

OPTION AGREEMENT

THIS OPTION AGREEMENT (“Agreement”) is effective as of this ___ day of _____ 2016, (“Effective Date”) and is entered into by and between LOS CERRITOS WETLANDS, LLC, a California limited liability company (“OPTIONEE”) and the LOS CERRITOS WETLANDS AUTHORITY, a joint exercise of powers agency established pursuant to Government Code Section 6500 *et seq.* (“LCWA”). LCWA and OPTIONEE are sometimes referred to herein individually as a “Party” and together as the “Parties.”

RECITALS

A. LCWA is the owner of an approximately 5.1-acre parcel of undeveloped property, which acreage includes approximately 1 acre of dedicated roadway, located at the northeast corner of Studebaker Road and Westminster Boulevard in the City of Long Beach described and depicted in Exhibit “A” (the “LCWA Site”).

B. OPTIONEE is the owner of an approximately 154-acre operating oil field, which acreage includes approximately 4 acres of dedicated roadway, located at 6433 E. Second Street between Pacific Coast Highway and Studebaker Road along 2nd Street/Westminster Boulevard in the City of Long Beach commonly known as the Synergy Oil Field, described and depicted in Exhibit “B” (the “OPTIONEE Property”).

C. OPTIONEE intends to establish a mitigation bank and public access trail on the northerly approximately 77.3 acres of the 154-acre Synergy Oil Field described in Exhibit “C” (the “Mitigation Bank Site”) and implement wetlands and habitat restoration pursuant to a mitigation bank and restoration plan (“Mitigation Bank Restoration Plan”) to be approved by the Interagency Review Team, the initial mapping of the bank components is depicted in Exhibit “D” (the “Mitigation Bank Mapping”). OPTIONEE also intends to implement a habitat revegetation plan (“Revegetation Plan”) as mapped on Exhibit “E” over time on the southerly approximately 69.92 acres of the OPTIONEE Property (the “Revegetation Site”) as oil operations on the 69.92-acre area are removed. OPTIONEE may, in its sole discretion, elect to establish a mitigation bank on the Revegetation Site which it will own and manage.

D. OPTIONEE also intends to construct public access improvements, specifically a public trail along the perimeter of the Mitigation Bank Site, and to improve for LCWA’s use as a public visitors center an existing building and construct a parking lot within approximately 3 acres of the OPTIONEE Property as depicted in Exhibit “F” (collectively the “Public Access Improvements”) in support of LCWA’s mission, which is “to provide for a comprehensive program of acquisition, protection, conservation, restoration, maintenance and operation and environmental enhancement of the Los Cerritos Wetlands.”

E. In order to implement the Mitigation Bank Restoration Plan, the Revegetation Plan, and make the Public Access Improvements, OPTIONEE proposes to phase out its oil production operations on the Revegetation Site and to relocate a portion of its oil production operations on the LCWA Site.

F. OPTIONEE is seeking various permits, approvals, and/or entitlements (collectively, "Entitlements") from, *inter alia*, the City of Long Beach, the California Coastal Commission, the U.S. Army Corps of Engineers, the Regional Water Quality Control Board, the California Department of Fish and Wildlife, and the U.S. Fish and Wildlife Service for the establishment of the Mitigation Bank, the implementation of the Mitigation Bank Restoration Plan, the removal of oil field equipment, the construction of the Public Access Improvements, the operation of oil wells and related facilities on the LCWA Site and a second off-site location unaffiliated with LCWA known as the "Pumpkin Patch Site." The requested Entitlements include, but are not limited to:

- a. City of Long Beach approval of an amendment to the Southeast Area Development and Improvement Plan ("SEADIP") to permit oil drilling and oil production activities, on among properties, the LCWA Site;
- b. City of Long Beach approval of an Oil Operating Area Boundary Change, Oil Drilling Permit and Oil Well permit to permit oil drilling and oil production activities on, among other properties, the LCWA Site;
- c. City of Long Beach Site Plan Review approval for proposed improvements to be constructed on the LCWA Site, Pumpkin Patch Site, and the OPTIONEE Property;
- d. City of Long Beach certification of the Los Cerritos Wetlands Restoration and Wetlands Consolidation Project Environmental Impact Report ("EIR") pursuant to CEQA; and
- e. California Coastal Commission approval of a Local Coastal Program amendment to reflect the SEADIP amendment, and a Consolidated Coastal Development Permit ("CDP") to construct the oil production facilities and to implement the wetlands mitigation plan.

G. A condition precedent to the approval of the Entitlements identified above in Recital F is the preparation by the City of Long Beach of an environmental impact report ("EIR") pursuant to CEQA.

H. The Parties desire to enter into this Option Agreement setting forth their respective rights and obligations with respect to OPTIONEE's option to effect an exchange of the LCWA Site for the OPTIONEE Property on the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto do hereby mutually covenant and agree as follows:

1. **Incorporation of Recitals.** All recitals set forth above are incorporated herein by this reference.
2. **Option.** LCWA hereby grants to OPTIONEE an exclusive option (the "Option")

to acquire the LCWA Property in exchange for the transfer of the OPTIONEE Property from OPTIONEE to LCWA on the terms to be set forth in a Land Exchange Agreement to be negotiated between LCWA and OPTIONEE, the general terms and framework of which are set forth on the Land Exchange Agreement Framework, attached as **Exhibit "G"** (the "Land Exchange Framework"). As set forth in the Land Exchange Framework, OPTIONEE'S conveyance of the OPTIONEE Property shall occur in phases. Upon exercise of the Option, OPTIONEE will transfer to LCWA the Mitigation Bank Site, and LCWA will transfer the LCWA Site to OPTIONEE. Concurrent with the land exchange, OPTIONEE will record an Irrevocable Offer of Dedication of fee title to the Revegetation Site in favor of LCWA (the "Offer of Dedication"), which offer may be accepted by LCWA or a successor agency upon cessation of all oil production activities and clean up and remediation of the Revegetation Site as may be required by the Division of Oil, Gas and Geothermal Resources, or other regulatory agency having jurisdiction over said activities, estimated to be 40 years after issuance of the CDP and conclusion of any litigation. The Offer of Dedication shall acknowledge that OPTIONEE shall have the right to enter on the Revegetation Site to continue its oil production activities and conduct clean up and remediation of the Revegetation Site while the Offer of Dedication remains in effect. The Offer of Dedication shall further acknowledge that OPTIONEE shall have the right to revegetate areas where oil production activities have ceased and reserves the right, in its sole discretion, to establish a mitigation bank on the Revegetation Site which it will own and manage. LCWA may accept the Offer of Dedication earlier at its sole discretion, provided, however, that OPTIONEE shall retain the right to continue its oil production activities, perform any required clean up and remediation of the Revegetation Site as may be required by the Division of Oil, Gas and Geothermal Resources, or other regulatory agency having jurisdiction over said activities, and conduct revegetation and/or habitat restoration or creation for purposes to mitigation bank establishment after LCWA's early acceptance of the Offer of Dedication. OPTIONEE will transfer to LCWA the Public Access Improvements only after OPTIONEE's new office building is constructed, OPTIONEE has relocated its offices to the new office building, and OPTIONEE has completed conversion of the current office to a visitors center, which is anticipated to be approximately two years after receipt of entitlements and conclusion of litigation but no later than five years after receipt of entitlements and conclusion of litigation.

