (the "**Property**") located in the City of Torrance, County of Los Angeles, State of California, which is more particularly described on Exhibit A attached hereto.

Grantee/Covenantee, for itself, its successors and assigns, hereby covenants and agrees to the environmental restrictions set forth in the Covenant to Restrict Use of Property and Environmental Restriction as set forth in Exhibit B attached hereto.

_____, 2009

Grantor/Covenantee

PPG INDUSTRIES, INC.,
a Pennsylvania corporation

By: _____

Name: _____

Its: _____

Grantee/Covenantor

CITY OF TORRANCE,
a municipal corporation

By _____

Frank Scotto, Mayor

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOW III
City Attorney

By _____

EXHIBIT A
TO
GRANT DEED

Legal Description of the Real Property

THAT PORTION OF LOT 8 OF TRACT NO. 7873, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 109 PAGES 99 AND 100 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND A PORTION OF PARCEL 130 OF SUBDIVISION OF PORTIONS OF THE 730.61 ACRE TRACT ALLOTTED TO SUSANA DOMINGUEZ BY A FINAL DECREE OF PARTITION OF A PORTION OF THE RANCHO SAN PEDRO IN CASE NO. 3284 OF THE SUPERIOR COURT OF LOS ANGELES COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LOT 8; THENCE NORTH 0 DEGREES 34 MINUTES 10 SECONDS WEST ON AND ALONG THE EAST LINE OF SAID LOT 8, 981.22 FEET; THENCE SOUTH 89 DEGREES 25 MINUTES 50 SECONDS WEST 1204.43 FEET, MORE OR LESS, TO A LINE THAT IS PARALLEL WITH AND DISTANT 5 FEET NORTHEASTERLY AT RIGHT ANGLES FROM THE NORTHEASTERLY BOUNDARY LINE OF THE RIGHT OF WAY OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, AS CONVEYED TO SANTA FE AND LOS ANGELES HARBOR RAILWAY COMPANY, BY DEED OF EASEMENT RECORDED OCTOBER 9, 1942 AS INSTRUMENT NO. 1327 IN BOOK 19635 PAGE 64, OFFICIAL RECORDS; THENCE SOUTH 48 DEGREES 00 MINUTES 00 SECONDS EAST 1245.12 FEET, MORE OR LESS, ALONG SAID PARALLEL LINE AND THE SOUTHEASTERLY PROLONGATION THEREOF TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 546.438 FEET AND WHICH PASSES THROUGH THE POINT OF BEGINNING; THENCE SOUTHEASTERLY ALONG SAID CURVE A DISTANCE OF 321.98 FEET TO THE POINT OF BEGINNING.

EXHIBIT B
TO
GRANT DEED

[SUBJECT TO FURTHER REVIEW]

COVENANT TO RESTRICT USE OF PROPERTY
ENVIRONMENTAL RESTRICTION

465 Crenshaw Boulevard
Torrance, California
Assessor's Parcel No. 7352-002-008

ARTICLE I.
GENERAL PROVISIONS

1.1 **Restrictions to Run with the Land.** This Covenant to Restrict Use of Property and Environmental Restriction (“**Covenant**”) sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as “**Restrictions**”), to which the Property is subject notwithstanding how the Property is improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every Restriction: (a) runs with the land pursuant to Civil Code, Section 1471; (b) inures to the benefit of and passes with each and every portion of the Property; (c) is for the benefit of, and is enforceable by, the Covenantee; and (d) is imposed upon the entire Property.

1.2 **Binding upon Owners/Occupants.** Pursuant to Civil Code, Section 1471(b), this Covenant expressly binds all owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the owners, heirs, successors, and assignees.

1.3 **Written Notice.** Prior to the sale, lease or sublease of the Property, the owner, lessor, or sublessor shall provide the buyer, lessees, or sublessee a copy of this Covenant.

1.4 **Incorporation into Deeds and Leases.** The Restrictions set forth herein shall be incorporated by reference in each and every deed and lease executed in connection with the sale, transfer or lease of any portion of the Property.

ARTICLE II.
USE OF PROPERTY

Future use of the Property shall be restricted to industrial and/or commercial use only (including, without limitation, for the following permitted purposes: any uses for offices including for municipal governmental or administrative purposes, for retail and/or entertainment uses, for a regional transportation center and related uses, for an animal control center and/or animal hospital, for a life/fire/safety training center, for a community college campus, and/or for a fire station and related uses), and the Property shall not be used for any of the following purposes:

- (a) A residence, including but not limited to any mobile home or factory built housing, constructed or installed for use as residential human habitation. A permanent residence shall not include a hotel, motel, or other temporary habitation;
- (b) A hospital for humans;
- (c) A pre-school, kindergarten, elementary, junior high or high school;
- (d) A day care center or playground for children; and
- (e) Extraction of groundwater for drinking water purposes.

**ARTICLE III.
ENFORCEMENT**

Violation of this Covenant shall be grounds for the Covenantee to file legal actions as provided by law.

**ARTICLE IV.
TERM**

This Covenant shall continue in effect in perpetuity.

**ARTICLE V.
GENERAL PROVISIONS**

This Covenant shall be governed by and construed in accordance with the laws of the State of California, without reference to any conflict of law provisions thereof. Each party irrevocably consents to the exclusive jurisdiction and venue of any federal or state court within Los Angeles County, California, in connection with any matter based upon or arising out of this Covenant or the matters contemplated in this Covenant, agrees that process may be served upon them in any manner authorized by the laws of the State of California for such persons, and waives and covenants not to assert or plead any objection that they might otherwise have to such jurisdiction, venue and such process. No waiver of any rights or remedies by any party to this Covenant shall constitute a waiver of any future or other right or remedy by that party. If any provision of this Covenant shall be held to be invalid, void or unenforceable, the remainder of this Covenant shall remain in full force and effect without being affected, impaired or invalidated thereby. In the event of any litigation involving the Parties to enforce any provision of this Covenant, to enforce any remedy available upon default under this Covenant, or seeking a declaration of the rights of either party under this Covenant, the prevailing party shall be entitled to recover from the other such attorneys' fees and costs as may be reasonably incurred.