

Council Meeting of  
March 9, 2010

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

**Members of the Council:**

**SUBJECT: City Manager – Approve Operation and Easement Agreement**

**RECOMMENDATION**

Recommendation of the City Manager that City Council approve a Restated Operation and Easement Agreement (Agreement) between Rolling Hills Plaza, LLC, a California limited liability company, Schwartz Investment Company, LLC, a California limited liability company and the City of Torrance for Rolling Hills Plaza Shopping Center.

**FUNDING**

No funding is required for the requested action.

**BACKGROUND/ANALYSIS**

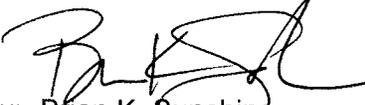
The retail center known as Rolling Hills Plaza Shopping Center (Center) is actually made up of two separate leaseholds; Rolling Hills Plaza, LLC and Schwartz Investment Company, LLC. The two entities share access points and easements allowing for seamless movement throughout the Center. The two entities have worked cooperatively over the years to make the Center look as if it was operated by one Master Tenant.

The Agreement has been amended to reflect name changes of the entities as well as the addition of another area formerly operated by another entity and now under the Rolling Hills Plaza Lease. The Agreement updates the relationship between the two entities and includes improvements incorporated in the former Agreement such as the additional parking decks that have been constructed since the last Agreement was approved in 1990.

The Agreement was entered into as of July 11, 2007 and the City's consent will be as of March 2, 2010.

Respectfully submitted,

LeROY J. JACKSON  
City Manager

  
By: Brian K. Sunshine  
Assistant to the City Manager

CONCUR:

  
LeRoy J. Jackson  
City Manager

Attachment:

A) Restated Operation and Easement Agreement of Rolling Hills Plaza

8C



**RESTATED**  
**OPERATION AND EASEMENT AGREEMENT**

**BETWEEN**

**ROLLING HILLS PLAZA LLC,**  
**a California limited liability company**

**And**

**SCHWARTZ INVESTMENT COMPANY, LLC**  
**a California limited liability company**

**And**

**CITY OF TORRANCE**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

William J. Zousmer, Esq.  
Honigman Miller Schwartz and Cohn LLP  
2290 First National Building  
Detroit, Michigan 48226

**RESTATED OPERATION AND EASEMENT AGREEMENT  
OF ROLLING HILLS PLAZA**

**THIS RESTATED AGREEMENT** ("OEA") is made and entered into as of the 11<sup>th</sup> day of July, 2007, by and between ROLLING HILLS PLAZA LLC, a California limited liability company ("Rolling Hills"), SCHWARTZ INVESTMENT COMPANY, LLC, a California limited liability company ("Schwartz") and the CITY OF TORRANCE, a municipal corporation ("City").

**RECITALS:**

A. Rolling Hills is the ground lessee (pursuant to two (2) ground leases) of two (2) parcels of land described on Exhibit "A" attached hereto and incorporated herein and hereinafter collectively referred to as "Rolling Hills Tract." The Rolling Hills Tract is identified as such on Exhibit "X" (the "Site Plan") attached hereto and incorporated herein by this reference.

B. Schwartz is the ground lessee of a certain tract of land located adjacent to the Rolling Hills Tract, as shown on the Site Plan and is hereinafter referred to as the "Schwartz Tract." The Schwartz Tract is described in Exhibit "A" attached hereto and incorporated herein by this reference and identified on the Site Plan.

C. City is the fee owner, and the ground lessor, of the Rolling Hills Tract and the Schwartz Tract and, by execution hereof, desires to consent to this OEA and to subject its fee simple interest to this OEA.

D. The Rolling Hills Tract and the Schwartz Tract (collectively referred to as the "Shopping Center") are contiguous and adjacent as shown on the Site Plan.

E. The Shopping Center is a fully operating retail shopping and office complex.

F. Rolling Hills Plaza Shopping Center, predecessor in interest to Rolling Hills, Schwartz Investment Company, predecessor in interest to Schwartz, and the City entered into that certain Operation and Easement Agreement of Rolling Hills Plaza, dated October 5, 1990, recorded in the Official Records of Los Angeles County, California, as Instrument No. 90-183780 (the "Original OEA") in order to provide for the operation of their respective Tracts in conjunction with each other as integral parts of a retail shopping and office complex and in order to effectuate the common use and operation thereof, to enter into certain covenants and agreements as a part of a general plan and to grant each other certain reciprocal easements in, to, over and across the Rolling Hills Tract and the Schwartz Tract, respectively.

G. Rolling Hills is the successor lessee under that certain Ground Lease, dated August 19, 1997, between City of Torrance, a municipal corporation, as Lessor, and Daniel F. Selleck, as lessee, as amended (the "NCO Ground Lease"), covering premises adjacent to the Rolling Hills Tract, as more particularly described on Exhibit "A" hereto (the "NCO Tract"). The term of the NCO Ground Lease currently expires September 21, 2050. During the term of the NCO Ground Lease and to the extent permissible thereunder, the NCO Tract shall be deemed a part of the Rolling Hills Tract for all purposes of this OEA; provided, however, that (i) the ground lessee of the NCO Tract or its designee shall be responsible for the maintenance thereof, the costs of such maintenance shall not be included in the Common Maintenance Area Costs pursuant to Section 4.2(B) hereof and the number of square feet of Floor Area within the NCO Tract shall not be utilized in computing the respective shares of the Common Area Maintenance Costs pursuant to Section 4.2(C) hereof, and (ii) the leasehold interest in the NCO Tract may be transferred by the current lessee thereof and thereupon the provisions of Section 6.20(A) hereof shall be applicable.

H. The Parties wish to update the Original OEA in its entirety and to reflect such changes respecting the Shopping Center and the continuing operations of the Shopping Center as have been mutually agreed upon.

I. For their mutual convenience, the Parties desire to incorporate such changes and to restate in its entirety the Original OEA in a single unified instrument.

**NOW, THEREFORE**, for a valuable consideration paid by each of the Parties to the others hereto and in consideration of the mutual covenants and agreements of the Parties, the Parties agree that the Original OEA shall be changed and restated in its entirety in this single instrument as follows, and the same as restated herein shall govern and control the Shopping Center from and after the recordation of this OEA, and the Original OEA shall be of no further force or effect.

## **ARTICLE I** **DEFINITIONS**

1.1 **Building Area.** Those portions designated "Building Area" (or Building Envelope) within the Shopping Center are the portions thereof upon which buildings may be constructed, as outlined and identified on the Site Plan, as the same may be modified from time to time by the Parties; provided, no more than the maximum square footage of Floor Area of buildings as shown on the Site Plan may be constructed on any Tract, subject to such modifications.

1.2 **Common Area.** The "Common Area" is all real property within the Shopping Center which is not Building Area, including the Front and the Rear Parking Decks (collectively, the "Parking Decks"), as hereinafter defined; together with those portions of the Building Area which is not from time to time actually covered by a building or other commercial structure.

1.3 **Floor Area.** "Floor Area" means the area within the exterior surfaces of the exterior walls of any building available for use whether or not occupied, excluding any balcony "Mezzanine" (i.e., any floor area above the ground floor that does not extend over the entire ground floor area and which is used in connection with the primary commercial use of such

building but is not used for sales area or generally open to the public), trash enclosure, loading dock, and/or covered area attached to loading docks, canopies and roof overhangs and their supporting columns or pillars.

During any period of rebuilding, repairing, replacement or reconstruction of a building, the Floor Area of that building shall be deemed to be the same as existed immediately prior to that period. Upon completion of any rebuilding, repairing, replacement or reconstruction, the Party upon whose Tract such building is located, shall cause a new determination of Floor Area for such building to be made in the manner described above, and such determination shall be sent to any Party requesting the same.

1.4 Occupant. The term "Occupant" shall mean any Person from time to time entitled to the use and occupancy of any portion of a building in the Shopping Center under an ownership right or any lease, sublease, license, concession, or other similar agreement.

1.5 Operator. The term "Operator" shall mean the person responsible for maintenance of the Common Area, or any part thereof, under the provisions of Section 4.2 hereof. Operator shall initially be Rolling Hills, provided, however, that in the event Rolling Hills transfers its interest in the Rolling Hills Tract to a transferee Party such transferee Party shall be the Operator, subject to the approval of the Parties, such approval not to be unreasonably withheld.

1.6 Party.

(A) The term "Party" shall mean (i) Rolling Hills and (ii) Schwartz, respectively, until after compliance with the notice and assumption requirements of Section 1.6(B) below, at which time the transferee as provided therein shall become the new Party, and successors to such transferee as provided in (C) below. A Tract and all portions thereof shall be bound by all liabilities and obligations set forth herein regardless of whether any Person who has an interest in such Tract is a Party.

(B) Upon the transfer of a Party's entire interest in a Tract by any means whatsoever, the transferee shall become a Party as to such Tract provided that the transferring Party shall have given notice to all other Parties of such transfer and shall have delivered with such notice a written statement executed by the transferee in which:

- (i) the name and address of the transferee shall be disclosed;
- (ii) the legal description of the Tract acquired shall be clearly stated.

(C) Any successor to a Party who complies with the provisions of subsection (B) hereof shall be deemed to be a Party hereto and the transferring Party shall be relieved from Party status in the same manner as provided in Sections (A) and (B) for Rolling Hills and Schwartz.

(D) Nothing contained herein to the contrary shall affect the existence, priority, validity, or enforceability of any lien placed upon the transferred portion of the Shopping Center.

(E) The provisions of Section 6.6 shall control as to a sale-leaseback situation.

(F) Notwithstanding anything to the contrary contained herein, the Rolling Hills Tract and the Schwartz Tract shall continue to be bound by this OEA notwithstanding the expiration or termination of the ground lease covering either or both, but upon any such expiration or termination, the former ground lessee under such referenced Lease shall cease to have any rights or obligations accruing under this OEA after the date of such expiration or termination and the fee owner or new lessee of such Tract shall thereupon become a Party.

1.7 Person. "Person" shall mean any individual, partnership, firm, association, corporation, trust, or any other form of business or government entity.

1.8 Permittee. "Permittee" shall mean all Occupants and the officers, directors, employees, agents, contractors, customers, vendors, suppliers, visitors, invitees, licensees, subtenants and concessionaires of Occupants insofar as their activities relate to the intended use of the Shopping Center.