3. **Condition Precedent to Exercise of the Option.**

a. **CEQA Compliance.** OPTIONEE may exercise the Option only after and upon occurrence of the certification of the EIR pursuant to CEQA by the City of Long Beach, and completion of any legal challenge to the EIR, and in compliance with the terms set forth in the land exchange agreement to be entered into by the Parties.

The Parties understand, acknowledge and agree that the City of Long Beach shall prepare and certify the EIR pursuant to CEQA, and that LCWA is a responsible agency with respect to that EIR and intends to rely upon the EIR prior to entering into the land exchange agreement. OPTIONEE acknowledges and agrees that by entering into this Agreement, LCWA is not waiving or limiting its discretion as a responsible agency to comment. The EIR shall analyze the environmental impacts of the approval and implementation of the Entitlements, including construction and operation of the oil production facilities on the LCWA Site and the implementation of the Mitigation Bank Plan and the Public Access Improvements on the OPTIONEE Property. The Parties further understand, acknowledge, and agree that entering into

this Option Agreement does not grant to either Party any entitlement for use or development of the OPTIONEE Property or the LCWA Site, and that no physical changes to the environment will occur as a result of the execution of the Option Agreement.

b. **Completion of appraisals for the LCWA Site and the OPTIONEE Property.** Appraisals of the LCWA Site and the OPTIONEE Property shall be conducted by a qualified appraiser approved by both parties. The parties agree to engage an appraiser at OPTIONEE's sole expense to conduct appraisals of the LCWA Site and the OPTIONEE Property within 45 days of the execution of the Option Agreement and the appraiser shall complete the appraisal as soon as reasonably possible. The appraisals shall be conducted by a qualified appraiser approved by both parties. The parties shall discuss and agree upon with the appraiser the methodology by which the appraisal will be conducted, including what factors will and will not be considered in determining the value of the respective properties. The appraisals may be updated, if determined necessary by LCWA prior to execution of the Land Exchange Agreement. Any such update will utilize the same methodology and assumptions that were applied to the initial appraisal. In the event the value of the OPTIONEE Property exceeds the appraised value of the LCWA Site, no additional compensation beyond the land exchange itself will be owed by LCWA to OPTIONEE. In the event the appraised value of the LCWA Site exceeds the appraised value of the OPTIONEE Property, OPTIONEE may elect to exercise the Option and compensate LCWA for the difference in value or terminate the Option.

LCWA agrees to submit the appraisals upon completion of the appraisals to a public entity mutually agreed upon by the parties for completion of administrative review and approval of the appraisals. The parties agree that no other agency review or approval of the appraisals is required.

c. OPTIONEE shall exercise the Option within six (6) months after the receipt of all entitlements described in Section 6, below, and completion of all legal challenges to the EIR and the entitlements, or eight (8) years from the Effective Date of this Agreement, whichever occurs first.

d. So long as the Option is validly exercised by OPTIONEE, the following shall apply:

i. An escrow shall be opened with Fidelity National Title Insurance Company (the "Escrow Holder") to consummate the closing of the transaction contemplated by the Land Exchange Framework and this Option Agreement. Each party agrees to execute such additional escrow instructions as Escrow Holder may reasonably require in connection therewith so long as the same do not conflict with this Agreement.

ii. The Land Exchange shall occur by no later than the closing dates set forth in the Land Exchange Agreement to be negotiated and executed by the Parties.

4. **Due Diligence.**

a. With respect to the OPTIONEE Property and the LCWA Site, during the period commencing fifteen (15) days following the Effective Date of this Agreement and

terminating 365 days thereafter or the date the parties select to close escrow ("Closing Date"), whichever occurs first, each Party, its agents, contractors and subcontractors shall have the right to enter upon the property of the other Party which is the subject of this Agreement, at reasonable times during ordinary business hours following not less than twenty-four (24) hours prior notice to the other Party, to make such inspections, surveys and tests as may be necessary in the Party's discretion; provided however, that any invasive structural, soils or environmental investigations or other invasive tests shall require the prior written consent of the other Party (which approval shall not be unreasonably withheld) including the other Party's approval of a proposed scope of work. Each Party shall use care and consideration in connection with any of its inspections or tests and the other Party shall have the right to be present during any inspection of the property by the other Party or its agents. A Party shall restore the property to its condition existing prior to such inspections or tests immediately after each such test and/or inspection. Each Party hereby indemnifies, protects, defends (with counsel chosen by the other Party) and holds the other Party and the Property free and harmless from and against any and all claims, costs, losses, liabilities, damages, lawsuits, judgments, actions, proceedings, penalties, demands, attorneys' fees, mechanic's liens, or expenses of any kind or nature whatsoever (collectively referred to herein as "Claims"), arising out of or resulting from any entry and/or activities upon the property by the Party, the Party's agents, contractors and/or subcontractors. A Party's obligations under this paragraph shall survive any termination of this Agreement.

b. Prior to any entry upon the property of the other Party by a Party or any of a Party's agents, contractors, subcontractors or employees, the Party shall deliver to the other Party a certificate of insurance showing that the Party making such entry is carrying a commercial general liability insurance policy with a financially responsible insurance company covering the activities of such Party thereon. Such insurance certificate shall evidence that such insurance policy shall have a per occurrence limit of at least One Million Dollars (\$1,000,000) and an aggregate limit of at least Two Million Dollars (\$2,000,000), and shall name the other Party as an additional insured. Such insurance shall be primary and noncontributing with any other insurance available to the other Party and shall contain a full waiver of subrogation clause.