1.9 Tract. "Tract" shall mean the Rolling Hills Tract and the Schwartz Tract.

## **ARTICLE II** **EASEMENTS**

2.1 Parking, Ingress and Egress.

(A) During the term of this OEA each Party hereby grants and conveys to each other Party for its respective use and for the use of their respective Permittees, in common with others entitled to use the same, a mutual reciprocal non-exclusive easement for the passage and parking of vehicles over and across the parking and driveway areas of the grantor's Tract as the same may from time to time be constructed and maintained for such use and for the passage and accommodation of pedestrians over and across the parking, driveways and sidewalk areas of the grantor's Tract as the same may from time to time be constructed and maintained for such use. Such easement rights shall be subject to the following reservations as well as other provisions contained in this OEA:

(i) Except for situations specifically provided for in the following subparagraphs, no fence or other barrier which would unreasonably prevent or obstruct the passage of pedestrian or vehicular travel for the purposes herein permitted shall be erected or permitted within or across the easement areas; provided, however, that the foregoing provision shall not prohibit the installation of convenience facilities (such as mailboxes, public telephones, benches or public transportation shelters, bottle recycling facilities required by applicable governmental authorities, bicycle racks and newspaper racks), or landscaping, berms or planters, nor of limited curbing and other forms of traffic controls.

(ii) No Party shall make material changes to the improved Common Area on its Tract without the approval of the other Parties, which approval shall not be unreasonably withheld.

(iii) Each Party further reserves the right to close off its portion of the Common Area for such reasonable period of time as may be legally necessary, in the opinion of such Party's counsel, to prevent the acquisition of prescriptive rights by anyone; provided, however, that prior to closing off any portion of the Common Area, as herein provided, such

Party shall give written notice to each other Party of its intention to do so, and shall attempt to coordinate such closing with each other Party so that no unreasonable interference in the passage of pedestrians or vehicles shall occur.

(iv) Each Party reserves the right at any time and from time to time to exclude and restrain any Person who is not a Permittee from using its Common Area.

(B) Rolling Hills is the successor lessee under that certain Ground Lease, dated May 15, 1984, between Murvale Company and Chevron U.S.A. Inc., as Lessor, and Rolling Hills Plaza, as lessee, as amended (the "Chevron Ground Lease"), covering premises adjacent to the Rolling Hills Tract, as more particularly described on Exhibit "A" hereto (the "Chevron Tract"). The term of the Chevron Ground Lease currently expires May 15, 2011. During the term of the Chevron Ground Lease and to the extent permissible thereunder, Rolling Hills hereby grants and conveys to each other Party for its respective use and for the use of its respective Permittees, in common with others entitled to use the same, a mutual reciprocal non-exclusive license for the passage and parking of motor vehicles over and across the parking and driveway areas of the Chevron Tract, as the same may from time to time be constructed and maintained for such use and for the passage and accommodation of pedestrians over and across the parking, driveways and sidewalk areas of the Tract as the same may from time to time be constructed and maintained for such use. Such rights shall be subject to the provisions of Section 2.1(A)(i), (ii), (iii) and (iv) as well as other provisions contained in this OEA. During such period, the Chevron Tract shall be deemed Common Area.

## 2.2 Utilities.

(A) For so long as the improvements on any Tracts are used as a retail shopping and/or office facility, each Party hereby grants and conveys to each other Party mutual reciprocal non-exclusive perpetual easements in, to, over, under, along and across those portions of the Common Area (exclusive of any portion located within a Building Area) located on the grantor's Tract necessary for the installation, operation, flow, passage, use, maintenance, connection, repair, relocation and removal of lines or systems for utilities serving the grantee's Tract including, but not limited to, sanitary sewers, storm drains, water (fire and domestic), gas, electrical, telephone and communication lines. Except with respect to existing utilities located above ground, all utilities shall be underground unless required to be above ground by the utility providing such service. Any Party installing utilities pursuant to the provisions of this subparagraph shall pay all costs and expenses with respect thereto and shall cause all work in connection therewith (*including* general cleanup and proper surface and/or subsurface restoration) to be completed as quickly as possible and in a manner so as to minimize interference with the use of the Common Area.

(B) The initial location and width of any utility shall be subject to the prior written approval of the Party whose Common Area is to be burdened thereby, such approval not to be unreasonably withheld or delayed. The easement area shall be no wider than whatever is necessary to reasonably satisfy the utility company as to a public utility or five feet (5') on each side of the centerline as to a private line. Upon request of the grantor within forty five (45) days of the installation of a utility, the grantee at the grantee's sole cost and expense, shall provide the grantor a copy of an as-built survey showing the location of such utility. The grantor shall have the right at any time to relocate a utility line upon thirty (30) days prior written notice, provided that such relocation:

- (i) shall not interfere with or diminish the utility services to the grantee;
- (ii) shall not reduce or unreasonably impair the usefulness or function of such utility;
- (iii) shall be performed without cost or expense to grantee;
- (iv) shall be completed using materials and design standards which equal or exceed those originally used; and
- (v) shall have been approved by the utility company and the appropriate governmental or quasi-governmental agencies having jurisdiction thereover.

2.3 Footings and Foundations. In order to accommodate any footings, foundations, columns or walls which may be constructed or reconstructed immediately adjacent to a common boundary line and which may overlap that common boundary line, each Party grants to each other Party a non-exclusive easement in, to, over, under and across that portion of its Tract adjacent to such common boundary line in space not theretofore occupied by any then existing structure for the maintenance and replacement of existing foundations and footings for the replacement and maintenance of existing columns or walls. The grant of easement shall include the reasonable right of access necessary to exercise and enjoy such grant. The easement shall continue in effect for the term of this OEA and thereafter for so long as the building utilizing the easement area exists (including a reasonable period to permit reconstruction or replacement of such building if the same shall be destroyed, damaged, or demolished) and shall include the reasonable right of access necessary to exercise and enjoy such grant.

#### 2.4 Parking Decks.

(A) The Rear Parking Deck is located on the Rolling Hills Tract as designated as the "Rear Parking Deck" on the Site Plan (the "Rear Parking Deck").

(B) (i) For the mutual use and benefit of the Parties, Rolling Hills has constructed a parking deck on the Schwartz Tract in the area labeled "Front Parking Deck" on the Site Plan (such parking deck is herein referred to as the "Front Parking Deck" and the portion of the Schwartz Tract upon which the Front Parking Deck is located is hereinafter referred to as the "Front Parking Deck Parcel").

(B) (ii) During the term of this OEA, Schwartz grants to Rolling Hills a non-exclusive easement upon, over, under and across the Front Parking Deck Parcel for the construction, maintenance, restoration and repair of the Front Parking Deck upon the Front Parking Deck Parcel. The grant of easement shall include the reasonable right of access necessary to exercise and enjoy such grant. The easement shall continue in effect for the term of this OEA and thereafter for so long as the Front Parking Deck exists (including a reasonable period to permit reconstruction or replacement of the Front Parking Deck if the same shall be destroyed, damaged or demolished) and shall include the reasonable right of access necessary to exercise and enjoy such grant.

**ARTICLE III**  
**CONSTRUCTION**

3.1 General Requirements.

(A) Each Party agrees that all construction activities performed by it within the Shopping Center shall be performed in compliance with all laws, rules, regulations, orders and ordinances of the city, county, state and federal governments, or any department or agency thereof, affecting improvements constructed within the Shopping Center.

(B) Each Party further agrees that its construction activities shall not:

(i) cause any unreasonable increase in the cost of constructing improvements upon another Party's Tract;

(ii) unreasonably interfere with construction work being performed on any other part of the Shopping Center;

(iii) unreasonably interfere with the use, occupancy or enjoyment of any part of the remainder of the Shopping Center by any other Party or its Permittees;

(iv) cause any other Party to be in violation of any law, rule, regulation, order or ordinance applicable to its Tract of the city, county, state, federal government, or any department or agency thereof.

(C) Each Party agrees to defend, indemnify and hold harmless each other Party from all claims, actions, proceedings and costs incurred in connection therewith (including reasonable attorneys' fees and costs of suit) resulting from any accident, injury or loss or damage whatsoever occurring to any Person or to the property of any Person arising out of or resulting from the performance of any construction activities performed or authorized by such indemnifying Party.

(D) Prior to constructing, reconstructing, remodeling or enlarging a building or changing the Common Area on its Tract, a Party shall give the other Parties at least ten (10) days prior notice of the proposed location of any staging and storage area. All storage of materials and the parking of construction vehicles, including vehicles of workers, shall occur only on the constructing Party's Tract, and all laborers, suppliers, contractors and others connected with such construction activities shall use only the access points located upon the constructing Party's Tract; provided, however, that should the local governmental authorities only allow one (1) access to be used during such construction activities, both Parties shall have the right to utilize said single access with as little interference as possible to the construction activities of each other. If substantial work is to be performed, the constructing Party shall, at the request of any other Party, fence off the staging and storage area. Upon completion of such work, the constructing Party shall restore the affected Common Area to a condition at least equal to that existing prior to commencement of such work.

(E) Each Party hereby grants and conveys to each other Party and to its respective contractors, materialmen and laborers a temporary license for access and passage over and across the Common Area of the grantor's Tract as shall be reasonably necessary for the grantee to construct and/or maintain improvements upon the grantee's Tract; provided, however, that such

license shall be in effect only during periods when actual construction and/or maintenance is being performed and provided further that the use of such license shall not be exercised so as to unreasonably interfere with the use and operation of the Common Area by others. Prior to exercising the rights granted herein, the grantee shall first provide the grantor with a written statement describing the need for such license, and shall furnish a certificate of insurance showing that its contractor has obtained the minimum insurance coverage required by Section 5.2(C) hereof. Any Party availing itself of the temporary license shall promptly pay all costs and expenses associated with such work, shall diligently complete such work as quickly as possible, and shall promptly clean the area and restore the affected portion of the Common Area to a condition which is equal to or better than the condition which existed prior to the commencement of such work. Notwithstanding the foregoing, in the event a dispute exists between the contractors, laborers, suppliers and/or others connected with construction activities, each Party shall have the right to prohibit the contractors, laborers, suppliers and/or others working for another Party from using the Common Area on its Tract.

### 3.2 Common Area.

(A) The Common Area of the Shopping Center has been improved substantially as shown on the Site Plan.

(B) The parking area on each Tract shall contain sufficient ground level (standard and compact automobile size) parking spaces in order to comply with the minimum parking requirements of local governmental authorities, as shown on the Site Plan, which is attached hereto and which is incorporated herein by this reference; provided, however, that one-half (1/2) of the parking provided in the Front Parking Deck shall be applied toward the satisfaction of the parking requirements of each of the Rolling Hills Tract and the Schwartz Tract.

(C) The foregoing requirements as well as all governmental regulations, ordinances and similar orders relating to parking shall be satisfied throughout the term of this OEA and without reliance on the parking spaces that may be available on another Tract, except as provided in Section 3.2(B). In the event of a condemnation of part of a Tract or sale or transfer in lieu thereof that reduces the number of usable parking spaces below that which is required herein, the Party whose Tract is so affected shall use its best efforts (including using proceeds from the condemnation award or settlement) to restore and/or substitute parking spaces in order to comply with the parking requirements set forth above. If such compliance is not possible, such Party shall not be deemed in default hereunder, but shall not be permitted to expand the amount of Floor Area located upon its Tract. If such Floor Area is thereafter reduced, then it may not subsequently be increased unless the parking requirement is satisfied.

(D) No charge of any type shall be made to or collected from any Permittees for the right to park vehicles in the Common Area, except in connection with valet parking provided by any Party for the benefit of its Occupants; provided, however, if other comparable shopping centers in Southern California charge for parking, subject to the reasonable consent of the Parties, the Parties may make reasonable charges for parking. It shall be considered reasonable for a Party to withhold consent to such parking charges if leases for portions of its Tract prohibit such charges.

(E) Subject to the approval of each Party as to location, the Parties may, from time to time, designate certain sections within the Common Area for non-exclusive automobile parking

use by the Occupants and their employees, agents, contractors, licensees and concessionaires. Each Party shall use its reasonable efforts to require its employees and the employees of its tenants and subtenants, contractors, licensees and concessionaires to use only the designated parking sections. Furthermore, Rolling Hills, in conjunction with the other Parties, may establish a holiday employee parking program which may include use of off-site parking and shuttle bus service.

(F) The Parties shall have the right to designate a portion of the Common Area on such Party's Tract for paying or non-paying valet parking purposes to be operated by such Party for the benefit of the occupants of its Tract. Such valet parking areas shall be subject to the reasonable approval of each Party as to location. The Parties hereby approve the existing valet parking operated at the Shopping Center as shown on Exhibit "X-1" attached hereto and incorporated herein by this reference.

(G) Except for existing areas used therefor, as shown on Exhibit "X-1" hereto, no portion of the Common Areas may be used for outdoor sales or for the storage of trailer vans or the like.

### 3.3 Building Improvement.

(A) The Parties hereby agree that (i) all buildings may be located only within the Building Areas designated on the Site Plan, and (ii) if a maximum Floor Area designation for any Building Area is shown on the Site Plan, such size limitation shall not be exceeded. Material breach of the provisions of this Section 3.3(A) by a Party shall entitle the non-defaulting Party to seek injunctive relief in addition to any other remedies afforded hereunder or at law or in equity; provided that the Parties may mutually agree to modifications thereto.

(B) If a portion of any Building Area is at one point in time paved and used as Common Area, such portion may be subsequently used for building purposes provided that all parking requirements and other provisions relating to such Tract are complied with. Likewise, such building may be subsequently razed, and until replaced the area shall thereafter be deemed part of the Common Area, and shall be improved to the same standards as the other Common Area, either as automobile parking and drive area or as landscaped area.

## **ARTICLE IV MAINTENANCE AND REPAIR**

### 4.1 Utilities.

(A) Each Party shall repair and maintain in first-class condition all utility facilities, lines and systems located on its Tract that serve only its Tract unless the same are maintained by a public or quasi-public utility or authority.

(B) The Party-grantee of a utility easement referred to in Section 2.2 (A) (exclusive of an easement in which common utility lines and systems are located, which facilities shall be maintained as part of the Common Area), shall maintain and repair at its cost any facilities installed pursuant to such grant which exclusively serve such Party-grantee's Tract unless the same are granted or dedicated to and accepted by a utility or a governmental agency acceptable to the Party-grantor which agrees to maintain or replace the same. Any maintenance and repair of

nondedicated utilities located on another Party's Tract shall be performed only after two (2) weeks notice to the Party-grantor (except in an emergency the work may be initiated with reasonable notice) and shall be done after normal business hours whenever possible and shall otherwise be performed in such a manner as to cause as little disturbance in the use of the Party-grantor's Tract as is practicable under the circumstances. Any Party performing or causing to be performed maintenance or repair work agrees to promptly pay all costs and expenses associated therewith to diligently complete such work as quickly as possible and to promptly clean the area and restore the affected portion of the Common Area to a condition equal to or better than the condition which existed prior to the commencement of such work.

#### 4.2 Common Area.

(A) The minimum standard of maintenance for the improved Common Area shall be comparable to the standards of maintenance followed in other first-class retail developments of comparable size in the South Bay area and in any event in compliance with all applicable governmental laws, rules, regulations, orders and ordinances, and the provisions of this OEA. All Common Area improvements shall be repaired or replaced with materials at least equal to the quality of the materials being repaired or replaced so as to maintain the architectural and aesthetic harmony and integration of the Shopping Center as a whole. The maintenance and repair obligation in any event shall include but not be limited to the following:

(i) Drive and Parking Areas. Maintaining all paved surfaces and curbs in a smooth and evenly covered condition which maintenance work shall include, without limitation, cleaning, sweeping, re-striping, repairing, resealing and resurfacing, including maintaining, repairing and restoring the Parking Decks. (For the purpose of this Section, an overlay of the drive and parking area shall be considered a repair or maintenance item.)

(ii) Debris and Refuse. Periodic removal of all papers, debris, filth, refuse, ice and snow, including sweeping to the extent necessary to keep the Common Area in a first-class, clean and orderly condition. All sweeping shall be at appropriate intervals during such times as shall not interfere with the conduct of business or use of the Common Areas by persons intending to conduct business with Occupants of the Shopping Center.

(iii) Sign and Markers. Placing, cleaning, keeping in repair, replacing and repainting any appropriate directional signs or markers, including any handicapped parking signs.

(iv) Lighting. Operating, keeping in repair, cleaning and replacing when necessary such Common Area lighting facilities as may be reasonably required, including all lighting necessary or appropriate for Common Area security.

(v) Landscaped Areas. Cleaning and maintaining all landscaping and planters in the Common Areas and/or adjacent to exterior walls of buildings; repairing automatic sprinkler systems or water lines in the Common Area; irrigating, weeding, pruning, fertilizing and replacing shrubs and other landscaping in the Common Areas as necessary.

(vi) Utilities. Maintaining, cleaning and repairing any and all common storm drains, utility lines, sewers and other utility systems and services located in the Common Area

which are necessary for the operation of the Common Area, and the maintenance and replacement of the trunk line portion of utility lines serving the Building Area.

(vii) Obstructions. Keeping Common Area free from any obstructions including those caused by the sale or display of merchandise, unless such obstruction is otherwise permitted under the provisions of this OEA.

(viii) Sidewalks. Cleaning (including washing and/or steam cleaning), maintenance and repair of all sidewalks, including those adjacent and contiguous to buildings located within the Shopping Center.

(ix) Security Personnel. Providing of professional security personnel for the Common Area, if reasonably required.

(x) Traffic. Supervision of traffic at entrances and exits to the Shopping Center and within the Shopping Center as conditions reasonably require in order to maintain an orderly and proper traffic flow.

Notwithstanding anything to the contrary, each Party shall maintain and repair, at its sole cost, in a clean, sightly and safe condition any exterior shipping/receiving dock area, any truck ramp or truck parking area, any refuse, compactor or dumpster area, and any separate utility lines or any truck ramp or truck parking area, any refuse, compactor or dumpster area, and any separate utility lines or any lateral utility lines extending to and from common trunk lines.

(B) Operator shall maintain the same or cause the Common Areas to be maintained, in good order, condition and repair. Operator shall have the right, from time to time, to select another Person or Persons to maintain the Common Area; provided, that Operator shall remain responsible at all times for the maintenance of the Common Area. If Operator selects another Person to maintain the Common Area, such Person shall be a recognized professional commercial property management company, and Operator shall notify the other Parties at least thirty (30) days in advance of the commencement of maintenance by such Person. Operator may hire companies affiliated with it to perform the maintenance and operation of the Common Area, but only if the rates charged by such companies are competitive with those of other companies furnishing similar services in the South Bay area. Each Party hereby grants to Operator, its agents, employees and/or contract Persons a license to enter upon such Party's Tract to discharge operator's duties to operate, maintain and repair the Common Area pursuant to this Section 4.2.

Operator shall expend only such funds as are reasonably necessary for the operation and maintenance of the Common Area and shall promptly pay such costs ("Common Area Maintenance Costs") when incurred. For the purpose of this OEA, Common Area Maintenance Costs shall not include real property taxes and assessments or insurance costs.

(C) The Parties' respective shares of the Common Area Maintenance Costs shall be determined by multiplying the aggregate amount thereof by a fraction, the numerator of which is the number of square feet of Floor Area within the Party's Tract and the denominator of which is the number of square feet of Floor Area within the Shopping Center. Commencing January 1, 2006, the Parties shall pay to Operator in equal monthly payments, in advance, their respective shares based on Operator's reasonable estimate of such costs. Within a commercially reasonable period after the end of each calendar year, Operator shall provide the Parties with a

certified statement setting forth the actual Common Area Maintenance Costs paid by it for the operation and maintenance of such Common Area and the Parties' respective shares of the aggregate thereof, together with supporting invoices and other materials. If the amount paid by a Party for such calendar year shall have exceeded its share, Operator shall refund the excess to such Party at the time such certified statement is delivered, or if the amount paid by a Party for such calendar year shall be less than its share, such Party shall pay the balance of its share to Operator within thirty (30) days after receipt of such certified statement. The Parties acknowledge that certain charges relating to the operation, maintenance, repair, etc. of the Common Areas for periods ending December 31, 2005 have not been invoiced to or paid by Schwartz and such charges are hereby waived by the Operator.