5. **Title.** Concurrent with recordation of the Memorandum of Option described in Section 17, below, OPTIONEE agrees at its sole cost for the benefit of LCWA to obtain from Fidelity National Title Insurance Company ("Title Company") a standard coverage Title Policy for the LCWA Site.

6. **Authority to Apply for Entitlements.** During the term of the Option, and subject to LCWA's approval of those applications for the LCWA Site, OPTIONEE is authorized to pursue on behalf of itself and the LCWA, as applicable, certain entitlements (the "Entitlements") affecting the LCWA Site, including but not limited to the following:

a. City of Long Beach approval of an Oil Operating Area Boundary Change, Oil Drilling Permit and Oil Well permit to permit oil drilling and oil production activities on, among other properties, the LCWA Site;

b. City of Long Beach approval of an amendment to the Southeast Area Development and Improvement Plan ("SEADIP") to permit oil drilling and oil production activities on, among other properties, the LCWA Site;

c. City of Long Beach Site Plan Review approval for proposed improvements to be constructed on the LCWA Site;

d. City of Long Beach certification of an environmental impact report pursuant to CEQA; and

e. California Coastal Commission approval of a Consolidated Coastal Development Permit and Local Coastal Program amendment that authorizes oil drilling and oil production activities on, among other properties, the LCWA Site.

By signing this Agreement, LCWA agrees to cooperate with OPTIONEE to process the Entitlements, including but not limited to signing applications, and to allow OPTIONEE, its consultants and any representatives of the local, state and federal agencies that process applications for the Entitlements to enter on and inspect the LCWA Site.

7. **No Representations, Warranties, AS-IS Transfer.** OPTIONEE acknowledges and agrees that LCWA has not made and is not making any representations as to the suitability of the LCWA Site and does not warrant suitability for the purpose(s) intended by OPTIONEE. The foregoing disclaimer and waiver includes, without limitation, topography, climate, air, water rights, utilities, present and future zoning, the state of current entitlements or the ability to obtain future entitlements, soil, subsoil, grading, compaction, the acreage of the LCWA Site, the existence or effect of any governmentally regulated or protected wetlands, endangered species, flora, fauna or other natural habitat and the effect of same upon the development of the LCWA Site, access to public road. OPTIONEE acknowledges and agrees that the LCWA Site is to be conveyed, and accepted by OPTIONEE in its present condition, "AS-IS," "WHERE-IS," "WITH ALL FAULTS."

8. **Default.** In the event of a Party's default of its obligations hereunder, the non-defaulting Party shall have the right to require specific performance of the defaulting Party's obligations hereunder in addition to all of the non-defaulting party's rights and remedies at law or in equity. The exercise of any right or remedy shall not be exclusive but shall be cumulative of all other rights and remedies.

9. **Legal Fees.** If a party brings any action, arbitration or suit against the other for any matter relating to or arising out of this Agreement, then the prevailing party in such action or dispute, whether by final judgment or settlement, shall be entitled to recover from the other party all costs and expenses of suit and appeal, including actual attorneys' fees and expert witness fees. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit, including actual attorneys' fees incurred in enforcing, perfecting and executing such judgment.

10. **Indemnity, Hold Harmless and Duty to Defend.** Except with respect to a material breach by LCWA of a covenant set forth in this Agreement, OPTIONEE shall indemnify, defend, protect and hold harmless LCWA, its constituent members, directors, officers and employees from and against any and all claims, demands, causes of action, suits, judgments, arising out of the above described entitlement process, and also directly or indirectly arising

from, in connection with, or related in any way to this Option Agreement and the conveyance of the LCWA Site to OPTIONEE and/or conveyance of the OPTIONEE Property to LCWA. The provisions of this Section 10 shall survive the termination of this Agreement.

11. **Assignment; Binding Effect.** This Agreement and the rights and obligations of the Parties contained herein shall run with the land. No Party shall have the right to assign, pledge or otherwise transfer its rights under this Agreement.

12. **Consideration.** LCWA acknowledges and agrees that OPTIONEE has paid LCWA the non-refundable sum of Three Hundred Thousand Dollars (\$300,000.00) ("Option Consideration") as separate and individual consideration for granting this Option to OPTIONEE. The Option Consideration shall be delivered to LCWA within seven (7) calendar days of this Effective Date.

13. **Bona Fide Offers of Third Parties.** Notwithstanding anything to the contrary in this Agreement, if at any time LCWA receives a bona fide third party offer to purchase or otherwise acquire the LCWA Site, LCWA shall not accept such offer.

14. **Term and Termination.** The term of this agreement shall be for four (4) years from the Effective Date of this Agreement, which term may be extended for an additional four (4) years as provided in Section 16, below. OPTIONEE shall have the right, but not the obligation, to terminate the Option upon the occurrence of any of the events set forth in Sections 14.a.-14.e., below:

- a. The City fails to certify the EIR;
- b. The City certifies the EIR, but the EIR certification is either challenged in a court of competent law in the State of California or vacated by a court of competent law in the State of California;
- c. The City fails to approve the Entitlements;
- d. The Coastal Commission fails to approve and issue the Consolidated Coastal Development Permit or certify the Local Coastal Program amendment to allow oil production activities on the LCWA Site, or the Coastal Commission's approval of either or both the Consolidated Coastal Development Permit and Local Coastal Program amendment is challenged in a court of competent law in the State of California or vacated by a court of competent law in the State of California; or
- e. OPTIONEE elects to terminate this Agreement upon completion of the appraisals as provided in Section 3.b., above.
- f. If OPTIONEE has not otherwise terminated the Option Agreement pursuant to Sections 14.a-14.e., above, OPTIONEE may elect to terminate the Option Agreement or refuse to exercise the Option. If OPTIONEE elects to terminate the Option Agreement or not exercise the Option, OPTIONEE shall convey to LCWA fee title to the approximately 42.2-acre Steamshovel Slough ("Slough Property"). The property subject to the conveyance is depicted in the attached **Exhibit "H"**. The conveyance shall be subject to OPTIONEE's reservation of

rights to enter upon the Slough Property to conduct wetlands and habitat restoration activities on its Mitigation Bank Site pursuant to obtaining regulatory permits and approvals, including altering the course of the Steamshovel Slough and diverting water to the remainder of OPTIONEE's Property, including the Mitigation Bank Site and the Revegetation Site, and constructing physical improvements such as a berm or installing sheet piles required to protect OPTIONEE's Property (the Mitigation Bank Site and the Revegetation Site). OPTIONEE shall also grant to LCWA an easement across OPTIONEE's Mitigation Bank Site and Revegetation Site, if necessary, to access the Slough Property. Conveyance of the Slough Property is not required if OPTIONEE terminates the Option pursuant to Sections 14.a.- e., above.