Within two (2) years after receipt of any such certified statement, any Party shall have the right to audit Operator's books and records pertaining to the operation and maintenance of the Common Area for the calendar year covered by such certified statement; such Party notifying Operator of its intent to audit at least fifteen (15) days prior to the designated audit date. In the event that such audit shall disclose any error in the determination of a Party's share of the Common Area Maintenance Costs and the Operator shall accept such audit, which acceptance shall not be unreasonably withheld, an adjustment shall be made within fifteen (15) days. The cost of any audit shall be assumed by the auditing Party, unless such Party shall be entitled to a refund which is in excess of five percent (5%) of the amount calculated by Operator as such Party's share for the calendar year, in which case Operator shall pay the reasonable cost of such audit.

(D) Operator agrees to defend, indemnify and hold the Parties harmless from and against any mechanic's, materialmen's and/or laborers' liens, and all costs, expenses and liabilities in connection therewith, including reasonable attorney's fees and court costs, arising out of the maintenance by Operator of the Common Area and in the event that a Party's Tract shall become subject to any such lien, operator shall promptly cause such lien to be released and discharged of record, either by paying the indebtedness which gave rise to such lien or by posting such bond or other security as shall be required by law to obtain such release and discharge.

#### 4.3 Building Improvements.

(A) Each Party covenants and agrees to maintain and keep the building improvements located on its Tract in first-class condition and state of repair, in compliance with all governmental laws, rules, regulations, orders, and ordinances exercising jurisdiction thereover, and in compliance with the provisions of this OEA. Each Party further agrees to store all trash and garbage in adequate containers, to locate such containers so that they are not readily visible from the parking area, and to arrange for regular removal of such trash or garbage.

(B) In the event any of the building improvements are damaged by fire or other casualty (whether insured or not), the Party upon whose Tract such building improvements are located shall remove the debris resulting from such event as soon as is reasonably practicable and provide sightly barrier and within a reasonable time thereafter shall either (i) repair or restore the building improvements so damaged, such repair or restoration to be performed in accordance with all provisions of this OEA, or (ii) erect other building improvements in such location, provided all provisions of this OEA are complied with, or (iii) demolish the damaged portion of such building improvements and restore the area to an attractive condition in which event the area shall be Common Area until a replacement building is erected, subject to the provisions of

the respective Ground Leases. Such Party shall have the option to choose which of the foregoing alternatives to perform, but such Party shall be obligated to perform one (1) of such alternatives. Such Party shall give notice to each other Party within ninety (90) days from the date of such casualty of which alternative it elects.

**ARTICLE V**  
**OPERATION OF THE SHOPPING CENTER**

5.1 Uses.

(A) No part of the Shopping Center shall be used for other than retail sales or services, restaurants or commercial purposes; provided that the buildings designated "Office" on Exhibit "X-1" hereto, or any replacement thereof, may be utilized for general office and medical purposes. Retail service uses shall mean financial institutions, real estate and stock brokerage offices, travel or insurance agencies, chiropractors, dentists, medical practitioners and similar uses providing services directly to the public for retail fees as well as other services generally found in shopping centers in Southern California.

(B) No use shall be permitted in the Shopping Center which is inconsistent with the operation of a first-class retail shopping center and office complex. Without limiting the generality of the foregoing, the following uses shall not be permitted:

(i) Any use which emits an obnoxious odor, noise, or sound which can be heard or smelled outside of any building in the Shopping Center; provided, however, that typical restaurant odors and typical common area music consistent with comparable shopping centers in Southern California, shall not be deemed obnoxious;

(ii) Any operation primarily used as a warehouse operation and any assembling, manufacturing, distilling, refining, smelting, agricultural or mining operation;

(iii) Any "second hand" store, other than those operated by recognized charitable organizations;

(iv) Any mobile home park, trailer court, junkyard, or stockyard (except that this provision shall not prohibit the temporary use of construction trailers during periods of construction, reconstruction, or maintenance);

(v) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation;

(vi) Any flea market;

(vii) Any hotel, motor inn, living quarters, sleeping apartments or lodging rooms;

(viii) Any mortuary;

(ix) Any massage parlor or adult bookstore, excluding therapeutic massage parlors; and

- (x) Any auto sales or repairs.

## 5.2 Insurance.

(A) Each Party (as to its Tract, including the Common Area thereon) shall maintain or cause to be maintained in full force and effect Commercial Public Liability Insurance with a combined single limit of liability of not less than Three Million Dollars (\$3,000,000.00) for bodily or personal injury or death, and for property damage, arising out of any one (1) occurrence or Three Million Dollars (\$3,000,000) each occurrence and Three Million Dollars (\$3,000,000) in the aggregate. Such insurance shall include the following provisions:

- (i) shall provide that the policy may not be cancelled or materially reduced in amount or coverage without at least thirty (30) days prior written notice by the insurer to each insured and any additional insureds;

- (ii) shall name the other Parties and their respective mortgagees as additional insureds;

- (iii) shall provide for severability of interests;

- (iv) shall provide that an act or omission of one (1) of the insureds or additional insureds which would void or otherwise reduce coverage, shall not reduce or void the coverage as to the other additional insureds or the insured, respectively; and

- (v) shall provide for contractual liability coverage with respect to the indemnity obligation set forth below.

Each Party ("Indemnitor") covenants and agrees to indemnify, defend and hold harmless the other Party and their directors, officers, agents, representatives and employees ("Indemnitee") from and against all claims, costs, expenses and liability (including reasonable attorneys' fees and cost of suit incurred in connection with all claims) including any action or proceedings brought thereon, arising from or as a result of the injury to or death of any Person, or damage to the property of any Person which shall occur on the Tract owned by each Indemnitor, except for claims caused by the negligence or willful act or omission of such Indemnitee, its licensees, concessionaires, agents, servants, or employees, or the agents, servants, or employees of any licensee or concessionaire thereof.

Operator covenants and agrees to indemnify, defend and hold harmless the other Parties and their directors, officers, agents, representatives and employees from and against all claims, costs, expenses and liabilities (including reasonable attorneys' fees and cost of suit incurred in connection with all claims), including any action or proceedings brought thereon, arising from or as a result of the injury to or death of any Person or damage to the property of any person as shall occur due to the performance or failure to perform by Operator of its duties or obligations with respect to the maintenance of the Common Areas, except for claims caused by the negligence or by the willful act or omission of a Party other than Operator, its licensees, concessionaires, agents, servants or employees, or the agents, servants or employees of any licensee or concessionaire thereof.

(B) Prior to commencing any construction activities within the Shopping Center, each Party shall obtain or require its contractor to obtain and thereafter maintain so long as such construction activity is occurring, at least the minimum insurance coverages set forth below:

- (i) Workers' Compensation—statutory limits
- (ii) Employer's Liability—\$100,000
- (iii) Commercial General and Comprehensive Auto Liability as follows:
  - (a) Bodily Injury—\$1,000,000 per occurrence, or \$1,000,000 per each occurrence and \$2,000,000 in the aggregate
  - (b) Property Damage—\$1,000,000 per occurrence
  - (c) Independent Contractors Liability or Owner's Protective Liability; same coverage as set forth in (a) and (b) above;
  - (d) Products/Completed Operations Coverage which shall be kept in effect for two (2) years after completion of work;
  - (e) "XCU" Hazard Endorsement, if applicable;
  - (f) "Broad Form" Property Damage Endorsement;
  - (g) "Personal Injury" Endorsements;
  - (h) "Blanket Contractual Liability" Endorsement.

If the construction activity involves the use of another Tract, then the owner of such Tract and its mortgagees shall be additional named insureds and such insurance shall not be cancelled without at least thirty (30) days prior written notice to the named insureds. If such insurance is cancelled or expires, then the constructing party shall immediately stop all work on or use of another Party's Tract until either the required insurance is reinstated or replacement insurance obtained.

(C) Each Party will carry or cause to be carried, fire insurance with an extended coverage endorsement with a financially responsible insurance company or companies, in an amount at least equal to ninety percent (90%) of the replacement cost (exclusive of the cost of excavation, foundations, and footings) of the buildings and improvements, such coverage extending at least to the following perils: loss or damage by fire, windstorm, cyclone, tornado, hail, explosion, riot, riot attending a strike, civil commotion, malicious mischief, vandalism, aircraft, vehicle, smoke damage and sprinkler leakage.

Each Party (the "Releasing Party") hereby releases and waives for itself and on behalf of its insurer, any other Party (the "Released Party") from any liability for any loss or damage to all property of such Releasing Party located upon any portion of the Shopping Center, which loss or damage is of the type generally covered by fire insurance with an extended coverage endorsement, irrespective either of any negligence on the part of the Released Party which may

have contributed to or caused such loss, or of the amount of such insurance required or actually carried. Each Party agrees to use its best efforts to obtain, if needed, appropriate endorsements to its policies of insurance with respect to the foregoing release; provided, however, that failure to obtain such endorsements shall not affect the release hereinabove given. Each Party ("Indemnitor") covenants and agrees to indemnify, defend and hold harmless each other Party ("Indemnitee") from and against all claims asserted by or through any Permittees of the Indemnitor's Tract for any loss or damage to the property of such Permittee located upon the respective Indemnitor's Tract, which loss or damage is of the type generally covered by fire insurance with an extended coverage endorsement irrespective of any negligence on the part of the Indemnitee which may have contributed to or caused such loss.

(D) All insurance required by Section 5.2 shall be procured from companies licensed in the State where the Shopping Center is located and shall be rated by Best's Insurance Reports not less than A-:VII, if available at commercially reasonable rates; the limits of such policies shall be reviewed by the Parties and approved as to sufficiency at least every five (5) years. The insurance may be carried under (i) an individual policy covering this location, (ii) a blanket policy or policies which include(s) other liabilities, properties and locations of such Party, or (iii) a combination of any of the foregoing insurance programs. To the extent any deductible is permitted or allowed as a part of any insurance policy carried by a Party in compliance with Section 5.2, such Party shall be deemed to be covering the amount thereof under an informal plan of self-insurance; provided, however, that in no event shall any deductible exceed Fifty Thousand Dollars (\$50,000.00). Each Party agrees to furnish to any Party requesting the same, a certificate(s) of insurance evidencing that the insurance required to be carried by such requested Party is in full force and effect.