Upon notice to LCWA of OPTIONEE's election to terminate pursuant to Section 14.f., LCWA shall reimburse OPTIONEE the consideration described in Section 12, above, as follows:

i. If OPTIONEE terminates before twelve (12) months from the Effective Date (i.e., within one year after the Effective Date), LCWA shall reimburse OPTIONEE the sum of Two Hundred Thousand Dollars (\$200,000).

ii. If OPTIONEE terminates before twenty-four (24) months from the Effective Date (i.e., within two years after the Effective Date), LCWA shall reimburse OPTIONEE the sum of One Hundred Thousand Dollars (\$100,000).

iii. If OPTIONEE terminates after the second anniversary of the Effective Date, LCWA is not obligated to reimburse OPTIONEE any portion of the consideration described in Section 12, above.

LCWA's reimbursement shall be paid within thirty (30) days of receipt of OPTIONEE's notice, unless otherwise agreed to by the Parties.

15. **Notices.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by a nationally recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed received upon the earlier of (a) if personally delivered or sent by overnight courier, the date of delivery to the address of the person to receive such notice, or (b) if mailed, on the date of delivery as shown on the sender's registry or certification of receipt.

All notices to OPTIONEE shall be sent to:

Los Cerritos Wetlands, LLC
6433 E. Second Street
Long Beach, CA 90803
Contact: John McKeown

All notices to LCWA shall be sent to:

Los Cerritos Wetlands Authority
100 Old San Gabriel Canyon Road
Azusa, CA 91702
Contact: Mark Stanley, Executive Officer

16. **Extension of Option.** The term of this Option may be extended by OPTIONEE at its sole election in the event all of the Entitlements have not been received by the end of the initial term of the Option by providing written notice to LCWA. The Option may be extended for a period of an additional four (4) years.

17. **Recordation of Memorandum of Option.** Within ten (10) calendar days of the Effective Date of this Agreement, the OPTIONEE shall cause a Memorandum of Option to be recorded in the Official Records of Los Angeles County.

18. **Miscellaneous.**

a. **Required Actions of OPTIONEE and LCWA.** OPTIONEE and LCWA agree to execute such instruments and documents and to diligently undertake such actions (at no cost to the undertaking party except as otherwise expressly provided herein) as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use good faith efforts to accomplish the closings in accordance with the provisions hereof.

b. **Time of Essence.** Time is of the essence of each and every term, condition, obligation and provision hereof. All references herein to a particular time of day shall be deemed to refer to Pacific Standard Time.

c. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument and may be delivered by PDF file or other electronic means.

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

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

f. **Amendment to this Agreement.** The terms of this Agreement may not be modified or amended except by an instrument in writing executed by all of the Parties hereto.

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

hereof.

h. Choice of Law. The Parties intend that this Agreement and all of its terms and provisions shall be construed in accordance with, and all disputes hereunder shall be governed by, the laws of the State of California.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

“LCWA”

LOS CERRITOS WETLANDS AUTHORITY

By: _____

Its: _____
[Printed Name and Title]

“OPTIONEE”

BEACH OIL MINERALS PARTNERS

By: _____

Its: _____
[Printed Name and Title]

By: _____

Its: _____
[Printed Name and Title]

EXHIBIT A
THE LCWA SITE



Legend

 LCWA Site Boundary



LCWA OPTION AGREEMENT

LCWA Site

GLENN LUKOS ASSOCIATES

Exhibit A



This page is part of your document - DO NOT DISCARD

03 2214772

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
AUG 01 2003 AT 8 A.M.

TITLE(S) :



FEE	FEE \$19 SS DAF \$2 C-20 5	D.T.T	
CODE 20			
CODE 19			
CODE 9			

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black Ink.

Number of Parcels Shown

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THIS FORM NOT TO BE DUPLICATED

03 2214772

6
RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Southern California Edison Company
 14799 CHESTNUT STREET
 WESTMINSTER, CA. 92683-5240
 ATTN: CRISTINA NUANEZ

(Above Space For Recorder's Use Only)

CORRECTIVE IRREVOCABLE OFFER TO DEDICATE

This Corrective Grant Offer is being recorded solely to correct an error by scrivener on Exhibit A of the Original Offer to Dedicate (as defined below).

SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation ("Grantor" or "SCE"); hereby grants to the California State Coastal Conservancy ("Grantee"), that certain real property in the City of Alamitos, County of Los Angeles, State of California more particularly described in the Original Offer (as defined below).

This corrective irrevocable offer to dedicate (this "Corrective Offer") is being recorded solely to amend the incorrect legal description, due to scrivener's error, of that certain irrevocable offer to dedicate, dated as of May 30, 2001 between SCE and Grantee, and recorded in the official records of Los Angeles County on November 28, 2001 (the "Original Offer").

Exhibit A of the Corrective Offer, attached hereto, shall fully replace Exhibit A of the Original Offer.

All other terms and conditions of the Original Offer shall remain the same, including but not limited to the date the Original Offer was recorded and executed.

This document was filed for recording by
 Stewart Title as an accommodation only
 It has not been examined as to its execution
 or as to its effect upon the title,
 or its recordability.

IN WITNESS WHEREOF, SCE has caused this Corrective Offer to be executed as of the date set forth next to its signature.

DATE: July 31, 2003

SOUTHERN CALIFORNIA EDISON COMPANY,
a California corporation

Robert C. Boada

By: *Robert C. Boada*

Its: *Vice President and Treasurer*

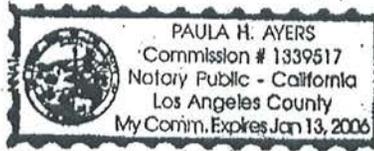
STATE OF CALIFORNIA)

COUNTY OF Los Angeles)

On July 31 2003, before me, Paula H Ayers, a Notary Public in and for said state, personally appeared Robert C Booda personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Paula H Ayers
Notary Public in and for said State



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EXHIBIT A
LEGAL DESCRIPTION

May 28, 2001

6

PROPOSED
5.11 ACRE PARCEL

A portion of Parcel 3 of City of Long Beach Lot Line Adjustment No. 9704-09, recorded December 12, 1997 as Instrument No. 97-1958951, Official Records of Los Angeles County, California, being a portion of the East one-half of Section 2, Township 5 South, Range 12 West, in the Rancho Los Alamitos, as shown on Partition Map recorded in Book 700, Page 141 of Deeds, in the Office of the Los Angeles County Recorder, described as follows:

BEGINNING at the Southwest corner of said Parcel 3, being the Southwest corner of said East one-half of Section 2, and being the centerline intersection of Westminster Avenue (100 feet wide) and Studebaker Road (100 feet wide);

Thence N.00 Degrees 10'03"E. along the Westerly line of said Parcel 3, being the Westerly line of said East one-half of Section 2, and also being said centerline of Studebaker Road, a distance of 400.00 feet,

Thence S.89°50'17"E., a distance of 493.10 feet;

Thence S.64°14'06"E., a distance of 75.53 feet;

Thence S.00°52'36"W., a distance of 367.39 feet, to the Southerly line of said Parcel 3, being the Southerly line of said East one-half of Section 2, and also being said centerline of Westminster Avenue.

Thence N.89 Degrees 60'17"W. along said Southerly line and said centerline, a distance of 556.67 feet, to the Point of Beginning.

The above described parcel of land contains 5.11 acres, more or less.

SUBJECT to a easement for road purposes granted to the County of Los Angeles by document recorded January 30, 1963 in Book D1904, Page 438 thereof, Instrument No. 6480, Official Records of Los Angeles, County, California.

The property described is intended for conveyance to a public agency in accordance with State of California Subdivision Map Act (S.M.A.) Section 66428(a)(2). Conveyance other than as specified in said S.M.A. would be a violation thereof.

KCT CONSULTANTS, INC.
Prepared Under the Supervision of:


Marissa Crowther PLS No. 6152

Date: 6-2-03

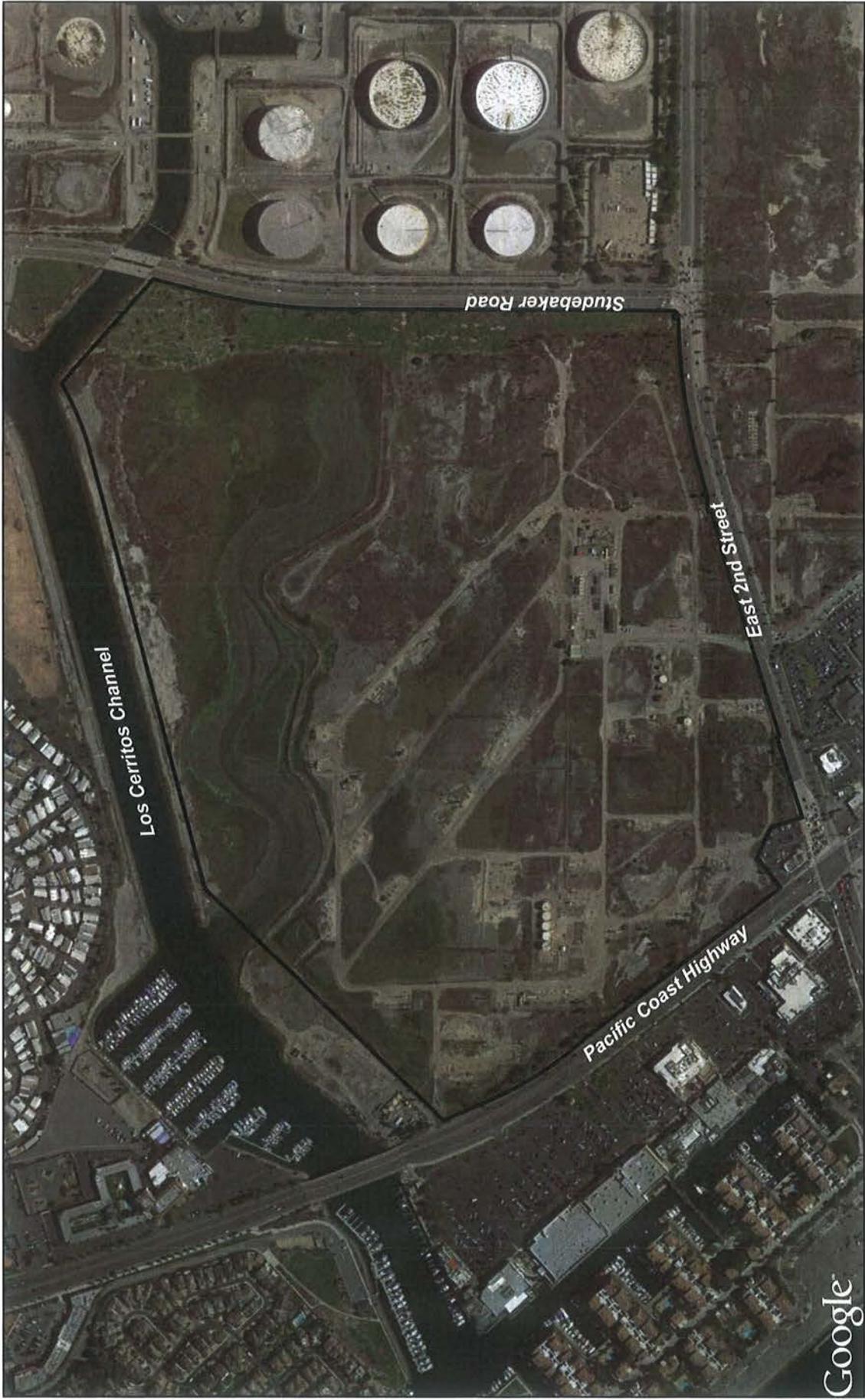


 KC

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EXHIBIT B
THE OPTIONEE PROPERTY