5.3 Taxes and Assessments. Each Party shall pay, or cause to be paid prior to delinquency, all taxes and assessments with respect to its Tract, the buildings, and improvements located thereon and any personal property owned or leased by such Party in the Shopping Center; provided, that if the taxes or assessments or any part thereof may be paid in installments, the Party may pay each such installment as and when the same becomes due and payable. Nothing contained in this subsection shall prevent any Party from contesting at its cost and expense any such taxes and assessments with respect to its Tract in any manner such Party elects, so long as such contest is maintained with reasonable diligence and in good faith. At the time such contest is concluded (allowing for appeal to the highest appellate court), the contesting Party shall promptly pay all such taxes and assessments determined to be owing, together with all interest, penalties and costs thereon.

5.4 Liens. In the event any mechanic's lien is filed against a Party's Tract as a result of services performed or materials furnished for the use of such Party or another Party, the Party permitting or causing such lien to be so filed agrees to cause such lien to be discharged prior to entry of final judgment (after all appeals) for the foreclosure of such lien and further agrees to indemnify, defend, and hold harmless the other Party and its Tract against liability, loss, damage, costs or expenses (including reasonable attorneys' fees and cost of suit) on account of such claim or lien. Upon request of the Party whose Tract is subject to such lien or any other Party, the Party permitting or causing such lien to be filed agrees to promptly cause such lien to be released and discharged of record, either by paying the indebtedness which gave rise to such lien or by posting bond or other security as shall be required by law to obtain such release and discharge. Nothing herein shall prevent a Party permitting or causing such lien from contesting the validity thereof in any manner such Party chooses so long as such contest is pursued with reasonable diligence. In

the event such contest is determined adversely (allowing for appeal to the highest appellate court), such Party shall promptly pay in full the required amount, together with any interest, penalties, costs or other charges necessary to release such lien.

**ARTICLE VI**  
**MISCELLANEOUS**

6.1 Default.

(A) If any Party fails to comply with any provision herein ("Defaulting Party"), then any other Party ("Non-Defaulting Party") may, upon forty-five (45) days prior written notice to the Defaulting Party, proceed to cure the default (and shall have a license to do so) by the payment of money or performance of some other action for the account of the Defaulting Party. The foregoing right to cure shall not be exercised if within the forty-five (45) day notice period (i) the Defaulting Party cures the default, or (ii) if the default is curable, but cannot reasonably be cured within that time period, the Defaulting Party begins to cure such default within such time period and diligently pursues such action to completion. The forty-five (45) day notice period shall not be required if, using reasonable judgment, the Non-Defaulting Party deems that an emergency exists which requires immediate attention. In the event of such an emergency, the Non-Defaulting Party shall give whatever notice to the Defaulting Party as is reasonable under the circumstances. Notwithstanding anything herein contained to the contrary, each Party's mortgagee shall have the right to cure a Party's default, in the same manner as the Approved Leasehold Mortgagee (as defined in the respective Ground Leases) has the right to cure such Party's default under such Ground Lease, and a cure of such default by such mortgagee shall be deemed to be a cure by such Party, for all intents or purposes.

(B) Within ten (10) days of written demand (including providing copies of invoices reflecting costs) the Defaulting Party shall reimburse the Non-Defaulting Party for any sum reasonably expended by the Non-Defaulting Party to cure the default, together with interest thereon.

(C) In the event any Party shall institute any action or proceeding against another Party relating to the provisions of this OEA, or if any default hereunder, or to collect any amounts owing hereunder, or if an arbitration proceeding is commenced by agreement of the Parties to any dispute, the unsuccessful litigant in such action or proceeding shall reimburse the successful litigant in connection with such action or proceeding and any appeals therefrom, including attorneys' fees and court costs.

(D) All remedies are cumulative and shall be deemed additional to any and all other remedies to which any Party may be entitled in law or in equity. Each Party shall also have the right to restrain by injunction any violation or threatened violation by any other Party of any of the terms, covenants or conditions of this OEA, or to obtain a decree to compel performance of any such terms, covenants or conditions; it being agreed that the remedy at law for a breach of any such term, covenant or condition (except those, if any, requiring the payment of a liquidated sum) is not adequate.

6.2 Interest. Wherever and as often as one Party shall not have paid any sum payable hereunder to another Party within five (5) days of the due date, such delinquent Party shall pay

interest on such amount from the due date to and including the date such payment is received by the Party entitled thereto, at the lesser of:

(A) The highest rate permitted by law to be paid on such type of obligation by the Party obligated to make such payment or the Party to whom such payment is due, whichever is less; or

(B) Two percent (2%) per annum in excess of the prime rate from time to time published in The Wall Street Journal, each change in said rate to be effective as of the date of said change.

6.3 Estoppel Certificate. Each Party and signatory hereto agrees that within ten (10) business days after written request (which shall not be more frequent than three (3) times during any calendar year) of the other Party, it will issue to a prospective mortgagee or successor of such other Party or to such other Party, an estoppel certificate stating to the best of the issuer's knowledge that as of such date:

(A) whether the Party to whom the request has been directed knows of any default by the requesting Party under this OEA, and if there are known defaults, specifying the nature thereof;

(B) whether this OEA has been assigned, modified or amended in any way by the requested Party (and if it has, then stating the nature thereof);

(C) whether this OEA is in full force and effect; and

(D) such other matter as shall be reasonably requested by the requesting Party.

Such statement shall act as a waiver of any claim by the Party or signatory furnishing it to the extent such claim is based upon facts contrary to those asserted in the statement and to the extent the claim is asserted against a bona fide encumbrancer or purchaser for value without knowledge of facts to the contrary of those contained in the statement, and who has acted in reasonable reliance upon the statement, however such statement shall in no event subject the Party or signatory furnishing it to any liability whatsoever, notwithstanding the negligent or otherwise inadvertent failure of such Party or signatory to disclose correct and/or relevant information.

6.4 Notices. All notices, demands, statements and requests (collectively the "notice") required or permitted to be given under this OEA must be in writing and shall be deemed to have been properly given or served as of the date hereinafter specified: (i) on the date of personal service upon the person to whom the notice is addressed or if such person is not available the date such notice is left at the address of the person to whom it is directed, (ii) on the date which is forty-eight (48) hours following the date on which the notice is postmarked by the United States Post Office, provided it is sent prepaid, registered or certified mail, return receipt requested, and (iii) on the date the notice is delivered by a courier service (including Federal Express, Express Mail, Emery or similar operation) or facsimile or telecopier to the address of the person to whom it is directed, provided it is sent prepaid, return receipt requested, if applicable. The address of the signatories to this OEA is set forth below.

Rolling Hills: c/o LaCaze Development Company  
 Attention: Norman R. LaCaze  
 2601 Airport Drive, Suite 300  
 Torrance, CA 90505-735

With a copy to: Bristol Group, Inc.  
 Attention: Jeffrey S. Kott  
 400 Montgomery Street  
 San Francisco, CA 94104

Schwartz: Schwartz Investment Company, LLC  
 Attention: Mr. Richard Schwartz  
 1736 Westwood Boulevard, #100  
 Los Angeles, CA 90024

City: City of Torrance  
 Attention: City Clerk  
 3031 Torrance Boulevard  
 Torrance, CA 90503

Each Party, or other person or entity entitled to receive notice hereunder, shall have the right from time to time and at any time, upon at least ten (10) days prior written notice thereof in accordance with the provisions hereof, to change its respective address and to specify any other address within the United States of America; provided, however, notwithstanding anything herein contained to the contrary, in order for the notice of address change to be effective it must actually be delivered. Refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice.

6.5 Approval Rights. Unless otherwise herein provided, whenever approval is required, such approval shall not be unreasonably withheld, conditioned or delayed. Unless provision is made for a specific time period, approval shall be given or withheld within thirty (30) days of the receipt of the request for approval.

6.6 Sale-Leaseback.

(A) For purposes of this Section "Sale-Leaseback" means a transfer in which a Party sells or assigns its Tract to an unaffiliated third party and thereafter enters into a net lease for such Tract with such third party or its lessee or sublessee.

(B) In the event any Party enters into a Sale-Leaseback transaction, then in such event so long as the Lease is of full force and effect, the transferor shall remain the Party and the transferee shall be treated the same as a mortgagee who is not in possession is treated. The transferor may be relieved of Party status as otherwise provided in this Agreement.

6.7 Binding Effect. The terms of this OEA, each restriction and covenant contained herein and all easements granted hereunder shall constitute covenants running with the land and

shall inure to the benefit of and be binding upon the signatories hereto and their respective successors and assigns.

6.8 Singular and Plural. Whenever required by the context of this OEA, the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa.

6.9 Counterparts and Signature Pages. This OEA may be executed in several counterparts, each of which shall be deemed an original. The signatures to this OEA may be executed and notarized on separate pages, and when attached to this OEA shall constitute one (1) complete document.

6.10 Negation of Partnership. Neither anything in this OEA contained, nor any acts of the Parties or the City shall be deemed or construed by any Person to create the relationship of principal and agent, or of Partnership, or as joint venture, or of any association between any of the Parties or between any Party and the City.

6.11 Not a Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Shopping Center or of any Tract or portion thereof to the general public, or for any public use or purpose whatsoever. Except as herein specifically provided, no right, privileges or immunities of any Party hereto shall inure to the benefit of any third-party Person (including any Permittee), nor shall any third-party Person (including any Permittee) be deemed to be a beneficiary of any of the provisions contained herein.

6.12 Excusable Delays. Whenever performance is required of any Party hereunder, that Party shall use all due diligence to perform and take all necessary measures in good faith to perform; provided, however, that if completion of performance shall be delayed at any time by reason of acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, unavailability of labor or materials, damage to work in progress by reason of fire or other casualty, or any cause beyond the reasonable control of a Party, then the time for performance as herein specified shall be appropriately extended by the amount of the delay actually so caused. The provisions of this section shall not operate to excuse any Party from the prompt payment of any monies required by this OEA.

6.13 Severability. Invalidation of any of the provisions contained in this OEA, or of the application thereof to any person by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other person and the same shall remain in full force and effect.

6.14 Amendments, Terminations, Consents and Approvals. This OEA may be amended or terminated by, and only by, a written agreement signed by all of the then current Parties and the City and shall be effective only when recorded in the county and state where the Shopping Center is located. No consent to the amendment of this OEA shall ever be required of any Occupant or Person other than the Parties and the City, nor shall any Occupant or Person other than the Parties or the City have any right to enforce any of the provisions hereof.

6.15 Captions and Capitalized Terms. The captions preceding the text of each Article and Section are included only for convenience of reference. captions shall be disregarded in the construction and interpretation of this OEA. Capitalized terms are also selected only for

convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this OEA.

6.16 Minimization of Damages. In all situations arising out of this OEA, all Parties shall attempt to avoid and minimize the damages resulting from the conduct of any other Party. Each Party hereto shall take all reasonable measures to effectuate the provisions of this OEA.

6.17 OEA Shall Continue Notwithstanding Breach. It is expressly agreed that no breach of this OEA shall (i) entitle any Party to cancel, rescind or otherwise terminate this OEA, or (ii) defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to any part of the Shopping Center. However, such limitation shall not affect in any manner any other rights or remedies which a Party may have hereunder by reason of any such breach.

6.18 Time. Time is of the essence of this OEA.

6.19 Non-Waiver. The failure of any Party to insist upon strict performance of any of the terms, covenants or conditions hereof shall not be deemed a waiver of any rights or remedies which that Party may have hereunder or at law or equity and shall not be deemed a waiver of any subsequent breach or default in any of such terms, covenants or conditions.

6.20 Release From Liability.

(A) In the event of any sale or transfer of all of a Party's interest in its Tract to any third party or parties, the transferor shall be released of all liability thereafter accruing under this OEA; provided, however, that such third party or third parties shall assume, in writing, all of the obligations of the transferor to be performed under this OEA with respect to the property so transferred and a copy of such assumption is delivered to all other Parties. Any such transferee shall be automatically bound by and subject to the provisions of this OEA upon such sale or transfer.

(B) If any Party fails to observe, fulfill or perform any covenant, term or condition of this OEA upon its part to be observed, fulfilled or performed and, as a consequence of such default another Party recovers a money judgment against it, such judgment shall be a lien on and shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levy thereon against the right, title and interest of such party in its Tract and the improvements thereon, and out of the rents, issues and profits and other payments received from or with respect to its Tract and any and all improvements thereon receivable after the date of such judgment by such Party and/or out of the consideration received by such party from the sale, mortgage or other disposition of all or any part of such Party's right, title and interest in and to such Tract and all improvements thereon, and/or out of the insurance and/or condemnation proceeds affecting such Tract and no other assets of such Party or the partners or members of the Party shall be liable for any deficiency. The right of the other Parties are subject and subordinate to the lien of any first Mortgagee in existence prior to an event giving rise to the money judgment against such Party as aforesaid.

6.21 Toxic Substances. Neither Party shall cause nor permit the presence, use or storage in such amounts, or in such a manner, as would violate applicable law, any toxic substances or hazardous waste materials in the Shopping Center. Each Party hereby agrees to

indemnify, defend and hold the other Party harmless from and against any and all loss, cost, expense and liability (including reasonable attorneys' fees), relating to claims for damage to property or injury to persons, which arise from or are in any way connected to, the presence, use or storage of such toxic substances or hazardous waste materials on such Party's Tract including, but not limited to, damage to property of the other Party and/or injury to the agents, servants, employees, tenants and/or invitees of the other Party.

6.22 Condemnation. In the event of a condemnation or a sale in lieu thereof, concerning a portion or all of the Shopping Center, the award or purchase price paid for such taking with respect to each Tract shall be paid to the Party ground leasing such land so taken; it being the intent of any other Party who might have an easement or other property interest or right under this OEA in the Tract of another Party so taken, to release and/or waive such property interest or right with respect to such award or purchase price; provided, however, such other Party shall have the right to seek an award or compensation for the loss of its easement rights to the extent such award or compensation paid or allocated for such loss does not reduce or diminish the amount paid to the Party owning the land. Notwithstanding the above, this Section 6.22 is not intended to and shall not alter any allocation of any award between the owner of any Tract so taken and any lessee of such owner pursuant to any lease or other agreement.

6.23 Former Agreements. This Agreement supersedes that certain Parking Lot Agreement and Grant of Easements and Parking Rights, recorded July 22, 1959 as Document No. 4367 in Official Records of the County of Los Angeles, State of California, as amended by documents recorded July 25, 1961 as Instrument No. 4263; January 9, 1962 as Instrument No. 4822; May 3, 1962 as Instrument No. 5244; and by Document No. 85-728683 recorded June 24, 1985, all of official records of said Los Angeles County, the Original OEA (as referred to in Recital F. hereof) and all other oral and written agreements between the Parties relating to the Shopping Center (collectively, the "Existing REA"). Effective upon the date of recordation of this Agreement in the Office of the County Recorder of Los Angeles County, the Existing REA shall be terminated and shall be of no further force and effect.

6.24 Inconsistencies With Ground Leases. The Parties recognize that the terms, covenants, conditions and requirements contained in this OEA may be different from and/or greater than, the requirements set forth in the Ground Lease pursuant to which Schwartz occupies the Schwartz Tract ("Schwartz Ground Lease") and/or the Ground Lease pursuant to which Rolling Hills occupies the Rolling Hills Tract ("Rolling Hills Ground Lease"). By way of illustration, but not by way of limitation, it is acknowledged that some insurance requirements contained in this OEA may be greater than similar requirements contained in either Ground Lease. With respect to any such difference and/or conflict, between the requirements in this OEA and/or any similar requirements contained either Ground Lease, it is expressly agreed that compliance by a Party with the more stringent requirements of its Ground Lease or this OEA shall be deemed, for all intents and purposes, compliance with the requirements of both its Ground Lease and this OEA.

## **ARTICLE VII**

### **TERM**

7.1 Term of this OEA. This OEA shall be effective as of the date first above written and shall continue in full force and effect until 11:59 p.m. on December 31, 2041; provided, however, that this OEA shall terminate on such earlier date the terms of both Ground Leases

shall terminate or expire and the easements referred to in Article II hereof which are specified as being perpetual or as continuing beyond the term of this OEA shall continue in force and effect as provided therein. Upon termination of this OEA, all rights and privileges derived from and all duties and obligations created and imposed by the provisions of the OEA, except as relates to the easements mentioned above, shall terminate and have no further force or effect; provided, however, that the termination of this OEA shall not limit or affect any remedy at law or in equity that a Party may have against any other Party with respect to any liability or obligation arising or to be performed under this OEA prior to the date of such termination.

**[Signature Pages Follow]**

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

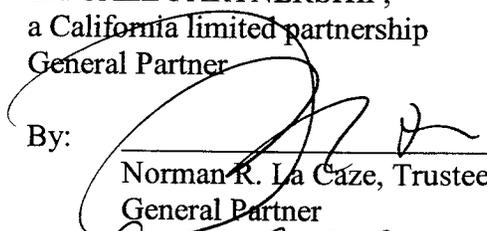
**"ROLLING HILLS"**

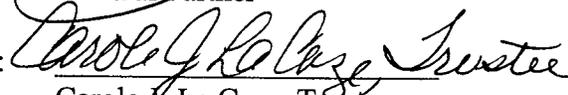
**ROLLING HILLS PLAZA LLC,**  
a California limited liability company

By: **ROLLING HILLS PLAZA, LLC,**  
a California limited liability company  
Its Member

By: **ROLLING HILLS PLAZA SHOPPING CENTER,**  
a California limited partnership  
Managing Member

By: **LA CAZE PARTNERSHIP,**  
a California limited partnership  
General Partner

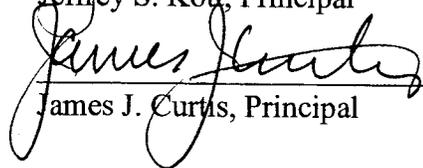
By:   
Norman R. La Caze, Trustee  
General Partner

By:   
Carole V. La Caze, Trustee  
General Partner

By: **NORTHERN RHP LLC,**  
a Delaware limited liability company  
Its Member

By: **BRISTOL GROUP, INC.,**  
Its Manager

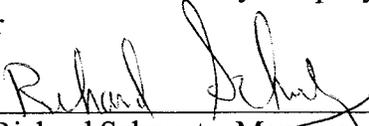
By:   
Jeffrey S. Kott, Principal

By:   
James J. Curtis, Principal

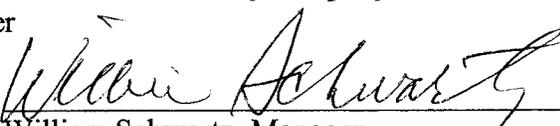
“SCHWARTZ”

**SCHWARTZ INVESTMENT COMPANY, LLC**  
a California limited liability company

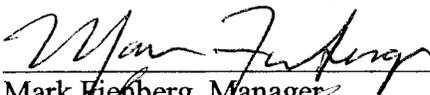
By: A.S.F. INVESTMENTS, LLC,  
a California limited liability company  
Member

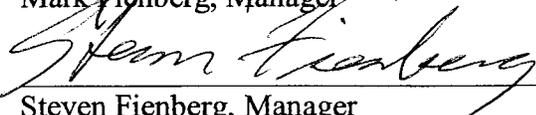
By:   
Richard Schwartz, Manager

By: B.S.F. INVESTMENTS, LLC,  
a California limited liability company  
Member

By:   
William Schwartz, Manager

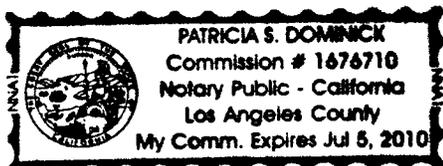
By: M.F.F. INVESTMENTS, LLC,  
a California limited liability company member

By:   
Mark Fienberg, Manager

By:   
Steven Fienberg, Manager

STATE OF CALIFORNIA )  
 )ss.:  
COUNTY OF Los Angeles )

Subscribed and sworn to (or affirmed) before me this 18<sup>th</sup> day of August, 2007, by NORMAN R. LACAZE, Trustee of the LaCaze Family Trust, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

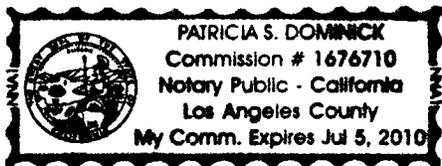


Seal \_\_\_\_\_

Signature Patricia S. Dominick

STATE OF CALIFORNIA )  
 )ss.:  
COUNTY OF Los Angeles )

Subscribed and sworn to (or affirmed) before me this 18<sup>th</sup> day of August, 2007, by CAROLE J. LACAZE, Trustee of the LaCaze Family Trust, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Seal \_\_\_\_\_

Signature Patricia S. Dominick

STATE OF CALIFORNIA )  
 )ss.:  
COUNTY OF San Francisco )