LCWA OPTION AGREEMENT

OPTIONEE Property

GLENN LUKOS ASSOCIATES

Exhibit B



Legend

 Synergy Oil Field Boundary



LEGAL DESCRIPTION

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

PARCEL 1: (APN: 7237-017-010)

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 12 WEST, IN THE RANCHO LOS ALAMITOS, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTH AND SOUTH CENTER LINE OF SAID SECTION 2, DISTANT SOUTH 00° 10' 03" WEST 619.70 FEET, MEASURED ALONG SAID CENTER LINE, FROM THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS HAVING A BEARING OF NORTH 38° 11' 54" EAST AND A LENGTH OF 75.39 FEET IN THE EASEMENT TO THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, DATED NOVEMBER 5, 1942 AND RECORDED FEBRUARY 4, 1943 IN BOOK 19794 PAGE 293, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 49° 00' 29" EAST 85.10 FEET; THENCE SOUTH 14° 22' 34" WEST 210.57 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE EAST AND HAVING A RADIUS OF 2050 FEET; THENCE SOUTHERLY ALONG SAID CURVE 54.67 FEET TO SAID NORTH AND SOUTH CENTER LINE; THENCE NORTH 00° 10' 03" EAST, ALONG SAID CENTER LINE, 312.94 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL RIGHT, TITLE AND INTEREST IN AND TO THE MINERAL ESTATE UNDERLYING THE PROPERTIES; AND ALL OIL, NATURAL GAS, PETROLEUM OTHER HYDROCARBONS AND ANY OTHER MINERALS BY WHATSOEVER NAME KNOWN, IN, ON AND UNDER THE PROPERTIES, AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING ("HYDROCARBONS"), TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, EXPLORING AND OPERATING THEREOF AND STORING AND REMOVING THE SAME; AS GRANTED TO LCW OIL OPERATIONS, LLC, A DELAWARE LIMITED LIABILITY COMPANY IN THAT MINERAL GRANT DEED RECORDED ON JUNE 7, 2010, AS INSTRUMENT NO. 20100767125, OFFICIAL RECORDS.

PARCEL 2: (APNS: 7237-017-011, 7237-017-012, 7237-017-013, 7237-017-014 AND 7237-017-019)

THOSE PORTIONS OF SECTIONS 2, 3, 10 AND 11, TOWNSHIP 5 SOUTH, RANGE 12 WEST, IN THE RANCHO LOS ALAMITOS, PARTLY IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, AND PARTLY IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, ALL IN STATE OF CALIFORNIA, AS SHOWN ON MAP NOS. 1 AND 2 OF PORTION OF RANCHO LOS ALAMITOS, RECORDED IN BOOK 700 PAGES 138 THROUGH 141 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 2; THENCE SOUTHERLY ALONG THE NORTH AND SOUTH QUARTER SECTION LINES OF SAID SECTIONS 2 AND 11 TO THE INTERSECTION WITH THE LINE BETWEEN LOS ANGELES COUNTY AND ORANGE COUNTY; THENCE ALONG SAID COUNTY LINE, SOUTH 57° 04' WEST TO A POINT IN THE PATENT BOUNDARY LINE OF SAID RANCHO; THENCE ALONG SAID LINE, NORTH 37° 47' 30" WEST 4878.07 FEET TO STATION 51 OF THE PATENT SURVEY OF SAID RANCHO; THENCE ALONG THE LINE BETWEEN STATIONS 51 AND 52 OF SAID PATENT SURVEY, NORTH 44° 12' 30" EAST TO A POINT IN THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER OF SECTION 2; THENCE EASTERLY ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION
(Continued)

EXCEPT THEREFROM THAT PORTION OF SECTIONS 2 AND 11, LYING SOUTHERLY OF THE SOUTHERLY LINE OF WESTMINSTER AVENUE, 100.00 FEET WIDE, AS DESCRIBED IN PART OF PARCELS 3-10 IN THE DEED TO THE COUNTY OF LOS ANGELES RECORDED DECEMBER 3, 1962 AS INSTRUMENT NO. 4500 IN BOOK D-1842, PAGES 137 TO 145 INCLUSIVE, OF OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA FOR PACIFIC COAST HIGHWAY RECORDED IN BOOK 10217, PAGE 159 OF SAID OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF LYING NORTHERLY OF THE SOUTHERLY LINE OF LAND DESCRIBED IN PARCEL 3 IN THE FINAL ORDER OF CONDEMNATION FOR LOS CERRITOS CHANNEL ENTERED IN LOS ANGELES SUPERIOR COURT, CASE NO. 622968, A CERTIFIED COPY BEING RECORDED NOVEMBER 8, 1955 IN BOOK 49471, PAGE 50, OFFICIAL RECORDS, AS INSTRUMENT NO. 2499.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED OCTOBER 22, 1959 AS INSTRUMENT NO. 1768 OF SAID COUNTY, FOR PACIFIC COAST HIGHWAY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF LYING NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF LAND DESCRIBED IN THE DEED TO SOUTHERN CALIFORNIA EDISON COMPANY, RECORDED MAY 22, 1963 AS INSTRUMENT NO. 4370 OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID SECTION 11, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF PACIFIC COAST HIGHWAY (100.00 FEET WIDE), WITH THE CENTER LINE OF SECOND STREET, AS SAID CENTER LINES ARE SHOWN ON MAP OF TRACT NO. 26635, RECORDED IN BOOK 684, PAGES 51 TO 53 INCLUSIVE OF MAPS, IN SAID OFFICE OF THE COUNTY RECORDER; THENCE ALONG SAID CENTER LINE OF PACIFIC COAST HIGHWAY, NORTH 37° 52' 23" SECONDS WEST 220.35 FEET; THENCE AT RIGHT ANGLES TO SAID CENTER LINE, NORTH 52° 07' 37" EAST 50.00 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID PACIFIC COAST HIGHWAY AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING NORTH 52° 07' 37" EAST 150.00 FEET; THENCE SOUTH 66° 26' 26" EAST 131.33 FEET; THENCE SOUTH 17° 29' 01" EAST 130.00 FEET TO A POINT IN A LINE PARALLEL TO AND 60.00 FEET NORTHERLY FROM SAID CENTER LINE OF WESTMINSTER AVENUE; THENCE ALONG SAID PARALLEL LINE, SOUTH 72° 30' 59" WEST 157.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHWESTERLY AND NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 69° 36' 38", AN ARC LENGTH OF 36.45 FEET TO A POINT IN SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF PACIFIC COAST HIGHWAY; THENCE ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE, NORTHERLY 37° 52' 23" WEST 154.07 FEET TO THE TRUE POINT OF BEGINNING, AS DESCRIBED IN A DEED TO MOBIL OIL CORPORATION, A NEW YORK CORPORATION, RECORDED SEPTEMBER 25, 1987 AS INSTRUMENT NO. 87-1547071, OF OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID SECTION 11 BOUNDED ON THE SOUTHWEST BY THE NORTHEASTERLY LINE OF PACIFIC COAST HIGHWAY AS NOW ESTABLISHED BOUNDED ON THE NORTHEAST BY THE NORTHEASTERLY BOUNDARY OF THE CITY OF LONG BEACH AS SHOWN ON THE MAPS OF PARCEL MAPS NOS. 6256 AND 7470 FILED IN BOOK 64, PAGES 55 AND 56 AND IN BOOK 121, PAGES 36 THROUGH 39, RESPECTIVE, OF PARCEL MAPS IN THE OFFICE OF SAID COUNTY

EXHIBIT A
(Continued)

RECORDER; AND BOUNDED ON THE NORTH BY THE CENTERLINE OF WESTMINSTER AVENUE AS SHOWN ON SAID PARCEL MAPS.

EXCEPT THEREFROM ALL OIL, NATURAL GAS, PETROLEUM AND OTHER HYDROCARBONS AS CONVEYED IN THAT MINERAL GRANT DEED RECORDED ON JUNE 7, 2010, AS INSTRUMENT NO. 20100767125, OFFICIAL RECORDS.

EXHIBIT C
THE MITIGATION BANK SITE



Legend

-  Synergy Oil Field Boundary
-  Mitigation Bank Property



LCWA OPTION AGREEMENT

Mitigation Bank Property

GLENN LUKOS ASSOCIATES



Exhibit C

EXHIBIT D
MITIGATION BANK MAPPING



- Legend**
- Synergy Oil Field Boundary
 - Sheetpile Wall
 - Trail
 - Tidal Marsh Re-establishment
 - Transitional Wetland Re-establishment
 - Transitional 2 Re-establishment
 - Tidal Marsh Rehabilitation
 - Upland Buffer Establishment
 - Steamshovel Slough Enhancement
 - Transitional 2 Enhancement
 - Upland Buffer Enhancement



LCWA OPTION AGREEMENT
 Mitigation Bank Exhibit

GLENN LUKOS ASSOCIATES

Exhibit D

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EXHIBIT E
REVEGATION PLAN



-  Synergy Oil Field Boundary
-  Revegetation Areas



LCWA OPTION AGREEMENT

Revegetation Site

GLENN LUKOS ASSOCIATES



Exhibit E

X:\10363-THE REST\1032-02\MIT\Report_Option Agreement\ExhibitE.mxd

EXHIBIT F
PUBLIC ACCESS IMPROVEMENTS



Legend

-  Synergy Oil Field Boundary
-  Public Access Improvements



LCWA OPTION AGREEMENT

Public Access Improvements

GLENN LUKOS ASSOCIATES

Exhibit F



EXHIBIT G
LAND EXCHANGE AGREEMENT FRAMEWORK

LAND EXCHANGE AGREEMENT FRAMEWORK

1. The Parties and The Properties:

Los Cerritos Wetlands, LLC (“LCW”) holds an option to acquire through a land exchange the approximately 5.1-acre parcel of undeveloped property, which acreage includes approximately 1 acre of dedicated roadway, located at the northeast corner of Studebaker Road and Westminster Boulevard in the City of Long Beach (“LCWA Site”) that is owned by the Los Cerritos Wetlands Authority (“LCWA”).

The LCWA Site will be acquired in exchange for an approximately 154-acre property owned by the LCW (“Synergy Oil Field”). The 154-acre Synergy Oil Field consists of the following:

- 77.30 acres to be developed as a Wetlands Mitigation Bank (includes a perimeter trail) (“Mitigation Bank Site”);
- 3 acres to be improved with public access improvements (visitors center, parking lot, and trail/trailhead) (“Public Access Improvements Property”);
- 69.92 acres that will continue to be operated as an oil field (“Revegetation Site”);
- and
- Approximately 4 acres of dedicated roadway.

2. Entitlements for Use and Development:

LCW is currently processing the following entitlements from the City of Long Beach and the California Coastal Commission:

- City of Long Beach approval of an amendment to the Southeast Area Development and Improvement Plan (“SEADIP”) to permit oil drilling and oil production activities, on among properties, the LCWA Site;
- City of Long Beach approval of an Oil Operating Area Boundary Change, Oil Drilling Permit and Oil Well permit to permit oil drilling and oil production activities on, among other properties, the LCWA Site;
- City of Long Beach Site Plan Review approval for proposed improvements to be constructed on the LCWA Site, Pumpkin Patch Site, and the Synergy Oil Field;
- City of Long Beach certification of the Los Cerritos Wetlands Restoration and Wetlands Consolidation Project Environmental Impact Report (“EIR”) pursuant to CEQA; and
- California Coastal Commission approval of a Local Coastal Program amendment to reflect the SEADIP amendment, and a Consolidated Coastal Development Permit (“CDP”) to construct the oil production facilities and to implement the wetlands mitigation plan.

3. Wetlands Mitigation Bank Establishment:

In addition to these entitlements, LCW is seeking approval of a wetlands and habitat restoration plan (“Mitigation Bank Restoration Plan”) for the Wetlands Mitigation Bank from the Interagency Review Team (“IRT”), and approval of a Bank Enabling Instrument from the IRT establishing the number of wetlands mitigation credits held by the Bank.