Subscribed and sworn to (~~or affirmed~~) before me this 22<sup>nd</sup> day of August, 2007, by JEFFREY S. KOTT, Principal of Bristol Group, Inc., personally known to me or ~~proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.~~



Seal \_\_\_\_\_

Signature [Handwritten Signature]

STATE OF CALIFORNIA )  
 )ss.:  
COUNTY OF Los Angeles )

~~Subscribed and sworn to~~ (or affirmed) before me this 11<sup>th</sup> day of July, 2007, by JAMES J. CURTIS, Principal of Bristol Group, Inc., ~~personally known to me~~ or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal \_\_\_\_\_  
Signature [Handwritten Signature] ss

STATE OF CALIFORNIA )  
 )ss.:  
COUNTY OF Los Angeles )

~~Subscribed and sworn to~~ (or affirmed) before me this 11<sup>th</sup> day of July, 2007, by RICHARD SCHWARTZ, Manager of A.S.F. Investments, LLC, ~~personally known to me~~ or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Seal \_\_\_\_\_  
Signature [Handwritten Signature]

STATE OF CALIFORNIA )  
 )ss.:  
COUNTY OF Los Angeles )

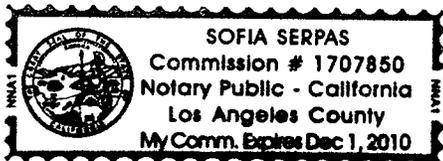
~~Subscribed and sworn to~~ (or affirmed) before me this 11<sup>th</sup> day of July, 2007, by WILLIAM SCHWARTZ, Manager of B.S.F. Investments, LLC, ~~personally known to me~~ or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Seal \_\_\_\_\_  
Signature [Handwritten Signature]

STATE OF CALIFORNIA )  
 )ss.  
COUNTY OF Los Angeles )

~~Subscribed and sworn to~~ (or affirmed) before me this 11<sup>th</sup> day of July, 2007, by MARK FIENBERG and ~~STEVEN FIENBERG~~, Managers of M.F.F. Investments, LLC, ~~personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.~~



Seal \_\_\_\_\_

Signature SFSM

STATE OF CALIFORNIA )  
 )ss.  
COUNTY OF SAN FRANCISCO )

~~Subscribed and sworn to~~ (or affirmed) before me this 22<sup>nd</sup> day of August 2007, by JAMES J. CURTIS, Principal of Bristol Group, Inc., ~~personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.~~



Seal \_\_\_\_\_

Signature [Signature]

**CONSENT AND APPROVAL:**

The City of Torrance, a public body, is the fee owner of those certain parcels of land located in the County of Los Angeles, City Torrance, State of California more particularly described in Exhibit "A" to the Restated Operation and Easement Agreement of Rolling Hills Plaza (hereinafter referred to as the "OEA") to which this Consent and Approval is attached (the "Property") and is the Ground Lessor under those certain Ground Leases referred to in the OEA, to Rolling Hills and to Schwartz, respectively, covering the Property.

City hereby consents to and approves the provisions of the OEA covering the Property, executed by Rolling Hills Plaza LLC, a California limited liability company and by Schwartz Investment Company, LLC, a California limited liability company.

City expressly recognizes and agrees that the provisions of and the covenants, restrictions and easements created by the OEA shall be binding upon City's fee title to the Property as hereinafter provided. City hereby joins in the grant to the respective Grantees of the OEA of the easements in favor of said Grantees and the Tracts set forth in the OEA pursuant to the provisions of the grants of easements in the OEA. This Consent and Approval by City shall not be and shall not be deemed to be, a modification of or amendment to any provision, covenant, restriction or requirement in either the Rolling Hills Ground Lease or the Schwartz Ground Lease, it being the express intent of the City that each and every restriction, covenant, requirement, obligation, duty and responsibility contained in each Ground Lease shall remain in full force and effect and unmodified, and it being the further express intent of the City that in the event of any conflict between the terms, covenants, provisions, requirements, restrictions, duties and obligations in the Ground Leases, and any of the terms and provisions of the OEA, the terms of such Ground Leases shall prevail.

The intent of City in consenting to and approving the OEA, is to expedite and assist in the granting of the easements by the Parties and the assuring of the operation of the Property as an integrated shopping center and office complex.

This Consent and Approval is made subject to the express agreement and condition that City, in its capacity of fee owner does not assume any of the obligations of the Parties or either of them, or any Grantees under the OEA and that this Consent and Approval is for the purpose of subjecting the Property to the restrictions and easements created thereby for the term of the OEA. At any time after the termination of the interest of either Party in its Ground Lease, City may relet the Property to a new Lessee to perform the obligations of the Party under the Ground Lease and the OEA. Upon the reletting of the Property, the provisions of this Consent and Approval shall continue to be binding upon the City. Nothing contained in the OEA or in this Consent and Approval is intended to release any Party from its obligations under the OEA or under its Ground Lease. The agreements made by City in this Consent and Approval are intended to be and shall be covenants running with the land constituting the Property and the various parcels comprising the Property as identified in the OEA, and shall be binding upon City and its successors and assigns for the benefit of the Parties and their successors and assigns.

By executing this Consent and Approval, the City hereby agrees that in the event that either Ground Lease shall terminate or otherwise expire, prior to the expiration of all the Ground Leases, then City shall not take any action, nor permit any new lessee to take any action, nor



**EXHIBIT A****ROLLING HILLS TRACT****PARCEL 1:**

THAT PORTION OF LOT 1, TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170, PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PACIFIC COAST HIGHWAY, 100.00 FEET WIDE, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 12743, PAGE 23 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG SAID NORTHERLY LINE SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST 210.00 FEET; THENCE NORTH 41 DEGREES 14 MINUTES 40 SECONDS EAST 209.00 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 188.68 FEET TO THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD 100.00 FEET WIDE, SAID STRIP OF LAND DESCRIBED AS PARCEL "A" UNDER SAID PARCELS 8-40, 9-2 IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH 52 DEGREES 25 MINUTES 41 SECONDS WEST 193.04 FEET; THENCE SOUTH 01 DEGREES 50 MINUTES 10 SECONDS WEST 25.39 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION ALONG PACIFIC COAST HIGHWAY MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 1, TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170, PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF PACIFIC COAST HIGHWAY, 100.00 FEET WIDE, AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 12743, PAGE 23 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID NORTHEASTERLY LINE, SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST, 470.93 FEET; THENCE NORTH 45 DEGREES 36 MINUTES 26 SECONDS WEST, 59.01 FEET TO A POINT OF TANGENCY WITH CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1,828.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 3 DEGREES 08 MINUTES 54 SECONDS, AN ARC DISTANCE OF 100.45 FEET TO A POINT OF TANGENCY WITH A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY, NORTHERLY AND NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 101 DEGREES 11 MINUTES 01 SECONDS, AN ARC DISTANCE OF 44.15 FEET TO A POINT OF TANGENCY WITH A LINE BEARING NORTH 52 DEGREES 25 MINUTES 41 SECONDS EAST, SAID LINE BEING THE SOUTHEASTERLY LINE OF THAT PARCEL OF LAND DESCRIBED AS PARCEL "A" UNDER SAID PARCEL 8-40, 9-2, SAID LINE BEING NOW RECOGNIZED AND ACCEPTED AS THE SOUTHEASTERLY LINE OF CRENSHAW BOULEVARD (100.00 FEET); THENCE SOUTH 52 DEGREES 25 MINUTES 41 SECONDS WEST, ALONG SAID SOUTHEASTERLY LINE, A DISTANCE OF 16.55 FEET; THENCE SOUTH 1 DEGREE 50 MINUTES 10 SECONDS WEST, 25.39 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF LOT 1, TRACT NO. 9765, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 170, PAGES 10, 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PACIFIC COAST HIGHWAY, 100.00 FEET WIDE, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 12743, PAGE 23 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED AS PARCEL "D" UNDER PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY ; THENCE ALONG SAID NORTHERLY LINE SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST 545.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 41 DEGREES 14 MINUTES 40 SECONDS EAST 700.00 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 125.00 FEET; THENCE SOUTH 41 DEGREES 14 MINUTES 40 SECONDS WEST 74.00 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 263.58 FEET; THENCE SOUTH 52 DEGREES 25 MINUTES 41 SECONDS WEST 138.64 FEET; THENCE SOUTH 48 DEGREES 45 MINUTES 20 SECONDS EAST 85.69 FEET; THENCE SOUTH 41 DEGREES 16 MINUTES 35 SECONDS WEST 90.44 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 1565.18 TO A POINT IN THE SOUTHEASTERLY LINE OF

CRENSHAW BOULEVARD, 100.00 FEET WIDE, SAID STRIP OF LAND DESCRIBED AS PARCEL "A" UNDER SAID PARCELS 8-40, 9-2, IN COMPLAINT IN CASE NO. 572730 OF THE SUPERIOR COURT OF SAID COUNTY; THENCE ALONG SAID SOUTHEASTERLY LINE 52 DEGREES 25 MINUTES 41 SECONDS EAST 932.23 FEET; THENCE SOUTH 37 DEGREES 34 MINUTES 19 SECONDS EAST 246.00 FEET; THENCE NORTH 52 DEGREES 25 MINUTES 41 SECONDS EAST 286.66 FEET TO A POINT IN THE EASTERLY LINE OF SAID LOT 1; THENCE ALONG SAID EASTERLY LINE SOUTH 00 DEGREES 11 MINUTES 20 SECONDS WEST 1,671.69 FEET TO THE NORTHERLY LINE OF PACIFIC COAST HIGHWAY; THENCE ALONG SAID NORTHERLY LINE NORTH 89 DEGREES 48 MINUTES 35 SECONDS WEST 26.53 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY; THENCE WESTERLY ALONG SAID CURVE, HAVING A RADIUS OF 1,096.28 FEET. THROUGH A CENTRAL ANGLE OF 41 DEGREES 03 MINUTES 15 SECONDS, A LENGTH OF 785.52 FEET; THENCE NORTH 48 DEGREES 45 MINUTES 20 SECONDS WEST 349.67 FEET TO THE TRUE POINT OF BEGINNING.