4. Conditions Precedent to Exercise of the Land Exchange Option (“Conditions Precedent”):

- Certification of an EIR by the City of Long Beach that analyzes the environmental impacts of the requested entitlements listed above and completion of any legal challenge to the EIR;
- LCW and LCWA execute a Land Exchange Agreement setting forth the terms by which the respective properties shall be conveyed to the other party;
- Engagement of an appraiser to conduct appraisals for the LCWA Site and the Synergy Oil Field within 45 days of the execution of the Option Agreement. The appraisals shall be conducted by a qualified appraiser approved by both parties. The parties shall discuss and agree upon with the appraiser the methodology by which the appraisal will be conducted, including what factors will and will not be considered in determining the value of the respective properties. The appraisals may be updated, if determined necessary by LCWA prior to execution of the Land Exchange Agreement. Any such update will utilize the same methodology and assumptions that were applied to the initial appraisal. In the event the value of the Synergy Oil Field exceeds the appraised value of the LCWA Site, no additional compensation beyond the land exchange itself will be owed by LCWA to LCW. In the event the appraised value of the LCWA Site exceeds the appraised value of the Synergy Oil Field, LCW may elect to exercise the Option and compensate LCWA for the difference in value or terminate the Land Exchange Option; and
- Submission of appraisals by LCWA upon completion of the appraisals to a public entity mutually agreed upon by the parties for completion of administrative review and approval of the appraisals. The parties agree that no other agency review or approval of the appraisals is required.

5. Property Conveyance Pursuant to the Land Exchange Agreement:

Once the Conditions Precedent have been satisfied, LCW can – in its sole discretion – exercise the Option. The Land Exchange Agreement shall set forth the following terms and conditions for the exchange of the properties as follows:

- ***The Mitigation Bank Site:*** At LCW’s election, LCW shall convey the Mitigation Bank Site to LCWA by grant deed, reserving to itself (1) the right to enter on the Mitigation

Bank Site to implement the IRT-approved Mitigation Bank Restoration Plan and conduct a minimum of five (5) years of monitoring and maintenance of the restored wetlands; and (2) the right to retain all proceeds associated with the sale of wetlands mitigation credits from the Wetlands Mitigation Bank.

- ***The LCWA Site:*** Concurrent with LCW's conveyance of the Mitigation Bank Site to LCWA, LCWA shall convey the LCWA Site by grant deed to LCW subject to all encumbrances, covenants, and restrictions of record.
- ***The Public Access Improvements Property:*** LCW shall convey the Public Access Improvements Property to LCWA upon completion of the new office building on the Pumpkin Patch site and completion of the build out of the visitor's center (estimated to be 1-2 years but no later than five years after issuance of CDP and conclusion of any litigation). LCW shall reserve the right to enter the Public Access Improvements Property, as may be necessary, to access its Mitigation Bank Site and Revegetation Site. Alternatively, AUTHORITY shall grant to LCW an access easement across the Public Access Improvements Property.
- ***The Revegetation Site:*** Concurrent with the land exchange, LCW will record an Irrevocable Offer of Dedication of fee title to the Revegetation Site in favor of LCWA (the "Offer of Dedication"), which offer may be accepted by LCWA or a successor agency upon cessation of all oil production activities and clean up and remediation of the Revegetation Site as may be required by the Division of Oil, Gas and Geothermal Resources, or other regulatory agency having jurisdiction over said activities, estimated to be 40 years after issuance of the CDP and conclusion of any litigation. The Offer of Dedication shall acknowledge that LCW shall have the right to enter on to the Revegetation Site to continue its oil production activities and conduct clean up and remediation of the Revegetation Site while the Offer of Dedication remains in effect. The Offer of Dedication shall further acknowledge that LCW shall have the right to revegetate areas where oil production activities have ceased and reserves the right, in its sole discretion, to establish a mitigation bank on the Revegetation Site which it will own and manage.

6. Long Term Maintenance of the Wetlands and Endowment:

LCW is responsible for the monitoring and maintenance of the restored wetlands on the Mitigation Bank Site for the first five (5) years if IRT signs off on the success of the restoration. If the IRT does not sign off on LCW's implementation of the Mitigation Bank Restoration Plan, LCW's obligation to maintain and monitor the Mitigation Bank Site shall be extended until the success criteria set forth in the Mitigation Bank Restoration Plan are met.

Thereafter, LCWA shall assume responsibility for the long-term monitoring and maintenance of the Mitigation Bank Site.

LCW shall fund an endowment in an amount that is a non-wasting corpus to be set forth in the Land Exchange Agreement which shall be used for long-term monitoring and maintenance of the

Mitigation Bank Site.. The amount of the endowment shall be determined pursuant to a PAR analysis which shall be approved by mutual agreement of the parties and IRT.

7. **Environmental Indemnity:**

LCW agrees that it will provide an environmental indemnity or insurance policy satisfactory to LCWA to indemnify, hold harmless and defend LCWA from and against all claims, suits, damages, etc. arising out of any hazardous substances and/or materials.

8. **Condition of Title:**

LCW agrees that as of the date of recordation of the Irrevocable Offer of Dedication of Fee Title to the Revegetation Site, the grant deed to the Mitigation Bank Site and the grant deed to the Public Access Improvements Site to LCWA title shall be transferred subject to the following exceptions only:

- Title exceptions as may be accepted by LCWA per the terms of the Agreement. LCWA acknowledges and agrees that because it will take title to the Synergy Oil Field for wetlands and open space conservation purposes, it will accept the Synergy Oil Field subject to all easements and other interests that may be recorded against the Synergy Oil Field, so long as said interests do not interfere with the wetlands and open space conservation values of the Synergy Oil Field or require LCWA to undertake any obligations and/or liabilities.

9. **Standard of Clean-Up:**

The parties agree that the Synergy Oil Field shall be cleaned up to the standard required for public open space and public use.

10. **Public Access Improvements:**

The parties shall determine in the Land Exchange Agreement the standards for the public access improvements. At a minimum, the public access improvements shall meet ADA standards.

11. **Obligation to Negotiate in Good Faith:**

The parties agree to use best efforts to timely negotiate the Land Exchange Agreement and to negotiate in good faith.

EXHIBIT H
STEAMSHOVEL SLOUGH PROPERTY