### **SCHWARTZ TRACT**

PARCEL #61 OF OFFICIAL MAP NO.2, BK. 5/43-51

### **CHEVRON TRACT**

THAT PORTION OF THE RANCHO PALOS VERDES, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 545 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AS ALLOTTED TO ORIN S. WESTON BY DECREE OF DISTRIBUTION IN THE ESTATE OF B.S. WESTON RECORDED IN BOOK 2838 PAGE 230, OF DEEDS, RECORDS OF SAID COUNTY, BEING A PORTION OF THAT 20-FOOT STRIP OF LAND CONVEYED TO STANDARD OIL COMPANY IN DEED RECORDED IN BOOK 6265 PAGE 311 OF DEEDS, RECORDS OF SAID COUNTY, BOUNDED SOUTHERLY BY THE NORTH LINE OF PACIFIC COAST HIGHWAY, 100 FEET WIDE, AS DESCRIBED IN DEED RECORDED IN BOOK 12743 PAGE 23 OF OFFICIAL RECORDS OF SAID COUNTY AND BOUNDED NORTHERLY BY A LINE AT RIGHT ANGLES WITH THE WEST LINE OF SAID 20-FOOT STRIP DISTANT NORTHERLY ALONG SAID WEST LINE 1,671.69 FEET FROM SAID NORTH LINE OF SAID PACIFIC COAST HIGHWAY.

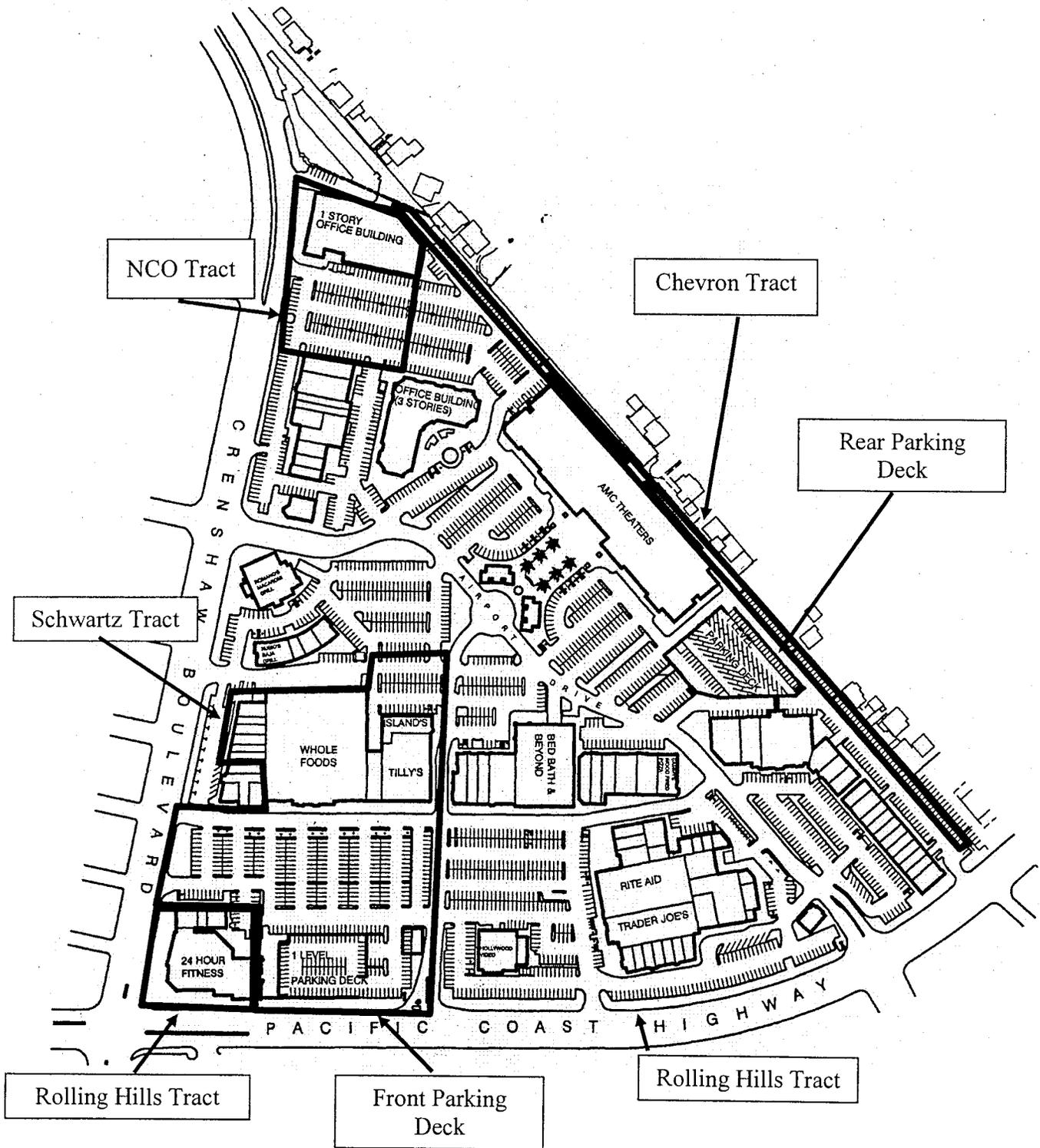
### **NCO TRACT**

PARCEL 63 OF OFFICIAL MAP NO.2, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 5, PAGES 44 THROUGH 51, INCLUSIVE, OF OFFICIAL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE FOLLOWING DESCRIBED PORTION:

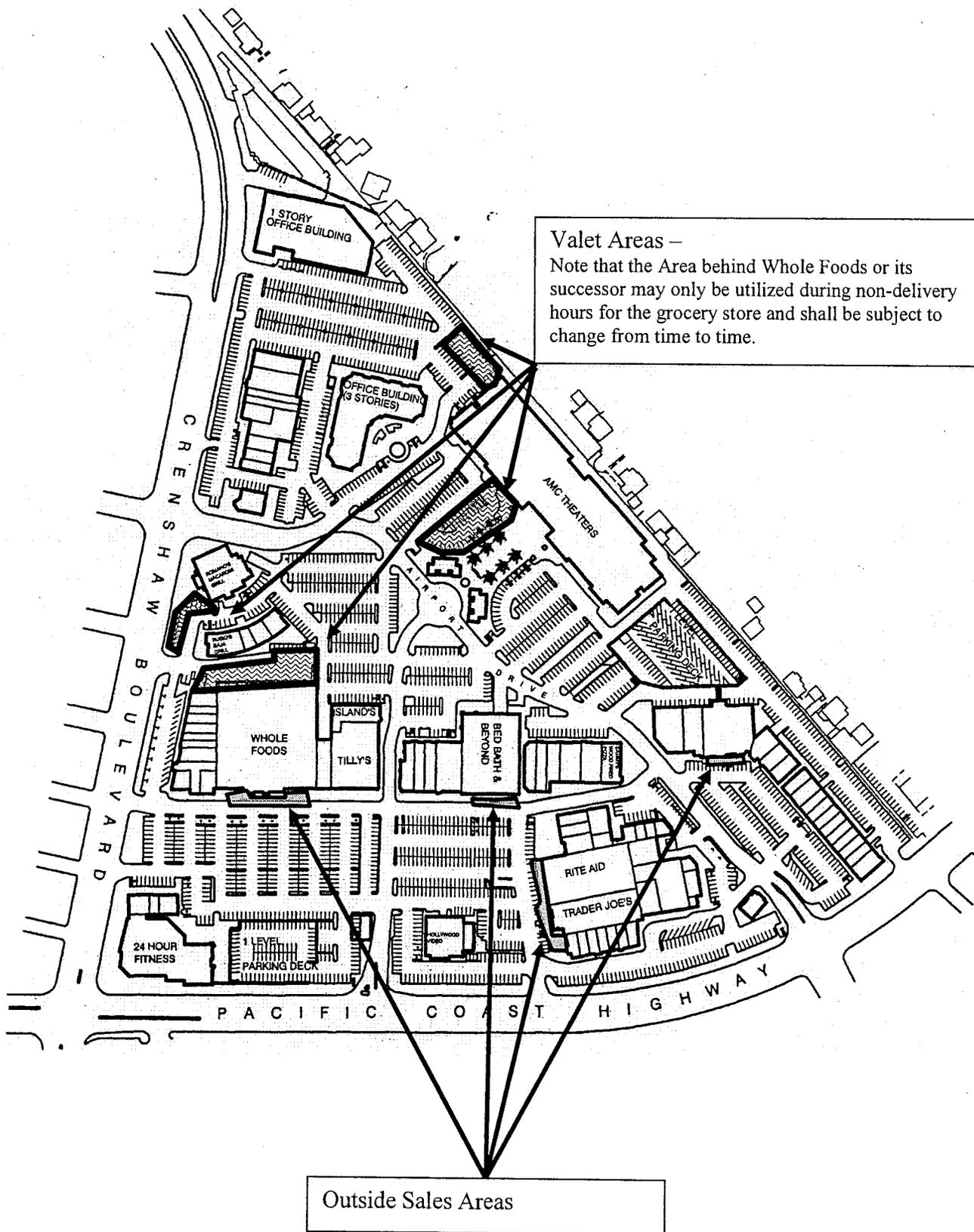
BEGINNING AT THE MOST NORTHERLY POINT OF SAID PARCEL 63 WITH SAID POINT ALSO BEING ON THE EASTERLY LINE OF CRENSHAW BOULEVARD; THENCE SOUTHERLY ALONG SAID EASTERLY LINE THROUGH AN ARC HAVING A RADIUS OF 700 FEET, AN ARC LENGTH OF 401.23 FEET AND A CENTRAL ANGLE OF 32' 50' 28"; THENCE SOUTH 37' 24' 29" EAST 46.49 FEET; THENCE SOUTH 25' 18' 50" EAST 192.62 FEET TO THE EASTERLY LINE OF SAID PARCEL 63; THENCE NORTHERLY ALONG SAID EASTERLY LINE 590.00 FEET TO THE POINT OF BEGINNING.

**EXHIBIT "X"**  
**Site Plan**



Note the Parcel lines are only for general representation purposes only and are not to scale.

EXHIBIT "X-1"



STATE OF CALIFORNIA )  
                          ORANGE )ss.  
COUNTY OF ~~LOS ANGELES~~ )

Subscribed and sworn to (or affirmed) before me this 16<sup>th</sup> day of July, 2007, by STEVEN FIENBERG, Manager of M.F.F. Investments, LLC, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal \_\_\_\_\_  
Signature *Glen Baun*

